

Ontario loss continuity

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at end of preceding taxation year			
Deduct: Listed personal property losses expired after seven taxation years			
Listed personal property losses at beginning of taxation year			
Current-year listed personal property loss			
Deduct – Request to carry back listed personal property loss to:			
First preceding taxation year to reduce listed personal property gains			
Second preceding taxation year to reduce listed personal property gains			
Third preceding taxation year to reduce listed personal property gains			
Listed personal property losses net of carryback			+
		Subtotal	=
Deduct:			
Amount applied against listed personal property gain			-
Other adjustments			-
Limited personal property losses - Closing balance			=

Year of origin	Non-capital losses *	Farm losses		Restricted farm losses	Listed personal property losses
2000/12/31					
2001/12/31	65,444				
2002/12/31	511,805				
2003/12/31	163,487				
2004/12/31	9,035				
Total	749,771				

Part 7 - Continuity of limited partnership losses

Partnership identifier		Losses at end of preceding taxation year	Losses transferred from amalgamation or windup of subsidiary	Current-year limited partnership loss	Limited partnership losses applied	Limited partnership losses closing balance
Total (enter this amount on line 754 of the CT23)						

Part 2 - Farm loss

Farm loss continuity by year							
Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
2000/12/31							
2001/12/31							
2002/12/31							
2003/12/31							
Totals							

Farm loss continuity and carry-back request

Farm losses at end of preceding taxation year

Losses expired after 10 years300-

Farm losses - beginning balance302=

Transfers from wind-up of wholly-owned subsidiary and amalgamation305+

Current year farm loss310

Deduct - Farm loss carry back to:

1st preceding taxation year against taxable income921

2nd preceding taxation year against taxable income922

3rd preceding taxation year against taxable income923

1st preceding taxation year against taxable dividends subject to Part IV tax931

2nd preceding taxation year against taxable dividends subject to Part IV tax932

3rd preceding taxation year against taxable dividends subject to Part IV tax933

Subtotal

Current year farm loss net of carry-back

Subtotal

Deduct:

Amount applied against taxable income (enter on line 334 of T2 return)330

Amount applied against dividends subject to Part IV tax335

Section 80 adjustments340

Other adjustments350

Farm losses - ending balance380=

Restricted farm loss continuity by year

Current year restricted farm loss

Restricted farm loss continuity and carry-back request

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**LIMITED PARTNERSHIP LOSSES****Schedule 4**

Current year limited partnership losses						
1	2	3	4	5	6	7
Partnership identifier	Fiscal period ending	Corporation's share of limited partnership loss	Corporation's at risk amount	Corp's share of partnership ITC, farming losses and resource expenses	Column 4 - 5 if negative, enter "0"	Current year limited partnership losses Column 3 - 6
600	602	604	606	608		620
Total (enter this amount on Schedule 1)						

Limited partnership losses from prior taxation years that may applied in the current year						
1	2	3	4	5	6	7
Partnership identifier	Fiscal period ending	Limited partnership losses at end of preceding taxation year	Corporation's at risk amount	Corp's share of partnership ITC, business/property losses & resource expenses	Column 4 - 5 if negative, enter "0"	Limited partnership losses that may be applied in the year The lesser of columns 3 and 6
630	632	634	636	638		650

Continuity of limited partnership losses that can be carried forward to future taxation years					
Partnership identifier	Losses at end of preceding taxation year	Losses transferred from amalgamation or wind-up of subsidiary	Current year limited partnership loss (from column 620)	Limited partnership losses applied (cannot exceed 650)	Limited partnership losses closing balance
660	662	664	670	675	680
Total (enter this amount on line 335 of the T2 return)					



Part 1 - Non-capital loss

Non-capital loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
2000/12/31							
2001/12/31	65,444						65,444
2002/12/31	236,734						236,734
2003/12/31					146,898		146,898
Totals	302,178				146,898		449,076

Current year non-capital loss

Net income (loss) for income tax purposes		(146,898)
Deduct:		
Net capital losses deducted in the year		
Taxable dividends deductible under sections 112, 113 or subsection 138(6)		
Amount of Part VI.1 tax deductible		
Amount deductible as prospector's and grubstaker's shares - Paragraph 110(1)(d.2)		
	Subtotal - if positive, enter "0"	(146,898)
Deduct: Section 110.5 - addition for foreign tax credits		
Add: Current year farm loss		
Current year non-capital loss (if positive, enter "0")		(146,898)

Non-capital loss continuity and carry-back request

Non-capital losses at end of preceding taxation year		302,178	
Losses expired after 7 years	100	-	
Non-capital losses - beginning balance	102	=	302,178
Transfers from wind-up of wholly-owned subsidiary and amalgamation			105 +
Current year non-capital loss from above	110	146,898	
Deduct - Non-capital loss carry back to:			
1st preceding taxation year against taxable income	901		
2nd preceding taxation year against taxable income	902		
3rd preceding taxation year against taxable income	903		
1st preceding taxation year against taxable dividends subject to Part IV tax	911		
2nd preceding taxation year against taxable dividends subject to Part IV tax	912		
3rd preceding taxation year against taxable dividends subject to Part IV tax	913		
Current year non-capital loss net of carryback		146,898	+ 146,898
		Subtotal	= 449,076
Deduct:			
Amount applied against taxable income (enter on line 331 of T2 return)	130		
Amount applied against dividends subject to Part IV tax	135		
Section 80 adjustments	140		
Other adjustments	150		
Non-capital losses - ending balance			180 = 449,076

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator	190 <input type="checkbox"/> Yes
Loss from a wholly-owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year.	

Farm loss continuity by year

Farm loss continuity and carry-back request

380 = _____

Restricted farm loss continuity by year

Current year restricted farm loss

8.750

Restricted farm losses - ending balance

Canada Customs
and Revenue AgencyAgence des douanes
et du revenu du Canada**LIMITED PARTNERSHIP LOSSES****Schedule 4**

Current year limited partnership losses						
1	2	3	4	5	6	7
Partnership identifier	Fiscal period ending	Corporation's share of limited partnership loss	Corporation's at risk amount	Corp's share of partnership ITC, farming losses and resource expenses	Column 4 - 5 if negative, enter "0"	Current year limited partnership losses Column 3 - 6
600	602	604	606	608		620
Total (enter this amount on Schedule 1)						

Limited partnership losses from prior taxation years that may applied in the current year						
1	2	3	4	5	6	7
Partnership identifier	Fiscal period ending	Limited partnership losses at end of preceding taxation year	Corporation's at risk amount	Corp's share of partnership ITC, business/property losses & resource expenses	Column 4 - 5 if negative, enter "0"	Limited partnership losses that may be applied in the year The lesser of columns 3 and 6
630	632	634	636	638		650

Continuity of limited partnership losses that can be carried forward to future taxation years					
Partnership identifier	Losses at end of preceding taxation year	Losses transferred from amalgamation or wind-up of subsidiary	Current year limited partnership loss (from column 620)	Limited partnership losses applied (cannot exceed 650)	Limited partnership losses closing balance
660	662	664	670	675	680
Total (enter this amount on line 335 of the T2 return)					

Non-capital loss continuity by year

Current year non-capital loss

(217,381)

913

150

282,825

Loss from a wholly-owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year.

West Perth Power Inc.
Tax Return Adjustments Required

	2002	2003	2004
S(1) Add back required for Statutory Assets	23,473	317,897	380,707
S(1) Deduction required for Statutory Assets	(317,897)	(380,707)	(360,983)
Total (increase) decrease to loss	<u>(294,424)</u>	<u>(62,810)</u>	<u>19,724</u>
Opening Balance of Loss Carryforward	65,444	577,249	740,736
Loss for the year as filed	217,381	100,677	28,759
Adjustment required - regulatory assets	294,424	62,810	(19,724)
Adjustment required - CCA claim			
Adjusted ending Loss Carryforward Balance	<u>577,249</u>	<u>740,736</u>	<u>749,771</u>
Loss applicable to current year	511,805	163,487	9,035

2002 Amended

Canada Customs
and Revenue AgencyAgence des douanes
et du revenu du Canada**NET INCOME (LOSS) FOR INCOME TAX PURPOSES****Schedule 1**

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.

Net income (loss) after taxes and extraordinary items per financial statements **A** (88,697)**Add:**

Amortization of tangible assets	104	148,933	
Income/loss for tax purposes - joint ventures/partnerships	109	1,754	
Total of fields 201 to 294	199	23,473	
Total of fields 101 to 199	500	174,160	174,160

Deduct:

Capital cost allowance - Schedule 8	403	279,371	
Total of fields 300 to 394	499	317,897	
Total of fields 401 to 499	510	597,268	597,268

Net income (loss) for income tax purposes (enter on line 300 of the T2 return) (511,805)**Add:****Other additions:**

603 Regulatory Assets - Opening 2001 Closing	293	23,473	
Total of fields 201 to 294 (Enter this amount at line 199)		23,473	

Deduct:**Other deductions:**

702 Regulatory Assets - Closed 2002 Closing	392	317,897	
Total of fields 300 to 394 (Enter this amount at line 499)		317,897	

**Part 1 - Non-capital loss****Non-capital loss continuity by year**

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
2000/12/31							
2001/12/31	65,444						65,444
2002/12/31					511,805		511,805
Totals	65,444				511,805		577,249

Current year non-capital loss

Net income (loss) for income tax purposes	(511,805)
Deduct:	
Net capital losses deducted in the year	
Taxable dividends deductible under sections 112, 113 or subsection 138(6)	
Amount of Part VI.1 tax deductible	
Amount deductible as prospector's and grubstaker's shares - Paragraph 110(1)(d.2)	
Subtotal - if positive, enter "0"	(511,805)
Deduct: Section 110.5 - addition for foreign tax credits	
Add: Current year farm loss	
Current year non-capital loss (if positive, enter "0")	(511,805)

Non-capital loss continuity and carry-back request

Non-capital losses at end of preceding taxation year	65,444	
Losses expired after 7 years	100 -	
Non-capital losses - beginning balance	102 =	65,444
Transfers from wind-up of wholly-owned subsidiary and amalgamation		105 +
Current year non-capital loss from above	110	511,805
Deduct - Non-capital loss carry back to:		
1st preceding taxation year against taxable income	901	
2nd preceding taxation year against taxable income	902	
3rd preceding taxation year against taxable income	903	
1st preceding taxation year against taxable dividends subject to Part IV tax	911	
2nd preceding taxation year against taxable dividends subject to Part IV tax	912	
3rd preceding taxation year against taxable dividends subject to Part IV tax	913	
Current year non-capital loss net of carryback		511,805
	Subtotal	+ 511,805
		= 577,249
Deduct:		
Amount applied against taxable income (enter on line 331 of T2 return)	130	
Amount applied against dividends subject to Part IV tax	135	
Section 80 adjustments	140	
Other adjustments	150	
Non-capital losses - ending balance		180 = 577,249

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator **190** ☐ Yes
 Loss from a wholly-owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year.

NON-CAPITAL LOSS CONTINUITY AND CARRY BACK

Part 2 - Farm loss

Farm loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
2000/12/31							
2001/12/31							
2002/12/31							
Totals							

Farm loss continuity and carry-back request

Farm losses at end of preceding taxation year			
Losses expired after 10 years	300	-	
Farm losses - beginning balance	302	=	
Transfers from wind-up of wholly-owned subsidiary and amalgamation			305 +
Current year farm loss	310		
Deduct - Farm loss carry back to:			
1st preceding taxation year against taxable income	921		
2nd preceding taxation year against taxable income	922		
3rd preceding taxation year against taxable income	923		
1st preceding taxation year against taxable dividends subject to Part IV tax	931		
2nd preceding taxation year against taxable dividends subject to Part IV tax	932		
3rd preceding taxation year against taxable dividends subject to Part IV tax	933		
	Subtotal		
Current year farm loss net of carry-back			+
		Subtotal	=
Deduct:			
Amount applied against taxable income (enter on line 334 of T2 return)	330		
Amount applied against dividends subject to Part IV tax	335		
Section 80 adjustments	340		
Other adjustments	350		
			-
Farm losses - ending balance			380 =

Restricted farm loss continuity by year

Current year restricted farm loss

Restricted farm loss continuity and carry-back request

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Schedule 4

Ontario non-capital loss continuity

Part 1: Non-capital loss

Non-capital loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
2000/12/31							
2001/12/31	65,444						65,444
2002/12/31					511,805		511,805
Totals	65,444				511,805		577,249

Current year non-capital loss

Net income (loss) for Ontario tax purposes		(511,805)
Deduct:		
Net capital losses deducted in the year		
Taxable dividends deductible under sections 112, 113 or subsection 138(6)		
Amount of Part VI.1 tax deductible		
	Subtotal - if positive, enter "0"	(511,805)
Deduct: Section 110.5 - addition for foreign tax credits		
Add: Current year farm loss		
Current year non-capital loss (if positive, enter "0")		(511,805)

Non-capital loss continuity and carry-back request

Non-capital losses at end of preceding taxation year	65,444	
Losses expired after 7 years	-	
Non-capital losses - beginning balance	= 65,444	65,444
Transfers from wind-up of wholly-owned subsidiary and amalgamation		+
Current year non-capital loss from above	511,805	
Deduct - Non-capital loss carry back to:		
1st preceding taxation year against taxable income		
2nd preceding taxation year against taxable income		
3rd preceding taxation year against taxable income		
Current year non-capital loss net of carryback	511,805	+ 511,805
	Subtotal	= 577,249
Deduct:		
Amount applied against taxable income (enter on line 704 of the CT23)		
Section 80 adjustments		
Other adjustments		
Non-capital losses - ending balance		= 577,249

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Schedule 4

Ontario non-capital loss continuity

Part 2 - Farm loss

Farm loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
2000/12/31							
2001/12/31							
2002/12/31							
Totals							

Farm loss continuity and carry-back request

Farm losses at end of preceding taxation year			
Losses expired after 10 years		-	
Farm losses - beginning balance		=	
Transfers from wind-up of wholly-owned subsidiary and amalgamation			+
Current year farm loss			
Deduct - Farm loss carry back to:			
1st preceding taxation year against taxable income			
2nd preceding taxation year against taxable income			
3rd preceding taxation year against taxable income			
	Subtotal		
Current year farm loss net of carry-back			+
		Subtotal	=
Deduct:			
Amount applied against taxable income (enter on line 724 of the CT23)			
Section 80 adjustments			
Other adjustments			
			-
Farm losses - ending balance			=

Ontario non-capital loss continuity

Restricted farm loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
2000/12/31							
2001/12/31							
2002/12/31							
Totals							

Net loss from farming business

Net loss from above

\$2,500 plus 1/2 (A - \$2,500)

Maximum deduction

Deductible farm loss (lesser of A, B, and C)

Current year restricted farm loss

A

B

C

2.500

8 750

Restricted farm losses at end of preceding taxation year

Losses expired after 10 years

Restricted farm losses - beginning balance

Transfers from wind-up of wholly-owned subsidiary and amalgamation

Current year restricted farm loss

Deduct - Restricted farm loss carry back to:

1st preceding taxation year against farming income

2nd preceding taxation year against farming income

3rd preceding taxation year against farming income

Current year restricted farm loss net of carry-back

Deduct:

Amount applied against taxable income (enter on line 734 of the CT23)

Section 80 adjustments

Other adjustments

Restricted farm losses - ending balance

Amended 2003Canada Customs
and Revenue AgencyAgence des douanes
et du revenu du Canada**NET INCOME (LOSS) FOR INCOME TAX PURPOSES****Schedule 1**

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.

Net income (loss) after taxes and extraordinary items per financial statements **A** (4,772)**Add:**

Amortization of tangible assets	104	157,312	
Total of fields 201 to 294	199	317,897	
Total of fields 101 to 199	500	475,209	▶ 475,209

Deduct:

Capital cost allowance - Schedule 8	403	253,217	
Total of fields 300 to 394	499	380,707	
Total of fields 401 to 499	510	633,924	▶ 633,924

Net income (loss) for income tax purposes (enter on line 300 of the T2 return) (163,487)

Add:**Other additions:**

603 Regulatory Assets - Opening	2002	CLAIMING	293	317,897
Total of fields 201 to 294 (Enter this amount at line 199)				<u>317,897</u>

Deduct:**Other deductions:**

702 Regulatory Assets - Closed	2003	CLAIMING	392	380,707
Total of fields 300 to 394 (Enter this amount at line 499)				<u>380,707</u>

Part 1 - Non-capital loss**Non-capital loss continuity by year**

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
2000/12/31							
2001/12/31	65,444						65,444
2002/12/31	511,805						511,805
2003/12/31					163,487		163,487
Totals	577,249				163,487		740,736

Current year non-capital loss

Net income (loss) for income tax purposes	(163,487)
Deduct:	
Net capital losses deducted in the year	
Taxable dividends deductible under sections 112, 113 or subsection 138(6)	
Amount of Part VI.1 tax deductible	
Amount deductible as prospector's and grubstaker's shares - Paragraph 110(1)(d.2)	
Subtotal - if positive, enter "0"	(163,487)
Deduct: Section 110.5 - addition for foreign tax credits	
Add: Current year farm loss	
Current year non-capital loss (if positive, enter "0")	(163,487)

Non-capital loss continuity and carry-back request

Non-capital losses at end of preceding taxation year	577,249		
Losses expired after 7 years	100 -		
Non-capital losses - beginning balance	102 =	577,249	577,249
Transfers from wind-up of wholly-owned subsidiary and amalgamation		105 +	
Current year non-capital loss from above	110	163,487	
Deduct - Non-capital loss carry back to:			
1st preceding taxation year against taxable income	901		
2nd preceding taxation year against taxable income	902		
3rd preceding taxation year against taxable income	903		
1st preceding taxation year against taxable dividends subject to Part IV tax	911		
2nd preceding taxation year against taxable dividends subject to Part IV tax	912		
3rd preceding taxation year against taxable dividends subject to Part IV tax	913		
Current year non-capital loss net of carryback		163,487	+
		Subtotal	=
			740,736
Deduct:			
Amount applied against taxable income (enter on line 331 of T2 return)	130		
Amount applied against dividends subject to Part IV tax	135		
Section 80 adjustments	140		
Other adjustments	150		
Non-capital losses - ending balance			180 =
			740,736

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator **190** ☐ Yes
 Loss from a wholly-owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year.

Farm loss continuity by year

Farm loss continuity and carry-back request

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Restricted farm loss continuity by year

Current year restricted farm loss

Restricted farm loss continuity and carry-back request

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Schedule 4

Ontario non-capital loss continuity

Part 1: Non-capital loss

Non-capital loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
2000/12/31							
2001/12/31	65,444						65,444
2002/12/31	511,805						511,805
2003/12/31					163,487		163,487
Totals	577,249				163,487		740,736

Current year non-capital loss

Net income (loss) for Ontario tax purposes		(163,487)
Deduct:		
Net capital losses deducted in the year		
Taxable dividends deductible under sections 112, 113 or subsection 138(6)		
Amount of Part VI.1 tax deductible		
	Subtotal - if positive, enter "0"	(163,487)
Deduct: Section 110.5 - addition for foreign tax credits		
Add: Current year farm loss		
Current year non-capital loss (if positive, enter "0")		(163,487)

Non-capital loss continuity and carry-back request

Non-capital losses at end of preceding taxation year	577,249	
Losses expired after 7 years	-	
Non-capital losses - beginning balance	= 577,249	577,249
Transfers from wind-up of wholly-owned subsidiary and amalgamation		+
Current year non-capital loss from above	163,487	
Deduct - Non-capital loss carry back to:		
1st preceding taxation year against taxable income		
2nd preceding taxation year against taxable income		
3rd preceding taxation year against taxable income		
Current year non-capital loss net of carryback	163,487	+ 163,487
	Subtotal	= 740,736
Deduct:		
Amount applied against taxable income (enter on line 704 of the CT23)		
Section 80 adjustments		
Other adjustments		
Non-capital losses - ending balance		= 740,736

Ontario non-capital loss continuity

Farm loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
2000/12/31							
2001/12/31							
2002/12/31							
2003/12/31							
Totals							

Farm loss continuity and carry-back request

Farm losses at end of preceding taxation year			
Losses expired after 10 years	-		
Farm losses - beginning balance	=		
Transfers from wind-up of wholly-owned subsidiary and amalgamation			+
Current year farm loss			
Deduct - Farm loss carry back to:			
1st preceding taxation year against taxable income			
2nd preceding taxation year against taxable income			
3rd preceding taxation year against taxable income			
	Subtotal		
Current year farm loss net of carry-back			+
		Subtotal	=
Deduct:			
Amount applied against taxable income (enter on line 724 of the CT23)			
Section 80 adjustments			
Other adjustments			
			-
Farm losses - ending balance			=

OS4N
Schedule 4

Ontario non-capital loss continuity

Part 3 - Restricted farm loss

Restricted farm loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
2000/12/31							
2001/12/31							
2002/12/31							
2003/12/31							
Totals							

Current year restricted farm loss

Net loss from farming business		
Deductible farm loss:		
Net loss from above	A	
\$2,500 plus 1/2 (A - \$2,500)	B	2,500
Maximum deduction	C	8,750
Deductible farm loss (lesser of A, B, and C)		-
Current year restricted farm loss		

Restricted farm loss continuity and carry-back request

Restricted farm losses at end of preceding taxation year		
Losses expired after 10 years	-	
Restricted farm losses - beginning balance	=	
Transfers from wind-up of wholly-owned subsidiary and amalgamation		+
Current year restricted farm loss		
Deduct - Restricted farm loss carry back to:		
1st preceding taxation year against farming income		
2nd preceding taxation year against farming income		
3rd preceding taxation year against farming income		
Current year restricted farm loss net of carry-back		+
Deduct:		
Amount applied against taxable income (enter on line 734 of the CT23)		
Section 80 adjustments		
Other adjustments		
Restricted farm losses - ending balance		=

2004 Amended

Canada Revenue Agency
Agence du revenu
du Canada**NET INCOME (LOSS) FOR INCOME TAX PURPOSES****Schedule 1**

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.

Net income (loss) after taxes and extraordinary items per financial statements **A** 44,050

Add:

Amortization of tangible assets	104	158,217	
Total of fields 201 to 294	199	380,707	
Total of fields 101 to 199	500	538,924	▶ 538,924

Deduct:

Capital cost allowance - Schedule 8	403	231,026	
Total of fields 300 to 394	499	360,983	
Total of fields 401 to 499	510	592,009	▶ 592,009

Net income (loss) for income tax purposes (enter on line 300 of the T2 return) (9,035)

Add:**Other additions:**

603 Regulatory Assest - Opening <i>2003 Closing</i>	293	380,707	
Total of fields 201 to 294 (Enter this amount at line 199)		380,707	

Deduct:**Other deductions:**

702 Regulatory Assets - Closing <i>2004 Closing</i>	392	360,983	
Total of fields 300 to 394 (Enter this amount at line 499)		360,983	



Driving growth

BDO Dunwoody LLP
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and Advisors

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YOUR COPY

November 6, 2006

Ontario Ministry of Finance
33 King Street West
Oshawa ON L1H 8H5

Attention: Mr. Lane Singh, Manager Desk Audit

Dear Mr. Singh

Re: West Perth Power Inc.
Adjustments to Hydro Successor return

Attached are amended S(1) and S(4) for the above noted corporation's 2002, 2003 and 2004 taxation years.

When the returns were originally filed, an error was made with respect to the regulatory assets. The effects of adjustments made in the financial statements, as required by the Ontario Energy Board, were not backed out for tax purposes through the S(1). These amended forms correct this error.

Also attached is a spreadsheet which summarizes the effects of these changes on the carry forward balances of the corporation. Because the corporation reported losses in each year and, after these amendments, continues to report losses in each year, there is no impact on income tax.

If you require further information, please contact Allison Karl of our Woodstock office at 519-539-2081.

Yours truly,

BDO DUNWOODY LLP

Mervyn Dietz, CMA

Encl.

Corporation loss continuity and application**Part 2 – Capital losses****Continuity of capital losses and request for a carryback**

Capital losses at end of preceding taxation year	200	
Capital losses transferred on an amalgamation or the windup of a subsidiary corporation	205	
Current-year capital loss (from Schedule 6 calculation)	210	
Add:		
Allowable business investment loss expired as a non-capital loss	x 4/3	220
		Subtotal
Deduct:		
Amount applied against current-year capital gain (see Note 1)	225	
Section 80 - Adjustments for forgiven amounts	240	
Other adjustments	250	
Deduct - Request to carry back capital loss to: (see Note 2)		
First preceding taxation year	951	
Second preceding taxation year	952	
Third preceding taxation year	953	
Capital losses - Closing balance		280

Note 1

On line 332 of the T2 return, enter the amount from line 225 multiplied by 50%.

Note 2

Enter on lines 225, 951, 952, or 953, whichever applies, the actual amount of the loss. At the time of the application of the loss carryback, the net capital loss amount will be calculated at the inclusion rate of the year to which the net capital loss is applied.

Part 3 – Farm losses**Continuity of farm losses and request for a carryback**

Farm losses at end of preceding taxation year		
Deduct: Farm loss expired after 10 taxation years	300	
Farm losses at beginning of taxation year	302	
Add: Farm losses transferred on an amalgamation or the windup of a subsidiary corporation	305	
Current-year farm loss	310	
Deduct:		
Amount applied against taxable income (enter on line 334 of T2 return)	330	
Amount applied against taxable dividends subject to Part IV tax	335	
Section 80 - Adjustments for forgiven amounts	340	
Other adjustments	350	
Deduct - Request to carry back farm loss to:		
First preceding taxation year to reduce taxable income	921	
Second preceding taxation year to reduce taxable income	922	
Third preceding taxation year to reduce taxable income	923	
First preceding taxation year to reduce taxable dividends subject to Part IV tax	931	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	932	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	933	
Farm losses - Closing balance		380

Corporation loss continuity and application**Part 4 – Restricted farm losses****Current-year restricted farm loss**

Total losses for the year from farming business

485 A**Minus** the deductible farm loss:

\$2,500 plus B or C, whichever is less

(Amount A above – \$2,500) divided by 2

Maximum

B

6,250 C

Deductible farm loss

Current-year restricted farm loss (enter this amount on line 410)**Continuity of restricted farm losses and request for a carryback**

Restricted farm losses at end of preceding taxation year

Deduct: Restricted farm loss expired after 10 taxation years400

Restricted farm losses at beginning of taxation year

402 **Add:** Restricted farm losses transferred on an amalgamation or the windup of a subsidiary corporation405

Current-year restricted farm loss (enter on line 233 of Schedule 1)

410 **Deduct:**

Amount applied against farming income (enter on line 333 of T2 return)

430

Section 80 – Adjustments for forgiven amounts

440

Other adjustments

450 **Deduct – Request to carry back restricted farm loss to:**

First preceding taxation year to reduce farming income

941

Second preceding taxation year to reduce farming income

942

Third preceding taxation year to reduce farming income

943 **Restricted farm losses - Closing balance**480 **Note**

The total losses for the year from all farming businesses are calculated without including scientific research expenses.

Part 5 – Listed personal property losses**Continuity of listed personal property loss and request for a carryback**

Listed personal property losses at end of preceding taxation year

Deduct: Listed personal property losses expired after seven taxation years500

Listed personal property losses at beginning of taxation year

502 **Add:** Current-year listed personal property loss (from Schedule 6)510

Subtotal

Deduct:

Amount applied against listed personal property gain (enter on line 655 of Schedule 6)

530

Other adjustments

550 **Deduct – Request to carry back listed personal property loss to:**

First preceding taxation year to reduce listed personal property gains

961

Second preceding taxation year to reduce listed personal property gains

962

Third preceding taxation year to reduce listed personal property gains

963 **Listed personal property losses - Closing balance**580

Corporation loss continuity and application**Part 6 – Analysis of balance of losses by year of origin**

Year of origin	Non-capital losses *	Farm losses	Restricted farm losses	Listed personal property losses
2000/12/31				
2001/12/31	65,444			
2002/12/31	511,805			
2003/12/31	163,487			
2004/12/31	9,035			
2005/12/31	148,044			
Total	897,815			

* The carryforward period for non-capital losses arising in a taxation year ending after March 22, 2004, is changed from 7 to 10 taxation years.

Part 7 – Limited partnership losses

Current-year limited partnership losses						
1 Partnership identifier	2 Fiscal period ending	3 Corporation's share of limited partnership loss	4 Corporation's at risk amount	5 Corp's share of partnership ITC, farming losses and resource expenses	6 Column 4 - 5 If negative, enter "0"	7 Current-year limited partnership losses Column 3 - 6
600	602	604	606	608		620
Total (enter this amount on line 222 of Schedule 1)						

Limited partnership losses from prior taxation years that may applied in the current year						
1 Partnership identifier	2 Fiscal period ending	3 Limited partnership losses at end of preceding taxation year	4 Corporation's at risk amount	5 Corp's share of partnership ITC, business or property losses and resource expenses	6 Column 4 - 5 if negative, enter "0"	7 Limited partnership losses that may be applied in the year The lesser of columns 3 and 6
630	632	634	636	638		650

Continuity of limited partnership losses that can be carried forward to future taxation years						
Partnership identifier	Losses at end of preceding taxation year	Losses transferred from amalgamation or windup of subsidiary	Current year limited partnership losses (from column 620)	Limited partnership losses applied (cannot exceed 650)	Limited partnership losses closing balance (662+664+670-675)	
660	662	664	670	675	680	
Total (enter this amount on line 335 of the T2 return)						

**CORPORATION LOSS CONTINUITY AND APPLICATION**
(2000 and later taxation years)

- For use by a corporation to determine the continuity and use of available losses; to determine the current-year non-capital loss, farm loss, restricted farm loss, and limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that may be applied in a year; and to request a loss carryback to prior years.
- The corporation can choose whether or not to deduct an available loss from income in a taxation year. It can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- For information on these losses, see the *T2 Corporation Income Tax Guide*.
- File one completed copy of this schedule with the T2 return, or send it by itself to the tax centre where the return is filed.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act*.

Part 1 – Non-capital losses**Determination of current-year non-capital loss**

Net income (loss) for income tax purposes		(148,044)
Deduct: (increase a loss)		
Net capital losses deducted in the year (enter as a positive amount)		
Taxable dividends deductible under sections 112, 113 or subsection 138(6)		
Amount of Part VI.1 tax deductible		
Amount deductible as prospector's and grubstaker's shares - Paragraph 110(1)(d.2)		
	Subtotal (if positive, enter "0")	(148,044)
Deduct: (increase a loss)		
Section 110.5 and/or subparagraph 115(1)(a)(vii) - Addition for foreign tax deductions		
Add: (decrease a loss)	Subtotal	(148,044)
Current-year farm loss		
Current-year non-capital loss (if positive, enter "0")		(148,044)

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of preceding taxation year	749,771	
Deduct: Non-capital loss expired *	100	
Non-capital losses at beginning of taxation year	102	749,771
Add: Non-capital losses transferred on an amalgamation or the windup of a subsidiary corporation	105	
Current-year non-capital loss (from calculation above)	110	148,044
		897,815
Deduct:		
Amount applied against taxable income (enter on line 331 of the T2 return)	130	
Amount applied against taxable dividends subject to Part IV tax	135	
Section 80 - Adjustments for forgiven amounts	140	
Other adjustments	150	
Deduct - Request to carry back non-capital loss to:		
First preceding taxation year to reduce taxable income	901	
Second preceding taxation year to reduce taxable income	902	
Third preceding taxation year to reduce taxable income	903	
First preceding taxation year to reduce taxable dividends subject to Part IV tax	911	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	912	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	913	
Non-capital losses - Closing balance	180	897,815

* A non-capital loss expires as follows:

- After 7 taxation years if it arose in a taxation year ending before March 23, 2004; or
- After 10 taxation years if it arose in a taxation year ending after March 22, 2004.

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator 190 ☐ Yes
 Loss from a wholly owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year.

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator

190

Yes

☐

Loss from a wholly owned subsidiary deemed to be a loss of the parent from its immediately previous tax year.

Part 2 - Capital losses

Continuity of capital losses and request for a carryback

Capital losses at the end of the previous tax year200

Capital losses transferred on the amalgamation or the wind-up of a subsidiary corporation205

Deduct:

Other adjustments (includes adjustments for an acquisition of control)250

Section 80 – Adjustments for forgiven amounts240

Add:

Current-year capital loss (from the calculation on Schedule 6)Subtotal210

Unused non-capital losses that expired in the tax year*
Allowable business investment losses (ABIL) that expired as non-capital losses in the tax year**
Enter amount from line A or B, whichever is less215

ABILs expired as non-capital loss:
line 215 divided by the inclusion rate***75.0000 %Subtotal220

Note: If there has been an amalgamation or a wind-up of a subsidiary, do a separate calculation of the ABIL expired as non-capital loss for each predecessor or subsidiary. Add all these amounts and enter the total at line 220 above.

Deduct: Amount applied against the current-year capital gain (see Note 1)225

Deduct – Request to carry back capital loss to (see Note 2):

Capital gain (100%)Amount carried back (100%)

First previous tax year951

Second previous tax year952

Third previous tax year953

Capital losses – Closing balance280

Note 1
Enter the amount from line 225 multiplied by 50% on line 332 of the T2 return.

Note 2
On lines 225, 951, 952, or 953, whichever applies, enter the actual amount of the loss. When the loss is applied, multiply this amount by the 50% inclusion rate.

- * Enter the losses from the 8th previous tax year if the losses were incurred in a tax year ending before March 23, 2004. Enter the losses from the 11th previous tax year if the losses were incurred in a tax year ending after March 22, 2004, and before 2006. Enter the losses from the 21st previous tax year if the losses were incurred in a tax year ending after 2005. Enter the part that was not used in previous years and the current year on line A.
- ** Enter the losses from the 8th previous tax year if the losses were incurred in a tax year ending before March 23, 2004. Enter the losses from the 11th previous tax year if the losses were incurred in a tax year ending after March 22, 2004. Enter the full amount on line B.
- *** This inclusion rate is the rate used to calculate your ABIL referred to at line B. Therefore, use one of the following inclusion rates, whichever applies:
- For ABILs incurred in the 1999 and previous tax years, use 0.75.
 - For ABILs incurred in the 2000 and 2001 tax years, the inclusion rate is equal to amount M on Schedule 6 - version T2SCH6(01).
 - For ABILs incurred in the 2002 and later tax years, use 0.50.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback	
Farm losses at the end of the previous tax year	
Deduct: Farm loss expired *	300
Farm losses at the beginning of the tax year	302
Add: Farm losses transferred on the amalgamation or the wind-up of a subsidiary corporation	305
Current-year farm loss	310
Deduct:	
Other adjustments (includes adjustments for an acquisition of control)	350
Section 80 – Adjustments for forgiven amounts	340
Amount applied against taxable income (enter on line 334 of the T2 return)	330
Amount applied against taxable dividends subject to Part IV tax	335
	Subtotal
Deduct – Request to carry back farm loss to:	
First previous tax year to reduce taxable income	921
Second previous tax year to reduce taxable income	922
Third previous tax year to reduce taxable income	923
First previous tax year to reduce taxable dividends subject to Part IV tax	931
Second previous tax year to reduce taxable dividends subject to Part IV tax	932
Third previous tax year to reduce taxable dividends subject to Part IV tax	933
Farm losses – Closing balance	380

* A farm loss expires as follows:

- After 10 tax years if it arose in a tax year ending before 2006; or
- After 20 tax years if it arose in a tax year ending after 2005.

Part 4 – Restricted farm losses

Current-year restricted farm loss	
Total losses for the year from farming business	485 C
Minus the deductible farm loss:	
\$2,500 plus D or E, whichever is less	\$ 2,500
(Amount C above – \$2,500) divided by 2 =	D
	\$ 6,250 E
Current-year restricted farm loss (amount C minus amount F) (enter this amount on line 410)	2,500 F

Continuity of restricted farm losses and request for a carryback	
Restricted farm losses at the end of the previous tax year	
Deduct: Restricted farm loss expired *	400
Restricted farm losses at the beginning of the tax year	402
Add: Restricted farm losses transferred on the amalgamation or the wind-up of a subsidiary corporation	405
Current-year restricted farm loss (enter on line 233 of Schedule 1)	410
Deduct:	
Amount applied against farming income (enter on line 333 of the T2 return)	430
Section 80 – Adjustments for forgiven amounts	440
Other adjustments	450
	Subtotal
Deduct – Request to carry back restricted farm loss to:	
First previous tax year to reduce farming income	941
Second previous tax year to reduce farming income	942
Third previous tax year to reduce farming income	943
Restricted farm losses – Closing balance	480
Note	
The total losses for the year from all farming businesses are calculated without including scientific research expenses.	

* A restricted farm loss expires as follows:

- After 10 tax years if it arose in a tax year ending before 2006; or
- After 20 tax years if it arose in a tax year ending after 2005.

Part 5 – Listed personal property losses

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at the end of the previous tax year	.....	
Deduct: Listed personal property loss expired after seven tax years	.....	500	
Listed personal property losses at the beginning of the tax year	.....	502	
Add: Current-year listed personal property loss (from Schedule 6)	.....	510	
		Subtotal	
Deduct:			
Amount applied against listed personal property gains (enter on line 655 of Schedule 6)	.....	530	
Other adjustments	.....	550	
		Subtotal	
Deduct – Request to carry back listed personal property loss to:			
First previous tax year to reduce listed personal property gains	.....	961	
Second previous tax year to reduce listed personal property gains	.....	962	
Third previous tax year to reduce listed personal property gains	963	
Listed personal property losses – Closing balance	580	

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Part 7 – Limited partnership losses

Current-year limited partnership losses						
1	2	3	4	5	6	7
Partnership identifier	Fiscal period ending	Corporation's share of limited partnership loss	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses	Column 4 minus column 5 (if negative, enter "0")	Current-year limited partnership losses (column 3 - 6)
600	602	604	606	608		620
Total (enter this amount on line 222 of Schedule 1)						

Limited partnership losses from prior tax years that may be applied in the current year						
1	2	3	4	5	6	7
Partnership identifier	Fiscal period ending	Limited partnership losses at the end of the previous tax year	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses	Column 4 minus column 5 (if negative, enter "0")	Limited partnership losses that may be applied in the year. (the lesser of columns 3 and 6)
630	632	634	636	638		650

Continuity of limited partnership losses that can be carried forward to future tax years					
Partnership identifier	Limited partnership losses at the end of the previous tax year	Limited partnership losses transferred on an amalgamation or the wind-up of a subsidiary	Current-year limited partnership losses (from column 620)	Limited partnership losses applied (cannot exceed column 650)	Limited partnership losses closing balance (662 + 664 + 670 - 675)
660	662	664	670	675	680
Total (enter this amount on line 335 of the T2 return)					

Non-Capital Loss Continuity Workchart

Part 6 – Analysis of balance of losses by year of origin

Non-capital losses							
Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A				N/A		
2007		N/A		N/A			
2006		N/A		N/A			
2005	148,044	N/A		N/A	28,410		119,634
2004	9,035	N/A		N/A	9,035		
2003	47,974	N/A		N/A	47,974		
2002		N/A		N/A			
2001		N/A		N/A			*
Total	205,053				85,419		119,634

Farm losses							
Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A				N/A		
2007		N/A		N/A			
2006		N/A		N/A			
2005		N/A		N/A			
2004		N/A		N/A			
2003		N/A		N/A			
2002		N/A		N/A			
2001		N/A		N/A			
2000		N/A		N/A			
		N/A		N/A			
		N/A		N/A			*
Total							

Restricted farm losses							
Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A				N/A	N/A	
2007		N/A		N/A		N/A	
2006		N/A		N/A		N/A	
2005		N/A		N/A		N/A	
2004		N/A		N/A		N/A	
2003		N/A		N/A		N/A	
2002		N/A		N/A		N/A	
2001		N/A		N/A		N/A	
2000		N/A		N/A		N/A	
		N/A		N/A		N/A	
		N/A		N/A		N/A	*
Total						N/A	

* This balance expires this year and will not be available next year.

CORPORATION LOSS CONTINUITY AND APPLICATION

Name of corporation	Business Number	Tax year-end Year Month Day
West Perth Power Inc.	86922 9377 RC0001	2008-12-31

- This form is used to determine the continuity and use of available losses; to determine the current-year non-capital loss, farm loss, restricted farm loss, and limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that may be applied in a year; and to request a loss carryback to previous years.
- The corporation can choose whether or not to deduct an available loss from income in a tax year. It can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- According to subsection 111(4) of the *Income Tax Act*, when control has been acquired, no amount of capital loss incurred for a tax year ending (TYE) before that time is deductible in computing taxable income in a TYE after that time **and** no amount of capital loss incurred in a TYE after that time is deductible in computing taxable income of a TYE before that time.
- When control has been acquired, subsection 111(5) provides for similar treatment of non-capital and farm losses, except as listed in paragraphs 111(5)(a) and (b).
- For information on these losses, see the *T2 Corporation – Income Tax Guide*.
- File one completed copy of this schedule with the T2 return, or send it by itself to the tax centre where the return is filed.
- Parts, sections, subsections, paragraphs, and subparagraphs mentioned in this schedule refer to the *Income Tax Act*.

Part 1 – Non-capital losses

Determination of current-year non-capital loss	
Net income (loss) for income tax purposes	85,419
Deduct: (increase a loss)	
Net capital losses deducted in the year (enter as a positive amount)	
Taxable dividends deductible under sections 112, 113, or subsection 138(6)	
Amount of Part VI.1 tax deductible	
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)	
	Subtotal (if positive, enter "0")
Deduct: (increase a loss)	
Section 110.5 and/or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions	
	Subtotal
Add: (decrease a loss)	
Current-year farm loss	
Current-year non-capital loss (if positive, enter "0")	

Continuity of non-capital losses and request for a carryback	
Non-capital loss at the end of the previous tax year	205,053
Deduct: Non-capital loss expired *	100
Non-capital losses at the beginning of the tax year	102 205,053
Add: Non-capital losses transferred on the amalgamation or the wind-up of a subsidiary corporation	105
Current-year non-capital loss (from calculation above)	110 205,053
Deduct:	
Other adjustments (includes adjustments for an acquisition of control)	150
Section 80 – Adjustments for forgiven amounts	140
Subsection 111(10) – Adjustments for fuel tax rebate	
Deduct:	
Amount applied against taxable income (enter on line 331 of the T2 return)	130 85,419
Amount applied against taxable dividends subject to Part IV tax	135 85,419
	Subtotal 119,634
Deduct – Request to carry back non-capital loss to:	
First previous tax year to reduce taxable income	901
Second previous tax year to reduce taxable income	902
Third previous tax year to reduce taxable income	903
First previous tax year to reduce taxable dividends subject to Part IV tax	911
Second previous tax year to reduce taxable dividends subject to Part IV tax	912
Third previous tax year to reduce taxable dividends subject to Part IV tax	913
Non-capital losses – Closing balance	180 119,634

* A non-capital loss expires as follows:

- After 7 tax years if it arose in a tax year ending before March 23, 2004;
- After 10 tax years if it arose in a tax year ending after March 22, 2004, and before 2006; or
- After 20 tax years if it arose in a tax year ending after 2005.

An allowable business investment loss becomes a net capital loss as follows:

- After 7 tax years if it arose in a tax year ending before March 23, 2004;
- After 10 tax years if it arose in a tax year ending after March 22, 2004.

NON-CAPITAL LOSS CONTINUITY AND CARRY BACK

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator 190 ☐ Yes
Loss from a wholly-owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year.

Part 2 - Farm loss

Farm loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
2000/12/31							
2001/12/31							
2002/12/31							
Totals							

Farm loss continuity and carry-back request

Farm losses at end of preceding taxation year			
Losses expired after 10 years	300	-	
Farm losses - beginning balance	302	=	
Transfers from wind-up of wholly-owned subsidiary and amalgamation			305 +
Current year farm loss	310		
Deduct - Farm loss carry back to:			
1st preceding taxation year against taxable income	921		
2nd preceding taxation year against taxable income	922		
3rd preceding taxation year against taxable income	923		
1st preceding taxation year against taxable dividends subject to Part IV tax	931		
2nd preceding taxation year against taxable dividends subject to Part IV tax	932		
3rd preceding taxation year against taxable dividends subject to Part IV tax	933		
	Subtotal		
Current year farm loss net of carry-back			+
		Subtotal	=
Deduct:			
Amount applied against taxable income (enter on line 334 of T2 return)	330		
Amount applied against dividends subject to Part IV tax	335		
Section 80 adjustments	340		
Other adjustments	350		
			-
Farm losses - ending balance			380 =

Restricted farm loss continuity by year

Current year restricted farm loss

Restricted farm loss continuity and carry-back request

Page 3 of 3

**Part 1 - Non-capital loss****Non-capital loss continuity by year**

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
2000/12/31							
2001/12/31	65,444						65,444
2002/12/31					236,734		236,734
Totals	65,444				236,734		302,178

Current year non-capital loss

Net income (loss) for income tax purposes

(236,734)

Deduct:

Net capital losses deducted in the year

Taxable dividends deductible under sections 112, 113 or subsection 138(6)

Amount of Part VI.1 tax deductible

Amount deductible as prospector's and grubstaker's shares - Paragraph 110(1)(d.2)

Subtotal - if positive, enter "0"

(236,734)

Deduct: Section 110.5 - addition for foreign tax credits**Add:** Current year farm loss**Current year non-capital loss** (if positive, enter "0")

(236,734)

Non-capital loss continuity and carry-back request

Non-capital losses at end of preceding taxation year

65,444

Losses expired after 7 years

100 -

Non-capital losses - beginning balance

102 =

65,444

65,444

Transfers from wind-up of wholly-owned subsidiary and amalgamation

105 +

Current year non-capital loss from above

110

236,734

Deduct - Non-capital loss carry back to:

1st preceding taxation year against taxable income

901

2nd preceding taxation year against taxable income

902

3rd preceding taxation year against taxable income

903

1st preceding taxation year against taxable dividends subject to Part IV tax

911

2nd preceding taxation year against taxable dividends subject to Part IV tax

912

3rd preceding taxation year against taxable dividends subject to Part IV tax

913

Current year non-capital loss net of carryback

236,734

+

236,734

Subtotal

=

302,178

Deduct:

Amount applied against taxable income (enter on line 331 of T2 return)

130

Amount applied against dividends subject to Part IV tax

135

Section 80 adjustments

140

Other adjustments

150

Non-capital losses - ending balance

180 =

302,178



WEST PERTH POWER INC

Date of mailing
December 9, 2005
Business Number
86922 9377 RC0001
Taxation year-end
December 31, 2002

SUMMARY OF ASSESSMENT

Federal Tax:

	\$ Reported	\$ Assessed
Part I	0.00	0.00
Part I.3	0.00	0.00
Part II	0.00	0.00
Part IV	0.00	0.00
Part IV.1	0.00	0.00
Part VI	0.00	0.00
Part VI.1	0.00	0.00
Part XIII.1	0.00	0.00
Part XIV	0.00	0.00

Total Federal Tax:

\$ 0.00

Net balance: \$ 0.00

Result of this assessment: \$ 0.00

Prior balance: \$ 0.00

Total balance: \$ 0.00

Michel Dorais
Commissioner of Customs and Revenue

EXPLANATION

You are required to keep adequate records, including those produced electronically, either in French or in English within Canada. These records must provide sufficient details to determine tax obligations and entitlements and must be maintained at your place of business for a period of six years unless you obtain permission to dispose of them. If you have any questions concerning record keeping practices, please contact the nearest CRA tax services office.

Please visit our Web site at www.cra.gc.ca/requests-business for information about online requests available to business clients. This service allows clients to electronically request certain financial actions, additional remittance vouchers and other communication products, as well as reproductions of previously issued correspondence.

Did you know you may be eligible to file your return using our Corporation Internet Filing service. For information on eligibility criteria and the service in general, please visit www.cra.gc.ca/corporation-internet.

Any reference to the term "reporting period" on this notice has the same meaning as the term "taxation year." Both terms describe the period assessed. The term "taxation year" is defined in the *Income Tax Act*.

We calculate interest at rates prescribed by regulations.

HELP FOR PEOPLE WHO ARE DEAF

If you are deaf and have access to a Telephone Device for the Deaf (TDD), you can call toll-free for explanations and information about the corporation's tax return. This bilingual service is available year-round from Monday to Friday (except for statutory holidays). You can phone 1-800-665-0354 between 8:15 a.m. and 5:00 p.m. Eastern Time. When calling, please take into account any time zone differences.

FILING AN OBJECTION

If you do not agree with this assessment, you can file an objection. You can do this by sending either a letter or Form T400A, *Objection*, to the Chief of Appeals at your tax services office or tax centre.

You have to file an objection within 90 days of the day we mailed the *Notice of Assessment*.

For a large corporation (as defined in subsection 225.1(8) of the *Income Tax Act*), the notice of objection shall:

- reasonably describe each issue;
- specify the relief you are seeking, expressed as an amount of a change in balance (as defined in subsection 152(4.4) of the *Income Tax Act*) or a balance of undeducted outlays, expenses, or other amounts of the corporation; and
- provide facts and reasons the corporation relied on for each issue.

DETERMINING THE CORPORATION'S LOSSES

If you do not agree with the amount of loss ascertained, you can write to your tax services office requesting a determination of the loss. However, we will only issue a *Notice of Determination/Redetermination of a Loss* if the loss reported is revised at the initial assessing stage or as a result of a reassessment arising from an audit or other investigative action by the Department.

NORMAL REASSESSMENT PERIOD

This may be the only notice the corporation will receive for this taxation year. However, we may reassess a T2 return if an error is brought to our attention or if we find an error during our post-assessing reviews.

Generally, we will only reassess a T2 return within the "normal reassessment period." The normal reassessment period begins on the date of mailing the original *Notice of Assessment* or notification that no tax is payable. The period ends:

- three years from this date if the corporation is a Canadian-controlled private corporation; and
- four years from this date for all other corporations.

EXTENSIONS TO THE NORMAL REASSESSMENT PERIOD

We may also reassess a T2 return for a particular taxation year:

1. within one year after all rights of objection and appeal have expired for a preceding taxation year if:
 - the result of an assessment or a decision on an appeal will change the balance (as defined in subsection 152(4.4) of the *Income Tax Act*) of the preceding taxation year, and
 - the reassessment to the particular year is related to the balance adjusted in the preceding year.
2. within three years after the end of the normal reassessment period if:
 - you are carrying back a loss or credit from a later taxation year;
 - a non-arm's length transaction between the corporation and a non-resident affects the corporation's tax;
 - the corporation paid an amount or received a refund of foreign income or profits tax;
 - another taxpayer's reassessment for any of the above reasons affects the corporation's tax; or
 - another taxation year's reassessment (has to be a prior taxation year if the reassessment relates to a loss or credit carry-back) for any of the above reasons affects the corporation's tax.



CORPORATION NOTICE OF ASSESSMENT

Summerside PE C1N 5Z7

0001083

Page 1 of 6

WEST PERTH POWER INC
P. O. BOX 220
MITCHELL ON N0K 1N0

Date of mailing
December 9, 2005
Business Number
86922 9377 RC0001
Taxation year-end
December 31, 2004

RESULTS

This notice explains the results of our assessment of the T2 return for the taxation year indicated above. It also explains any changes we may have made to the return.

Result of this Assessment :	\$	0.00
Result of assessment for reporting		
period ending December 31, 2003 :	\$	0.00
Prior balance:	\$	0.00
	=====	
Total balance:	\$	0.00

Please refer to the Summary and Explanation for additional information.





WEST PERTH POWER INC

Date of mailing December 9, 2005
Business Number 86922 9377 RC0001
Taxation year-end December 31, 2004

SUMMARY OF ASSESSMENT

	\$ Reported	\$ Assessed
Federal Tax:		
Part I	0.00	0.00
Part I.3	0.00	0.00
Part II	0.00	0.00
Part IV	0.00	0.00
Part IV.1	0.00	0.00
Part VI	0.00	0.00
Part VI.1	0.00	0.00
Part XIII.1	0.00	0.00
Part XIV	0.00	0.00
		=====
Total Federal Tax:		\$ 0.00
		=====
	Net balance:	\$ 0.00
		=====
	Result of this assessment:	\$ 0.00
Result of assessment for reporting period ending December 31, 2003 :		\$ 0.00
	Prior balance:	\$ 0.00
		=====
	Total balance:	\$ 0.00

Michel Dorais
Commissioner of Customs and Revenue

EXPLANATION

We have revised the non-capital loss closing balance on Schedule 4, "Corporation Loss Continuity and Application," to \$412,261.00, to agree with our records.

You are required to keep adequate records, including those produced electronically, either in French or in English within Canada. These records must provide sufficient details to determine tax obligations and entitlements and must be maintained at your place of business for a period of six years unless you obtain permission to dispose of them. If you have any questions concerning record keeping practices, please contact the nearest CRA tax services office.

Please visit our Web site at www.cra.gc.ca/requests-business for information about online requests available to business clients. This service allows clients to electronically request certain financial actions, additional remittance vouchers and other communication products, as well as reproductions of previously issued correspondence.

Did you know you may be eligible to file your return using our Corporation Internet Filing service. For information on eligibility criteria and the service in general, please visit www.cra.gc.ca/corporation-internet.

Any reference to the term "reporting period" on this notice has the same meaning as the term "taxation year." Both terms describe the period assessed. The term "taxation year" is defined in the *Income Tax Act*.

We calculate interest at rates prescribed by regulations.

HELP FOR PEOPLE WHO ARE DEAF

If you are deaf and have access to a Telephone Device for the Deaf (TDD), you can call toll-free for explanations and information about the corporation's tax return. This bilingual service is available year-round from Monday to Friday (except for statutory holidays). You can phone 1-800-665-0354 between 8:15 a.m. and 5:00 p.m. Eastern Time. When calling, please take into account any time zone differences.

FILING AN OBJECTION

If you do not agree with this assessment, you can file an objection. You can do this by sending either a letter or Form T400A, *Objection*, to the Chief of Appeals at your tax services office or tax centre.

You have to file an objection within 90 days of the day we mailed the *Notice of Assessment*.

For a large corporation (as defined in subsection 225.1(8) of the *Income Tax Act*), the notice of objection shall:

- reasonably describe each issue;
- specify the relief you are seeking, expressed as an amount of a change in balance (as defined in subsection 152(4.4) of the *Income Tax Act*) or a balance of undeducted outlays, expenses, or other amounts of the corporation; and
- provide facts and reasons the corporation relied on for each issue.

DETERMINING THE CORPORATION'S LOSSES

If you do not agree with the amount of loss ascertained, you can write to your tax services office requesting a determination of the loss. However, we will only issue a *Notice of Determination/Redetermination of a Loss* if the loss reported is revised at the initial assessing stage or as a result of a reassessment arising from an audit or other investigative action by the Department.

NORMAL REASSESSMENT PERIOD

This may be the only notice the corporation will receive for this taxation year. However, we may reassess a T2 return if an error is brought to our attention or if we find an error during our post-assessing reviews.

Generally, we will only reassess a T2 return within the "normal reassessment period." The normal reassessment period begins on the date of mailing the original *Notice of Assessment* or notification that no tax is payable. The period ends:

- three years from this date if the corporation is a Canadian-controlled private corporation; and
- four years from this date for all other corporations.

EXTENSIONS TO THE NORMAL REASSESSMENT PERIOD

We may also reassess a T2 return for a particular taxation year:

1. within one year after all rights of objection and appeal have expired for a preceding taxation year if:
 - the result of an assessment or a decision on an appeal will change the balance (as defined in subsection 152(4.4) of the *Income Tax Act*) of the preceding taxation year, and
 - the reassessment to the particular year is related to the balance adjusted in the preceding year.
2. within three years after the end of the normal reassessment period if:
 - you are carrying back a loss or credit from a later taxation year;
 - a non-arm's length transaction between the corporation and a non-resident affects the corporation's tax;
 - the corporation paid an amount or received a refund of foreign income or profits tax;
 - another taxpayer's reassessment for any of the above reasons affects the corporation's tax; or
 - another taxation year's reassessment (has to be a prior taxation year if the reassessment relates to a loss or credit carry-back) for any of the above reasons affects the corporation's tax.



CORPORATION NOTICE OF ASSESSMENT

Summerside PE C1N 5Z7

0001086

Page 1 of 6

WEST PERTH POWER INC
P. O. BOX 220
MITCHELL ON N0K 1N0

Date of mailing
December 9, 2005
Business Number
86922 9377 RC0001
Taxation year-end
December 31, 2003

RESULTS

This notice explains the results of our assessment of the T2 return for the taxation year indicated above. It also explains any changes we may have made to the return.

Result of this Assessment : \$ 0.00

Please refer to the Summary and Explanation for additional information.

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WEST PERTH POWER INC

Date of mailing December 9, 2005
Business Number 86922 9377 RC0001
Taxation year-end December 31, 2003

SUMMARY OF ASSESSMENT

	\$ Reported	\$ Assessed
Federal Tax:		
Part I	0.00	0.00
Part I.3	0.00	0.00
Part II	0.00	0.00
Part IV	0.00	0.00
Part IV.1	0.00	0.00
Part VI	0.00	0.00
Part VI.1	0.00	0.00
Part XIII.1	0.00	0.00
Part XIV	0.00	0.00
		=====
Total Federal Tax:		\$ 0.00
		=====
	Net balance:	\$ 0.00
		=====
	Result of this assessment:	\$ 0.00

Michel Dorais
Commissioner of Customs and Revenue

EXPLANATION

We have revised the claim for undepreciated capital cost at the end of the year on Schedule 8, "Capital Cost Allowance (CCA)," for class 12 to \$331.00, to agree with our records.

We have revised the claim for undepreciated capital cost at the end of the year on Schedule 8, "Capital Cost Allowance (CCA)," for class 8 to \$375,811.00, to agree with our records.

We have revised the claim for undepreciated capital cost at the end of the year on Schedule 8, "Capital Cost Allowance (CCA)," for class 1 to \$3,843,613.00, to agree with our records.

We have revised the non-capital loss closing balance on Schedule 4, "Corporation Loss Continuity and Application," to \$383,502.00, to agree with our records.

You are required to keep adequate records, including those produced electronically, either in French or in English within Canada. These records must provide sufficient details to determine tax obligations and entitlements and must be maintained at your place of business for a period of six years unless you obtain permission to dispose of them. If you have any questions concerning record keeping practices, please contact the nearest CRA tax services office.

Please visit our Web site at www.cra.gc.ca/requests-business for information about online requests available to business clients. This service allows clients to electronically request certain financial actions, additional remittance vouchers and other communication products, as well as reproductions of previously issued correspondence.

Did you know you may be eligible to file your return using our Corporation Internet Filing service. For information on eligibility criteria and the service in general, please visit www.cra.gc.ca/corporation-internet.



CORPORATION NOTICE OF ASSESSMENT

Summerside PE C1N 5Z7

0001080

Page 1 of 6

WEST PERTH POWER INC
P. O. BOX 220
MITCHELL ON N0K 1N0

Date of mailing
December 9, 2005
Business Number
86922 9377 RC0001
Taxation year-end
December 31, 2002

RESULTS

This notice explains the results of our assessment of the T2 return for the taxation year indicated above. It also explains any changes we may have made to the return.

Result of this Assessment :	\$	0.00
Prior balance:	\$	0.00
	=====	
Total balance:	\$	0.00

Please refer to the Summary and Explanation for additional information.

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Corporation loss continuity and application**Part 2 – Capital losses****Continuity of capital losses and request for a carryback**

Capital losses at end of preceding taxation year	200	
Capital losses transferred on an amalgamation or the windup of a subsidiary corporation	205	
Current-year capital loss (from Schedule 6 calculation)	210	
Add:		
Allowable business investment loss expired as a non-capital loss	x 4/3	220
		Subtotal
Deduct:		
Amount applied against current-year capital gain (see Note 1)	225	
Section 80 - Adjustments for forgiven amounts	240	
Other adjustments	250	
Deduct - Request to carry back capital loss to: (see Note 2)		
First preceding taxation year	951	
Second preceding taxation year	952	
Third preceding taxation year	953	
Capital losses - Closing balance		280

Note 1

On line 332 of the T2 return, enter the amount from line 225 multiplied by 50%.

Note 2

Enter on lines 225, 951, 952, or 953, whichever applies, the actual amount of the loss. At the time of the application of the loss carryback, the net capital loss amount will be calculated at the inclusion rate of the year to which the net capital loss is applied.

Part 3 – Farm losses**Continuity of farm losses and request for a carryback**

Farm losses at end of preceding taxation year		
Deduct: Farm loss expired after 10 taxation years	300	
Farm losses at beginning of taxation year	302	
Add: Farm losses transferred on an amalgamation or the windup of a subsidiary corporation	305	
Current-year farm loss	310	
Deduct:		
Amount applied against taxable income (enter on line 334 of T2 return)	330	
Amount applied against taxable dividends subject to Part IV tax	335	
Section 80 - Adjustments for forgiven amounts	340	
Other adjustments	350	
Deduct - Request to carry back farm loss to:		
First preceding taxation year to reduce taxable income	921	
Second preceding taxation year to reduce taxable income	922	
Third preceding taxation year to reduce taxable income	923	
First preceding taxation year to reduce taxable dividends subject to Part IV tax	931	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	932	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	933	
Farm losses - Closing balance		380

Corporation loss continuity and application**Part 4 – Restricted farm losses****Current-year restricted farm loss**

Total losses for the year from farming business	485	A
Minus the deductible farm loss:		
\$2,500 plus B or C, whichever is less		
(Amount A above – \$2,500) divided by 2	B	
Maximum	6,250	C
Deductible farm loss		
Current-year restricted farm loss (enter this amount on line 410)		

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at end of preceding taxation year		
Deduct: Restricted farm loss expired after 10 taxation years	400	
Restricted farm losses at beginning of taxation year	402	
Add: Restricted farm losses transferred on an amalgamation or the windup of a subsidiary corporation	405	
Current-year restricted farm loss (enter on line 233 of Schedule 1)	410	
Deduct:		
Amount applied against farming income (enter on line 333 of T2 return)	430	
Section 80 – Adjustments for forgiven amounts	440	
Other adjustments	450	
Deduct – Request to carry back restricted farm loss to:		
First preceding taxation year to reduce farming income	941	
Second preceding taxation year to reduce farming income	942	
Third preceding taxation year to reduce farming income	943	
Restricted farm losses - Closing balance	480	

Note

The total losses for the year from all farming businesses are calculated without including scientific research expenses.

Part 5 – Listed personal property losses**Continuity of listed personal property loss and request for a carryback**

Listed personal property losses at end of preceding taxation year		
Deduct: Listed personal property losses expired after seven taxation years	500	
Listed personal property losses at beginning of taxation year	502	
Add: Current-year listed personal property loss (from Schedule 6)	510	
	Subtotal	
Deduct:		
Amount applied against listed personal property gain (enter on line 655 of Schedule 6)	530	
Other adjustments	550	
Deduct – Request to carry back listed personal property loss to:		
First preceding taxation year to reduce listed personal property gains	961	
Second preceding taxation year to reduce listed personal property gains	962	
Third preceding taxation year to reduce listed personal property gains	963	
Listed personal property losses - Closing balance	580	

Corporation loss continuity and application**Part 6 – Analysis of balance of losses by year of origin**

Year of origin	Non-capital losses *	Farm losses	Restricted farm losses	Listed personal property losses
2000/12/31				
2001/12/31	65,444			
2002/12/31	511,805			
2003/12/31	163,487			
2004/12/31	9,035			
Total	749,771			

* The carryforward period for non-capital losses arising in a taxation year ending after March 22, 2004, is changed from 7 to 10 taxation years.

Part 7 – Limited partnership losses

Current-year limited partnership losses						
1	2	3	4	5	6	7
Partnership identifier	Fiscal period ending	Corporation's share of limited partnership loss	Corporation's at risk amount	Corp's share of partnership ITC, farming losses and resource expenses	Column 4 - 5 If negative, enter "0"	Current-year limited partnership losses Column 3 - 6
600	602	604	606	608		620
Total (enter this amount on line 222 of Schedule 1)						

Limited partnership losses from prior taxation years that may applied in the current year						
1	2	3	4	5	6	7
Partnership identifier	Fiscal period ending	Limited partnership losses at end of preceding taxation year	Corporation's at risk amount	Corp's share of partnership ITC, business or property losses and resource expenses	Column 4 - 5 if negative, enter "0"	Limited partnership losses that may be applied in the year The lesser of columns 3 and 6
630	632	634	636	638		650

Continuity of limited partnership losses that can be carried forward to future taxation years					
Partnership identifier	Losses at end of preceding taxation year	Losses transferred from amalgamation or windup of subsidiary	Current year limited partnership losses (from column 620)	Limited partnership losses applied (cannot exceed 650)	Limited partnership losses closing balance (662+664+670-675)
660	662	664	670	675	680
Total (enter this amount on line 335 of the T2 return)					

OS4
Schedule 4

Ontario loss continuity

Part 1 - Non-capital loss

Determination of current-year non-capital loss

Net income (loss) for Ontario tax purposes		(9,035)
Deduct: (increase a loss)		
Net capital losses deducted in the year (enter a positive amount)		
Taxable dividends deductible under ITA sections 112, 113 or subsection 138(6)		
Amount of Part VI.1 tax deductible		
	Subtotal - if positive, enter "0"	(9,035)
Deduct: (increase a loss)		
ITA Section 110.5 and/or subparagraph 115(1)(a)(vii) - Addition for foreign tax deductions		
Add: (decrease a loss)	Subtotal	(9,035)
Current-year farm loss		
Current-year non-capital loss (if positive, enter "0")		(9,035)

Continuity of non-capital losses and request for a carryback

Non-capital loss at end of preceding taxation year	740,736	
Deduct: Non-capital loss expired	-	
Non-capital losses at beginning of taxation year	= 740,736	740,736
Add: Non-capital losses transferred on an amalgamation or the wind-up of a subsidiary corporation		+
Current-year non-capital loss (from calculation above)	9,035	
Deduct - Request to carry back non-capital loss to:		
First preceding taxation year to reduce taxable income		
Second preceding taxation year to reduce taxable income		
Third preceding taxation year to reduce taxable income		
Current-year non-capital loss net of carryback	9,035	+ 9,035
	Subtotal	= 749,771
Deduct:		
Amount applied against taxable income (enter on line 704 of the CT23)		
Section 80 - adjustments for forgiven amounts		
Other adjustments		
Non-capital losses - Closing balance		= 749,771

Part 2 - Capital losses

Continuity of capital losses and request for a carryback

				Gross amount
Capital losses at end of preceding taxation year				
Capital losses transferred on an amalgamation or the windup of a subsidiary corporation				+
Current-year capital loss				+
		Subtotal		=
Add:				
Allowable business investment loss expired as a non-capital loss		X 4/3		+
		Subtotal		=
Deduct:				
Amount applied against current year capital gain				-
Section 80 adjustments for forgiven amounts				-
Other adjustments				-
		Subtotal		=
Deduct - Request to carry back capital loss to:				
	Loss applied	Inclusion rate	Total	
First preceding taxation year	÷ 50.0000 %	=		
Second preceding taxation year	÷ 50.0000 %	=		
Third preceding taxation year	÷ %	=		
		Subtotal		-
Capital losses - Closing balance				=

OS4
Schedule 4

Ontario loss continuity

Part 3 - Farm loss

Continuity of farm losses and request for a carryback

Farm losses at end of preceding taxation year			
Deduct: Farm loss expired after 10 taxation years	-		
Farm losses at beginning of taxation year	=		
Add: Farm losses transferred on an amalgamation or the windup of a subsidiary corporation		+	
Current-year farm loss			
Deduct - Request to carry back farm loss to:			
First preceding taxation year to reduce taxable income			
Second preceding taxation year to reduce taxable income			
Third preceding taxation year to reduce taxable income			
	Subtotal		
Current-year farm loss net of carryback		+	
		=	
Deduct:			
Amount applied against taxable income (enter on line 724 of the CT23)			
Section 80 - Adjustments for forgiven amounts			
Other adjustments			
		-	
Farm losses - Closing balance		=	

Part 4 - Restricted farm loss

Current-year restricted farm loss

Total losses for the year from farming business			A
Minus the deductible farm loss:			
\$2,500 plus B or C, whichever is less			
(Amount A above - \$2,500) divided by 2	B		
Maximum	C	6,250	
Deductible farm loss		-	
Current-year restricted farm loss			

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at end of preceding taxation year			
Deduct: Restricted farm loss expired after 10 taxation years	-		
Restricted farm losses at beginning of taxation year	=		
Add: Restricted farm losses transferred on an amalgamation or the windup of a subsidiary corporation		+	
Current-year restricted farm loss			
Deduct - Request to carry back restricted farm loss to:			
First preceding taxation year to reduce farming income			
Second preceding taxation year to reduce farming income			
Third preceding taxation year to reduce farming income			
Current-year restricted farm loss net of carryback		+	
Deduct:			
Amount applied against taxable income (enter on line 734 of the CT23)			
Section 80 - Adjustments for forgiven amounts			
Other adjustments			
		-	
Restricted farm losses - Closing balance		=	

CORPORATION LOSS CONTINUITY AND APPLICATION (2000 and later taxation years)

- For use by a corporation to determine the continuity and use of available losses; to determine the current-year non-capital loss, farm loss, restricted farm loss, and limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that may be applied in a year; and to request a loss carryback to prior years.
- The corporation can choose whether or not to deduct an available loss from income in a taxation year. It can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- For information on these losses, see the *T2 Corporation Income Tax Guide*.
- File one completed copy of this schedule with the T2 return, or send it by itself to the tax centre where the return is filed.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act*.

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes		(9,035)
Deduct: (increase a loss)		
Net capital losses deducted in the year (enter as a positive amount)		
Taxable dividends deductible under sections 112, 113 or subsection 138(6)		
Amount of Part VI.1 tax deductible		
Amount deductible as prospector's and grubstaker's shares - Paragraph 110(1)(d.2)		
	Subtotal (if positive, enter "0")	(9,035)
Deduct: (increase a loss)		
Section 110.5 and/or subparagraph 115(1)(a)(vii) - Addition for foreign tax deductions		
Add: (decrease a loss)	Subtotal	(9,035)
Current-year farm loss		
Current-year non-capital loss (if positive, enter "0")		(9,035)

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of preceding taxation year		740,736	
Deduct: Non-capital loss expired *	100		
Non-capital losses at beginning of taxation year	102	740,736	
Add: Non-capital losses transferred on an amalgamation or the windup of a subsidiary corporation	105		
Current-year non-capital loss (from calculation above)	110	9,035	
		749,771	749,771
Deduct:			
Amount applied against taxable income (enter on line 331 of the T2 return)	130		
Amount applied against taxable dividends subject to Part IV tax	135		
Section 80 - Adjustments for forgiven amounts	140		
Other adjustments	150		
Deduct - Request to carry back non-capital loss to:			
First preceding taxation year to reduce taxable income	901		
Second preceding taxation year to reduce taxable income	902		
Third preceding taxation year to reduce taxable income	903		
First preceding taxation year to reduce taxable dividends subject to Part IV tax	911		
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	912		
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	913		
Non-capital losses - Closing balance		180	749,771

* A non-capital loss expires as follows:

- After 7 taxation years if it arose in a taxation year ending before March 23, 2004; or
- After 10 taxation years if it arose in a taxation year ending after March 22, 2004.

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator 190 ☐ Yes
 Loss from a wholly owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year.