

## Appendix 4 of 5

### Tax Returns

Canada Revenue  
AgencyAgence du revenu  
du Canada**T2 CORPORATION INCOME TAX RETURN****200**

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporation return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. For more information on how to complete the return, see the *T2 Corporation – Income Tax Guide* (T4012).

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's tax year. For more information on when and how to file T2 returns, refer to the Guide under the heading "Before you start."

**055** Do not use this area**Identification****Business Number (BN)** . . . . . **001** 86595 5397 RC0001**Corporation's name****002** HYDRO 2000 INC.Has the corporation changed its name since the last time you filed your T2 return? **003** 1 Yes ☐ 2 No ☒If Yes, do you have a copy of the articles of amendment? (*Do Not Submit*) . . . . . **004** 1 Yes ☐ 2 No ☐**Address of head office**Has this address changed since the last time you filed your T2 return? . . . . . **010** 1 Yes ☐ 2 No ☒

(If Yes, complete lines 011 to 018)

**011** 265, RUE ST-PHILIPPE**012**

City Province, territory, or state

**015** ALFRED**016** ON

Country (other than Canada) Postal code/Zip code

**017** **018** K0B 1A0**Mailing address** (if different from head office address)Has this address changed since the last time you filed your T2 return? . . . . . **020** 1 Yes ☐ 2 No ☒

(If Yes, complete lines 021 to 028)

**021** c/o**022****023**

City Province, territory, or state

**025****026**

Country (other than Canada) Postal code/Zip code

**027** **028****Location of books and records**Has the location of books and records changed since the last time you filed your T2 return? . . . . . **030** 1 Yes ☐ 2 No ☒

(If Yes, complete lines 031 to 038)

**031****032** 265, RUE ST-PHILIPPE

City Province, territory, or state

**035** ALFRED**036** ON

Country (other than Canada) Postal code/Zip code

**037** **038** K0B 1A0**039****040** Type of corporation at the end of the tax year1 ☒ Canadian-controlled private corporation (CCPC) 4 ☐ Corporation controlled by a public corporation2 ☐ Other private corporation 5 ☐ Other corporation (specify, below)3 ☐ Public corporationIf the type of corporation changed during the tax year, provide the effective date of the change . . . . . **043** YYYY MM DD**To which tax year does this return apply?**Tax year start Tax year-end  
**060** 2005-01-01 **061** 2005-12-31  
YYYY MM DD YYYY MM DDHas there been an acquisition of control to which subsection 249(4) applies since the previous tax year? . . . . . **063** 1 Yes ☐ 2 No ☒If Yes, provide the date control was acquired . . . . . **065** YYYY MM DD**Is the corporation a professional corporation that is a member of a partnership?** . . . . . **067** 1 Yes ☐ 2 No ☒**Is this the first year of filing after:**Incorporation? . . . . . **070** 1 Yes ☐ 2 No ☒  
Amalgamation? . . . . . **071** 1 Yes ☐ 2 No ☒

If Yes, complete lines 030 to 038 and attach Schedule 24.

**Has there been a wind-up of a subsidiary under section 88 during the current tax year?** . . . . . **072** 1 Yes ☐ 2 No ☒

If Yes, complete and attach Schedule 24.

**Is this the final tax year before amalgamation?** . . . . . **076** 1 Yes ☐ 2 No ☒**Is this the final return up to dissolution?** . . . . . **078** 1 Yes ☐ 2 No ☒**Is the corporation a resident of Canada?****080** 1 Yes ☒ 2 No ☐ If No, give the country of residence on line 081 and complete and attach Schedule 97.**081****Is the non-resident corporation claiming an exemption under an income tax treaty?** . . . . . **082** 1 Yes ☐ 2 No ☒

If Yes, complete and attach Schedule 91.

**If the corporation is exempt from tax under section 149, tick one of the following boxes:****085** 1 ☐ Exempt under paragraph 149(1)(e) or (l)  
2 ☐ Exempt under paragraph 149(1)(j)  
3 ☐ Exempt under paragraph 149(1)(t)  
4 ☐ Exempt under other paragraphs of section 149

Do not use this area

**091** **092** **093** **094** **095** **096**  
**100**

**Attachments****Financial statement information:** Use GIFI schedules 100, 125, and 141.**Schedules** – Answer the following questions. For each Yes response, attach to the T2 return the schedule that applies.

	Yes	Schedule
Is the corporation related to any other corporations? . . . . .	<b>150</b> <input type="checkbox"/>	9
Is the corporation an associated Canadian-controlled private corporation? . . . . .	<b>160</b> <input type="checkbox"/>	23
Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit? . . . . .	<b>161</b> <input type="checkbox"/>	49
Does the corporation have any non-resident shareholders? . . . . .	<b>151</b> <input type="checkbox"/>	19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents . . . . .	<b>162</b> <input type="checkbox"/>	11
If you answered Yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee? . . . . .	<b>163</b> <input type="checkbox"/>	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada? . . . . .	<b>164</b> <input type="checkbox"/>	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan? . . . . .	<b>165</b> <input type="checkbox"/>	15
Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989? . . . . .	<b>166</b> <input type="checkbox"/>	T5004
Is the corporation a member of a partnership for which a partnership identification number has been assigned? . . . . .	<b>167</b> <input type="checkbox"/>	T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust? . . . . .	<b>168</b> <input type="checkbox"/>	22
Did the corporation have any foreign affiliates during the year? . . . . .	<b>169</b> <input type="checkbox"/>	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal <i>Income Tax Regulations</i> ? . . . . .	<b>170</b> <input type="checkbox"/>	29
Has the corporation had any non-arm's length transactions with a non-resident? . . . . .	<b>171</b> <input type="checkbox"/>	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares? . . . . .	<b>173</b> <input checked="" type="checkbox"/>	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year? . . . . .	<b>172</b> <input type="checkbox"/>	
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes? . . . . .	<b>201</b> <input checked="" type="checkbox"/>	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; or gifts of cultural or ecological property? . . . . .	<b>202</b> <input type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund? . . . . .	<b>203</b> <input type="checkbox"/>	3
Is the corporation claiming any type of losses? . . . . .	<b>204</b> <input checked="" type="checkbox"/>	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction? . . . . .	<b>205</b> <input type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year? . . . . .	<b>206</b> <input type="checkbox"/>	6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax? . . . . .	<b>207</b> <input type="checkbox"/>	7
Does the corporation have any property that is eligible for capital cost allowance? . . . . .	<b>208</b> <input checked="" type="checkbox"/>	8
Does the corporation have any property that is eligible capital property? . . . . .	<b>210</b> <input checked="" type="checkbox"/>	10
Does the corporation have any resource-related deductions? . . . . .	<b>212</b> <input type="checkbox"/>	12
Is the corporation claiming reserves of any kind? . . . . .	<b>213</b> <input type="checkbox"/>	13
Is the corporation claiming a patronage dividend deduction? . . . . .	<b>216</b> <input type="checkbox"/>	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction? . . . . .	<b>217</b> <input type="checkbox"/>	17
Is the corporation an investment corporation or a mutual fund corporation? . . . . .	<b>218</b> <input type="checkbox"/>	18
Was the corporation carrying on business in Canada as a non-resident corporation? . . . . .	<b>220</b> <input type="checkbox"/>	20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits? . . . . .	<b>221</b> <input type="checkbox"/>	21
Is the corporation a non-resident-owned investment corporation claiming an allowable refund? . . . . .	<b>226</b> <input type="checkbox"/>	26*
Does the corporation have any Canadian manufacturing and processing profits? . . . . .	<b>227</b> <input type="checkbox"/>	27
Is the corporation claiming an investment tax credit? . . . . .	<b>231</b> <input type="checkbox"/>	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures? . . . . .	<b>232</b> <input type="checkbox"/>	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000? . . . . .	<b>233</b> <input type="checkbox"/>	33/34/35
Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax? . . . . .	<b>236</b> <input type="checkbox"/>	36
Is the corporation claiming a surtax credit? . . . . .	<b>237</b> <input type="checkbox"/>	37
Is the corporation subject to gross Part VI tax on capital of financial institutions? . . . . .	<b>238</b> <input type="checkbox"/>	38
Is the corporation claiming a Part I tax credit? . . . . .	<b>242</b> <input type="checkbox"/>	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid? . . . . .	<b>243</b> <input type="checkbox"/>	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax? . . . . .	<b>244</b> <input type="checkbox"/>	45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax? . . . . .	<b>249</b> <input type="checkbox"/>	46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax? . . . . .	<b>250</b> <input type="checkbox"/>	39
Is the corporation claiming a Canadian film or video production tax credit refund? . . . . .	<b>253</b> <input type="checkbox"/>	T1131
Is the corporation claiming a film or video production services tax credit refund? . . . . .	<b>254</b> <input type="checkbox"/>	T1177
Is the corporation subject to Part XIII.1 tax? . . . . .	<b>255</b> <input type="checkbox"/>	92 *

\* We do not print this schedule.

**Attachments – continued from page 2**

	Yes	Schedule
Did the corporation have any foreign affiliates that are not controlled foreign affiliates? . . . . .	<b>256</b> <input type="checkbox"/>	T1134-A
Did the corporation have any controlled foreign affiliates? . . . . .	<b>258</b> <input type="checkbox"/>	T1134-B
Did the corporation own specified foreign property in the year with a cost amount over \$100,000? . . . . .	<b>259</b> <input type="checkbox"/>	T1135
Did the corporation transfer or loan property to a non-resident trust? . . . . .	<b>260</b> <input type="checkbox"/>	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year? . . . . .	<b>261</b> <input type="checkbox"/>	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada? . . . . .	<b>262</b> <input type="checkbox"/>	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts? . . . . .	<b>263</b> <input type="checkbox"/>	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED? . . . . .	<b>264</b> <input type="checkbox"/>	T1174

**Additional information**

Is the corporation inactive? . . . . .	<b>280</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Has the major business activity changed since the last return was filed? (enter Yes for first-time filers) . . . . .	<b>281</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
What is the corporation's major business activity? . . . . .	<b>282</b>		
(Only complete if Yes was entered at line 281.)			
If the major business activity involves the resale of goods, show whether it is wholesale or retail . . . . .	<b>283</b>	1 Wholesale <input type="checkbox"/>	2 Retail <input checked="" type="checkbox"/>
Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents. . . . .	<b>284</b>	<b>DISTRIBUTION D'ÉLECT</b>	<b>285</b> 100.000 %
	<b>286</b>		<b>287</b> %
	<b>288</b>		<b>289</b> %
Did the corporation immigrate to Canada during the tax year? . . . . .	<b>291</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the tax year? . . . . .	<b>292</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>

**Taxable income**

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFL. . . . .	<b>300</b>	42,651	A
<b>Deduct:</b> Charitable donations from Schedule 2 . . . . .	<b>311</b>		
Gifts to Canada, a province, or a territory from Schedule 2 . . . . .	<b>312</b>		
Cultural gifts from Schedule 2 . . . . .	<b>313</b>		
Ecological gifts from Schedule 2 . . . . .	<b>314</b>		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 . . . . .	<b>320</b>		
Part VI.1 tax deduction from Schedule 43 * . . . . .	<b>325</b>		
Non-capital losses of preceding tax years from Schedule 4 . . . . .	<b>331</b>	42,651	
Net capital losses of preceding tax years from Schedule 4 . . . . .	<b>332</b>		
Restricted farm losses of preceding tax years from Schedule 4 . . . . .	<b>333</b>		
Farm losses of preceding tax years from Schedule 4 . . . . .	<b>334</b>		
Limited partnership losses of preceding tax years from Schedule 4 . . . . .	<b>335</b>		
Taxable capital gains or taxable dividends allocated from a central credit union . . . . .	<b>340</b>		
Prospector's and grubstaker's shares . . . . .	<b>350</b>		
	Subtotal	42,651	B
	Subtotal (amount A minus amount B) (if negative, enter "0")		C
<b>Add:</b> Section 110.5 additions or subparagraph 115(1)(a)(vii) additions . . . . .	<b>355</b>		D
<b>Taxable income</b> (amount C plus amount D) . . . . .	<b>360</b>		
Income exempt under paragraph 149(1)(t) . . . . .	<b>370</b>		
<b>Taxable income</b> for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) . . . . .			Z

\* This amount is equal to 3 times the Part VI.1 tax payable at line 724.

**Small business deduction****Canadian-controlled private corporations (CCPCs) throughout the tax year**

Income from active business carried on in Canada from Schedule 7 . . . . . **400** 42,651 A

Taxable income from line 360, **minus** 10/3 of the amount on line 632\*, **minus** 3 times the amount on line 636\*\*, and **minus** any amount that, because of federal law, is exempt from Part I tax . . . . . **405** B

**Calculation of the business limit:**

For all CCPCs, calculate the amount at line 4 below.

250,000	x	Number of days in the tax year in 2004	=	1
		Number of days in the tax year	365	
300,000	x	Number of days in the tax year in 2005 and in 2006	365 =	300,000 2
		Number of days in the tax year	365	
400,000	x	Number of days in the tax year after 2006	=	3
		Number of days in the tax year	365	
Add amounts at lines 1, 2, and 3				<u>300,000</u> 4

Business limit (see notes 1 and 2 below) . . . . . **410** 300,000 C

- Notes:**
1. For CCPCs that are not associated, enter the amount from line 4 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate the amount from line 4 by the number of days in the tax year divided by 365, and enter the result on line 410.
  2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

**Business limit reduction:**

Amount C 300,000 x **415** \*\*\* 11,250 D = E

Reduced business limit (amount C **minus** amount E) (if negative, enter "0") . . . . . **425** 300,000 F

**Small business deduction**

Whichever amount is the least: A, B, C or F . . . . . G1

Amount G1	x	Number of days in the tax year before 2008	365 x	16 % =	G2
		Number of days in the tax year	365		
Amount G1	x	Number of days in the tax year in 2008	365 x	16.5 % =	G3
		Number of days in the tax year	365		
Amount G1	x	Number of days in the tax year after 2008	365 x	17 % =	G4
		Number of days in the tax year	365		

**Small business deduction** – total of amounts G2, G3, and G4 . . . . . **430** G  
(enter amount G on line 9)

\* Calculate the amount of foreign non-business income tax credit deductible on line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

\*\* Calculate the amount of foreign business income tax credit deductible on line 636 without reference to the corporate tax reductions under section 123.4.

**\*\*\* Large corporations**

- If the corporation is not associated with any corporations in both the current and the preceding tax years, the amount to be entered at line 415 is: (Total taxable capital employed in Canada for the **prior year** minus \$10,000,000) x 0.225%.
- If the corporation is not associated with any corporations in the current tax year, but was associated in the preceding tax year, the amount to be entered at line 415 is: (Total taxable capital employed in Canada for the **current year** minus \$10,000,000) x 0.225%
- For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.

**Resource deduction**

Taxable resource income [as defined in subsection 125.11(1)] . . . . . **435** H

Amount H	x	Number of days in the tax year in 2004	x	2 % =	I
		Number of days in the tax year	365		
Amount H	x	Number of days in the tax year in 2005	365 x	3 % =	J
		Number of days in the tax year	365		
Amount H	x	Number of days in the tax year in 2006	x	5 % =	K
		Number of days in the tax year	365		
Amount H	x	Number of days in the tax year after 2006	x	7 % =	L
		Number of days in the tax year	365		

**Resource deduction** – total of amounts I, J, K, and L (enter amount M on line 10) . . . . . **438** M

**Accelerated tax reduction****Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction**

Reduced business limit (amount from line 425)	300,000	x	$\frac{300,000}{\text{line 4 above}}$	=	<u>300,000</u>	A
Net active business income (amount from line 400) *					<u>42,651</u>	B
Taxable income from line 360 <b>minus</b> 3 times the amount at line 636** on, and <b>minus</b> any amount that, because of federal law, is exempt from Part I Tax						C
<b>Deduct:</b>						
Aggregate investment income (amount from line 440)						D
Amount C <b>minus</b> amount D (if negative, enter "0")						E
Amount A, B, or E above, whichever is less						F
Amount Z from Part 9 of Schedule 27		x	$\frac{100}{7}$	=		G
Amount QQ from Part 13 of Schedule 27						H
Taxable resource income (amount from line 435)						I
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)						J
Amount on line 400, 405, 410, or 425 of the small business deduction, whichever is less						K
Total of amounts G, H, I, J, and K						L
Amount F <b>minus</b> amount L (if negative, enter "0")						M
<b>Accelerated tax reduction</b> — 7.00 % of amount M (enter amount N on line 637)						N

\* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

\*\* Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

**General tax reduction for Canadian-controlled private corporations****Canadian-controlled private corporations throughout the tax year**

Taxable income from line 360						A
Amount Z1 from Part 9 of Schedule 27						B
Amount QQ from Part 13 of Schedule 27						C
Taxable resource income from line 435						D
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)						E
Amount on line 400, 405, 410, or 425, whichever is the least						F
Aggregate investment income from line 440						G
Amount used to calculate the accelerated tax reduction (amount M)						G1
Total of amounts B, C, D, E, F, G, and G1						H
Amount A <b>minus</b> amount H (if negative, enter "0")						I
Amount I	x	Number of days in the tax year before 2008	$\frac{365}{365}$	x	7 %	J1
Amount I	x	Number of days in the tax year in 2008	$\frac{365}{365}$	x	7.5 %	J2
Amount I	x	Number of days in the tax year in 2009	$\frac{365}{365}$	x	8 %	J3
Amount I	x	Number of days in the tax year after 2009	$\frac{365}{365}$	x	9 %	J4
<b>General tax reduction for Canadian-controlled private corporations</b> — total of amounts J1, J2, J3, and J4 (enter amount J on line 638)						J

**General tax reduction****Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, or a mutual fund corporation. For tax years starting after May 1, 2006, any corporation with taxable income that is not subject to the full tax rate.**

Taxable income from line 360						M
Amount Z1 from Part 9 of Schedule 27						N
Amount QQ from Part 13 of Schedule 27						O
Taxable resource income from line 435						P
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)						Q
Total of amounts N, O, P, and Q						R
Amount M <b>minus</b> amount R (if negative, enter "0")						S

**General tax reduction (continued)**

Amount S	x	Number of days in the tax year before 2008	365	x	7 %	=	T1
		Number of days in the tax year	365				
Amount S	x	Number of days in the tax year in 2008		x	7.5 %	=	T2
		Number of days in the tax year	365				
Amount S	x	Number of days in the tax year in 2009		x	8 %	=	T3
		Number of days in the tax year	365				
Amount S	x	Number of days in the tax year after 2009		x	9 %	=	T4
		Number of days in the tax year	365				
<b>General tax reduction</b> – total of amounts T1, T2, T3, and T4 (enter amount T on line 639)							<b>T</b>

**Refundable portion of Part I tax****Canadian-controlled private corporations throughout the tax year**

Aggregate investment income ..... **440** ..... x 26 2 / 3 % = ..... A  
(amount O from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 .....

**Deduct:**

Foreign investment income ..... **445** ..... x 9 1 / 3 % = ..... B  
(amount L from Part 2 of Schedule 7) (if negative, enter "0")

Amount A minus amount B (if negative, enter "0") ..... C

Taxable income from line 360 .....

**Deduct:**

Amount on line 400, 405, 410, or 425, whichever is the least .....

Foreign non-business  
income tax credit

from line 632 ..... x 25 / 9 = .....

Foreign business  
income tax credit

from line 636 ..... x 3 = .....

x 26 2 / 3 % = ..... D

Part I tax payable minus investment tax credit refund (line 700 minus line 780) .....

**Deduct:** Corporate surtax from line 600 .....

Net amount ..... E

**Refundable portion of Part I tax** – Amount C, D, or E, whichever is the least ..... **450** ..... F

**Refundable dividend tax on hand**

Refundable dividend tax on hand at the end of the preceding tax year ..... **460** .....

**Deduct:** Dividend refund for the previous tax year ..... **465** .....

**Add the total of:**

Refundable portion of Part I tax from line 450 above .....

Total Part IV tax payable from line 360 of Schedule 3 .....

Net refundable dividend tax on hand transferred from a predecessor corporation on  
amalgamation, or from a wound-up subsidiary corporation ..... **480** .....

**Refundable dividend tax on hand at the end of the tax year** – Amount G plus amount H ..... **485** .....

**Dividend refund****Private and subject corporations at the time taxable dividends were paid in the tax year**

Taxable dividends paid in the tax year from line 460 of Schedule 3 ..... x 1 / 3 ..... I

Refundable dividend tax on hand at the end of the tax year from line 485 above ..... J

**Dividend refund** – Amount I or J, whichever is less (enter this amount on line 784) .....

**Part I tax****Base amount of Part I tax** — 38.00 % of taxable income (line 360 or amount Z, whichever applies) ..... **550** A**Corporate surtax calculation**Base amount from line A above ..... **1****Deduct:**10 % of taxable income (line 360 or amount Z, whichever applies) ..... **2**Investment corporation deduction from line 620 below ..... **3**Federal logging tax credit from line 640 below ..... **4**Federal qualifying environmental trust tax credit from line 648 below ..... **5**

For a mutual fund corporation or an investment corporation throughout the tax year, enter amount a, b, or c below on line 6, whichever is the least:

28.00 % of taxable income from line 360 ..... a

28.00 % of taxed capital gains ..... b

Part I tax otherwise payable ..... c  
(line A **plus** lines C and D **minus** line F)Total of lines 2 to 6 ..... **7**Net amount (line 1 **minus** line 7) ..... **8****Corporate surtax**line 8 ..... x 4 % x  $\frac{\text{Number of days in the tax year before 2008}}{\text{Number of days in the tax year}} \frac{365}{365} = \mathbf{600}$  BRecapture of investment tax credit from line OO in Part 17 of Schedule 31 ..... **602** C**Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income**  
(if it was a CCPC throughout the tax year)

Aggregate investment income from line 440 ..... i

Taxable income from line 360 .....

**Deduct:**

Amount on line 400, 405, 410, or 425, whichever is the least .....

Net amount ..... **ii****Refundable tax on CCPC's investment income** — 6 2 / 3 % of whichever is less: amount i or ii ..... **604** D

Subtotal (add lines A, B, C, and D) ..... E

**Deduct:**Small business deduction from line 430 ..... **9**Federal tax abatement ..... **608**Manufacturing and processing profits deduction from amount BB  
or amount RR of Schedule 27 ..... **616**Investment corporation deduction ..... **620**  
(taxed capital gains **624** )Additional deduction — credit unions from Schedule 17 ..... **628**Federal foreign non-business income tax credit from Schedule 21 ..... **632**Federal foreign business income tax credit from Schedule 21 ..... **636**Accelerated tax reduction from amount N ..... **637**Resource deduction from line 438 ..... **10**General tax reduction for CCPCs from amount J ..... **638**General tax reduction from amount T ..... **639**Federal logging tax credit from Schedule 21 ..... **640**Federal political contribution tax credit ..... **644**Federal political contributions **646** .....Federal qualifying environmental trust tax credit ..... **648**Investment tax credit from Schedule 31 ..... **652**Subtotal ..... **F****Part I tax payable** — Line E **minus** line F (enter amount G on line 700) ..... **G**



**Summary of tax and credits****Federal tax**

Part I tax payable	700	
Part I.3 tax payable from Schedule 33, 34, or 35	704	
Part II surtax payable from Schedule 46	708	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	

Total federal tax \_\_\_\_\_

**Add provincial or territorial tax:**Provincial or territorial jurisdiction . . . **750** Ontario  
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)Net provincial or territorial tax payable (except Québec, Ontario, and Alberta) . . . **760**  
Provincial tax on large corporations (New Brunswick and Nova Scotia) . . . **765**Total tax payable **770** A**Deduct other credits:**

Investment tax credit refund from Schedule 31	780	
Dividend refund	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit refund (Form T1131)	796	
Film or video production services tax credit refund (Form T1177)	797	
Tax withheld at source	800	

Total payments on which tax has been withheld . . . **801**

Allowable refund for non-resident-owned investment corporations from Schedule 26	804	
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Tax instalments paid	840	

Total credits **890** BRefund code **894** Overpayment \_\_\_\_\_

Balance (line A minus line B) \_\_\_\_\_

**Direct deposit request**

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information **910** Branch number

**914** Institution number **918** Account number

If the result is negative, you have an **overpayment**.  
If the result is positive, you have a **balance unpaid**.  
Enter the amount on whichever line applies.  
Generally, we do not charge or refund a difference of \$2 or less.

Balance unpaid . . . . .

Enclosed payment **898**If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? . . . **896** 1 Yes ☐ 2 No ☒**Certification**I, **950** BEAULNE Last name **951** RENÉ First name **954** GÉRANT Position, office, or rank

I am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income for this tax year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

**955** 2007-11-02  
Date (yyyy/mm/dd)

Signature of the authorized signing officer of the corporation

**956** (613) 679-4093  
Telephone number

Is the contact person the same as the authorized signing officer? If No, complete the information below . . . . .

**957** 1 Yes ☒ 2 No ☐**958** Name**959** Telephone number**Language of correspondence – Langue de correspondance****990** Indicate your language of correspondence by entering 1 for English or 2 for French.  
Indiquez votre langue de correspondance en inscrivant 1 pour anglais ou 2 pour français.1 English / Anglais ☐ 2 Français / French ☒

## GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Form identifier 100

Name of corporation	Business Number	Tax year end Year Month Day
HYDRO 2000 INC.	86595 5397 RC0001	2005-12-31

## Balance sheet information

Account	Description	GIFI	Amount	Prior year
<b>Assets</b>				
	Total current assets	1599 +	1,326,922	1,006,856
	Total tangible capital assets	2008 +	549,388	495,747
	Total accumulated amortization of tangible capital assets	2009 –	185,224	145,531
	Total intangible capital assets	2178 +	4,639	2,730
	Total accumulated amortization of intangible capital assets	2179 –	2,372	
	Total long-term assets	2589 +	590,502	656,854
	* Assets held in trust	2590 +		
	<b>Total assets</b> (mandatory field)	2599 =	2,283,855	2,016,656

<b>Liabilities</b>				
	Total current liabilities	3139 +	900,064	540,903
	Total long-term liabilities	3450 +	665,474	748,470
	* Subordinated debt	3460 +		
	* Amounts held in trust	3470 +		
	<b>Total liabilities</b> (mandatory field)	3499 =	1,565,538	1,289,373

<b>Shareholder equity</b>				
	<b>Total shareholder equity</b> (mandatory field)	3620 +	718,317	727,283

	<b>Total liabilities and shareholder equity</b>	3640 =	2,283,855	2,016,656
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<b>Retained earnings</b>				
	<b>Retained earnings/deficit – end</b> (mandatory field)	3849 =	409,582	418,548

\* Generic item

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## GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 125

Name of corporation	Business Number	Tax year end Year Month Day
HYDRO 2000 INC.	86595 5397 RC0001	2005-12-31

## Income statement information

Description	GIFI
Operating name . . . . .	0001
Description of the operation . .	0002
Sequence Number . . . . .	0003 01

Account	Description	GIFI	Amount	Prior year
<b>Income statement information</b>				
	Total sales of goods and services . . . . .	8089 +	2,223,607	2,089,780
	Cost of sales . . . . .	8518 -	1,931,698	1,782,528
	<b>Gross profit/loss</b>	8519 =	291,909	307,252
	Cost of sales . . . . .	8518 +	1,931,698	1,782,528
	Total operating expenses . . . . .	9367 +	360,489	218,803
	<b>Total expenses</b> (mandatory field)	9368 =	2,292,187	2,001,331
	Total revenue (mandatory field) . . . . .	8299 +	2,281,196	2,129,670
	Total expenses (mandatory field) . . . . .	9368 -	2,292,187	2,001,331
	<b>Net non-farming income</b>	9369 =	-10,991	128,339

<b>Farming income statement information</b>				
	Total farm revenue (mandatory field) . . . . .	9659 +		
	Total farm expenses (mandatory field) . . . . .	9898 -		
	<b>Net farm income</b>	9899 =		

	<b>Net income/loss before taxes and extraordinary items</b>	9970 =	-10,991	128,339
--	---	--------	---------	---------

<b>Extraordinary items and income (linked to Schedule 140)</b>				
	<b>Extraordinary item(s)</b> . . . . .	9975 -		
	Legal settlements . . . . .	9976 -		
	<b>Unrealized gains/losses</b> . . . . .	9980 +		
	<b>Unusual items</b> . . . . .	9985 -		
	<b>Current income taxes</b> . . . . .	9990 -		-20,624
	<b>Deferred income tax provision</b> . . . . .	9995 -	-2,025	45,292
	<b>Net income/loss after taxes and extraordinary items</b> (mandatory field)	9999 =	-8,966	103,671

## NOTES CHECKLIST

Corporation's name HYDRO 2000 INC.	Business Number 86595 5397 RC0001	Tax year end Year Month Day 2005-12-31
---------------------------------------	--------------------------------------	--

- This schedule should be completed from the perspective of the person who prepared or reported on the **financial statements**. This person is referred to as the "accounting practitioner", in this schedule.
- For more information, see RC4088, *Guide to the General Index of Financial Information (GIFI) for Corporations* and T4012, *T2 Corporation – Income Tax Guide*.
- Attach a copy of this schedule, along with any Notes to the financial statements, to the GIFI.

**Part 1 – Accounting practitioner information**

Does the accounting practitioner have a professional designation? ..... **095** 1 Yes ☒ 2 No ☐

Is the accounting practitioner connected\* with the corporation? ..... **097** 1 Yes ☐ 2 No ☒

\* A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the common shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the corporation.

**Note**

If the accounting practitioner does not have a professional designation **or** is connected with the corporation, you do not have to complete Parts 2 and 3 of this schedule. However, you do have to complete Part 4.

**Part 2 – Type of involvement**

Choose the option that represents the highest level of involvement of the accounting practitioner:

Completed an auditor's report	<b>198</b>	1	<input checked="" type="checkbox"/>
Completed a review engagement report		2	<input type="checkbox"/>
Conducted a compilation engagement		3	<input type="checkbox"/>

**Part 3 – Reservations**

If you selected option "1" or "2" under **Type of involvement** above, answer the following question:

Has the accounting practitioner expressed a reservation? ..... **099** 1 Yes ☐ 2 No ☒

**Part 4 – Other information**

Were notes to the financial statements prepared? ..... **101** 1 Yes ☒ 2 No ☐

If Yes, complete lines 102 to 107 below:

Are any values presented at other than cost? ..... **102** 1 Yes ☐ 2 No ☒

Has there been a change in accounting policies since the last return? ..... **103** 1 Yes ☐ 2 No ☒

Are subsequent events mentioned in the notes? ..... **104** 1 Yes ☐ 2 No ☒

Is re-evaluation of asset information mentioned in the notes? ..... **105** 1 Yes ☐ 2 No ☒

Is contingent liability information mentioned in the notes? ..... **106** 1 Yes ☐ 2 No ☒

Is information regarding commitments mentioned in the notes? ..... **107** 1 Yes ☐ 2 No ☒

Does the corporation have investments in joint venture(s) or partnership(s)? ..... **108** 1 Yes ☐ 2 No ☒

If Yes, complete line 109 below:

Are you filing financial statements of the joint venture(s) or partnership(s)? ..... **109** 1 Yes ☐ 2 No ☐

## NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Corporation's name	Business Number	Tax year end Year Month Day
HYDRO 2000 INC.	86595 5397 RC0001	2005-12-31

- 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. For more information, see the T2 *Corporation Income Tax Guide*.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to on this schedule are from the *Income Tax Act*.

Net income (loss) after taxes and extraordinary items per financial statements				-8,966	A
<b>Add:</b>					
Provision for income taxes – deferred	102		-2,025		
Amortization of tangible assets	104		39,693		
Amortization of intangible assets	106		463		
			38,131	▶	38,131
<b>Subtotal of additions</b>					
<b>Other additions:</b>					
<b>Miscellaneous other additions:</b>					
600 Recouvrements inclus contre autres actifs	290		130,935		
	199		130,935	▶	130,935
	500		169,066	▶	169,066
<b>Subtotal of other additions</b>					
<b>Total additions</b>					
<b>Deduct:</b>					
Capital cost allowance from Schedule 8	403		33,416		
Cumulative eligible capital deduction from Schedule 10	405		192		
			33,608	▶	33,608
<b>Subtotal of deductions</b>					
<b>Other deductions:</b>					
<b>Miscellaneous other deductions:</b>					
700 Frais de transitions deductible	390		28,500		
701 Intérêts sur autres actifs	391		36,083		
702 Amortissement contrat	392		19,258		
	394				
	499		83,841	▶	83,841
	510		117,449	▶	117,449
<b>Subtotal of other deductions</b>					
<b>Total deductions</b>					
<b>Net income (loss) for income tax purposes – enter on line 300 of the T2 return</b>					
					42,651

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## SCHEDULE 4

## CORPORATION LOSS CONTINUITY AND APPLICATION

Name of corporation	Business Number	Tax year-end Year Month Day
HYDRO 2000 INC.	86595 5397 RC0001	2005-12-31

- 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 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.
- In accordance with 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) & (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, 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	42,651
<b>Deduct:</b> (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)	
<b>Deduct:</b> (increase a loss)	
Section 110.5 and/or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions	
<b>Add:</b> (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 preceding tax year	129,724
<b>Deduct:</b> Non-capital loss expired *	100
Non-capital losses at beginning of tax year	102 129,724
<b>Add:</b> Non-capital losses transferred on an amalgamation or the wind-up of a subsidiary corporation	105
Current-year non-capital loss (from calculation above)	110 129,724
<b>Deduct:</b>	
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	
<b>Deduct:</b>	
Amount applied against taxable income (enter on line 331 of the T2 return)	130 42,651
Amount applied against taxable dividends subject to Part IV tax	135 42,651
<b>Deduct – Request to carry back non-capital loss to:</b>	
First preceding tax year to reduce taxable income	901
Second preceding tax year to reduce taxable income	902
Third preceding tax year to reduce taxable income	903
First preceding tax year to reduce taxable dividends subject to Part IV tax	911
Second preceding tax year to reduce taxable dividends subject to Part IV tax	912
Third preceding tax year to reduce taxable dividends subject to Part IV tax	913
Non-capital losses – Closing balance	180 87,073

\* 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 ending before 2006; or
- After 20 tax years if it arose in a tax year ending in 2006 and later.

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.

**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 tax year.

**Part 2 - Capital losses****Continuity of capital losses and request for a carryback**

Capital losses at end of preceding tax year ..... **200** \_\_\_\_\_  
Capital losses transferred on an amalgamation or the wind-up  
of a subsidiary corporation ..... **205** \_\_\_\_\_

**Deduct:**

Other adjustments (includes adjustments for an acquisition of control) ..... **250** \_\_\_\_\_  
Section 80 – Adjustments for forgiven amounts ..... **240** \_\_\_\_\_

**Add:** Subtotal \_\_\_\_\_Current-year capital loss (from Schedule 6 calculation) ..... **210** \_\_\_\_\_Unused non-capital losses from the 11th preceding tax year\* ..... **A** \_\_\_\_\_Allowable business investment losses (ABIL) incurred in the 11th  
preceding tax year\* ..... **B** \_\_\_\_\_Enter amount from line A or B, whichever is less ..... **215** \_\_\_\_\_

Allowable business investment loss expired as non-capital loss:

line 215 divided by inclusion rate\*\* 75.0000 % ..... **220** \_\_\_\_\_

Subtotal \_\_\_\_\_

**Note:** If there has been an amalgamation or a wind-up of a subsidiary, do a separate  
calculation of the allowable business investment loss 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 current-year capital gain (see Note 1) ..... **225** \_\_\_\_\_

Subtotal \_\_\_\_\_

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

	Capital gain (100%)	Amount carried back (100%)
First preceding tax year	<b>951</b>	_____
Second preceding tax year	<b>952</b>	_____
Third preceding tax year	<b>953</b>	_____
Capital losses – Closing balance	<b>280</b>	_____

**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.

\* • Losses from the 11th preceding tax year to be entered at line A and line B are those incurred in a tax year ending after March 22, 2004.  
If they were incurred in a tax year ending before March 23, 2004, enter the losses from the 8th preceding tax year.

• For non-capital losses, enter at line A the portion that has not been used in previous years and the current year. For allowable  
business investment losses, enter the full amount at line B.

\*\* The inclusion rate is the one that you used to calculate your ABIL referred to at line B. Therefore, use one of the  
following inclusion rates, whichever applies:

- For ABILs incurred in 1999 and preceding tax years, use 0.75.
- For ABILs incurred in 2000 and 2001 tax years, the inclusion rate is equal to amount M on Schedule 6 - version T2SCH6(01).
- For ABILs incurred in 2002 and later tax years, use 0.5.

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

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

\* A farm 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 ending before 2006; or
- After **20** tax years if it arose in a tax year ending in 2006 and later.

**Part 4 – Restricted farm losses****Current-year restricted farm loss**

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

**Continuity of restricted farm losses and request for a carryback**

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

**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 **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 ending before 2006; or
- After **20** tax years if it arose in a tax year ending in 2006 and later.



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

**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 <b>minus</b> column 5 If negative, enter "0".	Current-year limited partnership losses  Column 3 - 6
<b>600</b>	<b>602</b>	<b>604</b>	<b>606</b>	<b>608</b>		<b>620</b>

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 end of preceding 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 <b>minus</b> column 5 If negative, enter "0".	Limited partnership losses that may be applied in the year.  The lesser of columns 3 and 6
<b>630</b>	<b>632</b>	<b>634</b>	<b>636</b>	<b>638</b>		<b>650</b>

Continuity of limited partnership losses that can be carried forward to future tax years					
Partnership identifier	Limited partnership losses at end of preceding 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)
<b>660</b>	<b>662</b>	<b>664</b>	<b>670</b>	<b>675</b>	<b>680</b>

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		
2004	129,724	N/A		N/A	42,651		87,073
2003		N/A		N/A			
2002		N/A		N/A			
2001		N/A		N/A			
2001		N/A		N/A			
2000		N/A		N/A			
2000		N/A		N/A			*
Total	129,724				42,651		87,073

### 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		
2004		N/A		N/A			
2003		N/A		N/A			
2002		N/A		N/A			
2001		N/A		N/A			
2001		N/A		N/A			
2000		N/A		N/A			
2000		N/A		N/A			
1999		N/A		N/A			
1998		N/A		N/A			
1997		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	
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	
2001		N/A		N/A		N/A	
2000		N/A		N/A		N/A	
2000		N/A		N/A		N/A	
1999		N/A		N/A		N/A	
1998		N/A		N/A		N/A	
1997		N/A		N/A		N/A	*
Total						N/A	

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

Canada Revenue  
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du Canada

## SCHEDULE 8

## CAPITAL COST ALLOWANCE (CCA)

Name of corporation	Business Number	Tax year end Year Month Day
HYDRO 2000 INC.	86595 5397 RC0001	2005-12-31

For more information, see the section called "Capital Cost Allowance" in the *T2 Corporation Income Tax Guide*.

Is the corporation electing under regulation 1101(5q)?

**101**1 Yes ☐2 No ☒

1 Class number	Description	2 Undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of last year)	3 Cost of acquisitions during the year (new property must be available for use)*	4 Net adjustments**	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)***	7 Reduced undepreciated capital cost	8 CCA rate %	9 Recapture of capital cost allowance (line 107 of Schedule 1)	10 Terminal loss (line 404 of Schedule 1)	11 Capital cost allowance (column 7 <b>multiplied</b> by column 8; or a lower amount) (line 403 of Schedule 1)****	12 Undepreciated capital cost at the end of the year (column 6 <b>plus</b> column 7 <b>minus</b> column 11)
<b>200</b>		<b>201</b>	<b>203</b>	<b>205</b>	<b>207</b>	<b>211</b>		<b>212</b>	<b>213</b>	<b>215</b>	<b>217</b>	<b>220</b>
1	1	Équip distr. > 1987	141,275	43,547	0	21,774	163,048	4	0	0	6,522	178,300
2	2	Équip Distr < 1988	255,343		0		255,343	6	0	0	15,321	240,022
3	8	Équip de bureau	3,288		0		3,288	20	0	0	658	2,630
4	10	Ordinateur	7,403		0		7,403	30	0	0	2,221	5,182
5	12	Logiciels	4,062	8,587	0	4,294	8,355	100	0	0	8,355	4,294
6	45	Équipements informatique		1,507	0	754	753	45	0	0	339	1,168
<b>Total</b>		<b>411,371</b>	<b>53,641</b>			<b>26,822</b>	<b>438,190</b>				<b>33,416</b>	<b>431,596</b>

\* Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule, see Regulation 1100(2) and (2.2).

\*\* Include amounts transferred under section 85, or on amalgamation and winding-up of a subsidiary. See the *T2 Corporation Income Tax Guide* for other examples of adjustments to include in column 4.

\*\*\* The net cost of acquisitions is the cost of acquisitions (column 3) plus or minus certain adjustments from column 4. For exceptions to the 50% rule, see Interpretation Bulletin IT-285, *Capital Cost Allowance – General Comments*.

\*\*\*\* If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the *T2 Corporation Income Tax Guide* for more information.

Canada

Canada Revenue  
Agency Agence du revenu  
du Canada

## SCHEDULE 10

## CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

Name of corporation	Business Number	Tax year end Year Month Day
HYDRO 2000 INC.	86595 5397 RC0001	2005-12-31

- For use by a corporation that has eligible capital property. For more information, see the *T2 Corporation Income Tax Guide*.
- A separate cumulative eligible capital account must be kept for each business.

## Part 1 – Calculation of current year deduction and carry-forward

<b>Cumulative eligible capital - Balance at the end of the preceding taxation year</b> (if negative, enter "0")	<b>200</b>	2,749	A
<b>Add:</b> Cost of eligible capital property acquired during the taxation year	<b>222</b>		
Other adjustments	<b>226</b>		
Subtotal (line 222 plus line 226)		x 3 / 4 =	B
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002	<b>228</b>	x 1 / 2 =	C
amount B minus amount C (if negative, enter "0")			D
Amount transferred on amalgamation or wind-up of subsidiary	<b>224</b>		E
Subtotal (add amounts A, D, and E)	<b>230</b>	2,749	F
<b>Deduct:</b> Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	<b>242</b>		G
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	<b>244</b>		H
Other adjustments	<b>246</b>		I
(add amounts G, H, and I)		x 3 / 4 =	<b>248</b> J
<b>Cumulative eligible capital balance</b> (amount F minus amount J)		2,749	K
(if amount K is negative, enter "0" at line M and proceed to Part 2)			
Cumulative eligible capital for a property no longer owned after ceasing to carry on that business	<b>249</b>		
amount K		2,749	
less amount from line 249			
<b>Current year deduction</b>		2,749 x 7.00 % =	<b>250</b> 192 *
(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)		192	192 L
<b>Cumulative eligible capital – Closing balance</b> (amount K minus amount L) (if negative, enter "0")	<b>300</b>	2,557	M

\* You can claim any amount up to the maximum deduction of 7%. The deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.

(complete this part only if the amount at line K is negative)

Page 2 of 2

Canada Revenue  
AgencyAgence du revenu  
du Canada**SCHEDULE 50****SHAREHOLDER INFORMATION**

Name of corporation	Business Number	Tax year end Year Month Day
HYDRO 2000 INC.	86595 5397 RC0001	2005-12-31

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

		Provide only one number per shareholder				
Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)		Business Number	Social insurance number	Trust number	Percentage common shares	Percentage preferred shares
100		200	300	350	400	500
1	MUNICIPALITÉ DU CANTON D'ALFRED ET PLANTAGENI	89244 4779 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

This form is a combination of the Ministry of Finance (MOF) **CT23 Corporations Tax Return** and the Ministry of Government Services (MGS) **Annual Return**. Page 1 is a common page required for both Returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-17. Corporations that **do not** meet the EFF criteria but **do** meet the Short-Form criteria, may request and file the **CT23 Short-Form Return** (see page 2).


The **Annual Return** (common page 1 and MGS Schedule A on pages 18 and 19, and Schedule K on page 20) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

MGS Annual Return Required? (Not required if already filed or Annual Return exempt. Refer to Guide)

☒ Yes ☐ No

**Page 1 of 20**

Ministry Use

Corporation's Legal Name (including punctuation)  <b>HYDRO 2000 INC.</b>			<b>Ontario Corporations Tax Account No. (MOF)</b> <b>1800109</b>														
Mailing Address  <b>265, RUE ST-PHILIPPE</b>  <b>ALFRED</b> <b>ON CA K0B 1A0</b>			This Return covers the Taxation Year  Start <table border="1" style="display: inline-table; text-align: center;"> <tr><td>year</td><td>month</td><td>day</td></tr> <tr><td colspan="3">2005-01-01</td></tr> </table>  End <table border="1" style="display: inline-table; text-align: center;"> <tr><td>year</td><td>month</td><td>day</td></tr> <tr><td colspan="3">2005-12-31</td></tr> </table>			year	month	day	2005-01-01			year	month	day	2005-12-31		
year	month	day															
2005-01-01																	
year	month	day															
2005-12-31																	
Has the mailing address changed since last filed CT23 Return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Date of Change <table style="display: inline-table; text-align: center;"> <tr><td>year</td><td>month</td><td>day</td></tr> <tr><td colspan="3"></td></tr> </table>			year	month	day				Date of Incorporation or Amalgamation  <table border="1" style="display: inline-table; text-align: center;"> <tr><td>year</td><td>month</td><td>day</td></tr> <tr><td colspan="3">2000-09-29</td></tr> </table>			year	month	day	2000-09-29		
year	month	day															
year	month	day															
2000-09-29																	
Registered/Head Office Address  <b>265, RUE ST-PHILIPPE</b>  <b>ALFRED</b> <b>ON CA K0B 1A0</b>			Ontario Corporation No. (MGS)  <table border="1" style="display: inline-table; text-align: center;"> <tr><td>1427551</td></tr> </table>			1427551											
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Name of person to contact regarding this CT23 Return  <b>RENÉ BEAULNE</b>	Telephone No.  <b>(613) 679-4093</b>	Fax No.  	Jurisdiction Incorporated  <table border="1" style="display: inline-table; text-align: center;"> <tr><td>Ontario</td></tr> </table>			Ontario											
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Address of Principal Office in Ontario (Extra-Provincial Corporations only) (MGS)  <b>Ontario Canada</b>			If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:  Commenced <table border="1" style="display: inline-table; text-align: center;"> <tr><td>year</td><td>month</td><td>day</td></tr> <tr><td colspan="3"></td></tr> </table>  Ceased <table border="1" style="display: inline-table; text-align: center;"> <tr><td>year</td><td>month</td><td>day</td></tr> <tr><td colspan="3"></td></tr> </table>			year	month	day				year	month	day			
year	month	day															
year	month	day															
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Information on Directors/Officers/Administrators must be completed on MGS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MGS). <span style="float: right;">No. of Schedule(s) <table border="1" style="display: inline-table; text-align: center;"> <tr><td></td></tr> </table></span>				Ministry Use  													
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**Certification (MGS)**

 I certify that all information set out in the **Annual Return** is true, correct and complete.

Name of Authorized Person (Print clearly or type in full)

RENÉ BEAULNE

 Title ☒ Director ☐ Officer ☐ Other individuals having knowledge of the Corporation's business activities

**Note: Sections 13 and 14 of the Corporations Information Act provide penalties for making false or misleading statements or omissions.**



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MGS Annual Return Required? (Not required if already filed or Annual Return exempt. Refer to Guide)

☒ Yes

☐ No

**Page 1 of 20**

Ministry Use

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HYDRO 2000 INC.

1800109

2005-12-31

# CT23 Corporations Tax Return

## Identification continued (for CT23 filers only)

Please check applicable (X) box(es) and complete required information.

### Type of corporation

**1** ☒ Canadian-controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))

2 ☐ Other Private

3 ☐ Public

4 ☐ Non-share Capital

5 ☐ Other (specify) ▼

Share Capital with full voting rights  
owned by Canadian Residents

(nearest percent)

100 %

- 2**
- 1 ☐ Family Farm corporation s.1(2)
- 2 ☐ Family Fishing corporation s.1(2)
- 3 ☐ Mortgage Investment corporation s.47
- 4 ☐ Credit Union s.51
- 5 ☐ Bank Mortgage subsidiary s.61(4)
- 6 ☐ Bank s.1(2)
- 7 ☐ Loan and Trust corporation s.61(4)
- 8 ☐ Non-resident corporation s.2(2)(a) or (b)
- 9 ☐ Non-resident corporation s.2(2)(c)
- 10 ☐ Mutual Fund corporation s.48
- 11 ☐ Non-resident owned Investment corporation s.49
- 12 ☐ Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)
- 14 ☐ Bare Trustee corporation
- 15 ☐ Branch of Non-resident s.63(1)
- 16 ☐ Financial institution prescribed by Regulation only
- 17 ☐ Investment Dealer
- 18 ☐ Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
- 19 ☒ Hydro successor, municipal electrical utility or subsidiary of either
- 20 ☐ Producer and seller of steam for uses other than for the generation of electricity
- 21 ☐ Insurance Exchange s.74.4
- 22 ☐ Farm Feeder Finance Co-operative corporation
- 23 ☐ Professional corporation (incorporated professionals only)

☐ This is the first year filing after incorporation or an amalgamation (If checked, attach Ontario Schedule 24.)

☐ Amended Return

☐ Taxation year end change – Canada Revenue Agency approval required

☐ Final taxation year up to dissolution (Note: for discontinued businesses, see guide.)

☐ Final taxation year before amalgamation

☐ The corporation has a floating fiscal year end

☐ There has been a transfer or receipt of asset(s) involving a corporation having a Canadian permanent establishment outside Ontario

☐ There was an acquisition of control to which subsection 249(4) of the federal *Income Tax Act* (ITA) applies since the previous taxation year

If checked, date control was acquired

year month day

☐ The corporation was involved in a transaction where all or substantially all (90% or more) of the assets of a non-arm's length corporation were received in the taxation year and subsection 85(1) or 85(2) of the federal ITA applied to the transaction (If checked, attach Ontario Schedule 44.)

☐ First year filing of a parent corporation after winding-up a subsidiary corporation(s) under section 88 of the federal ITA during the taxation year. (If checked, attach Ontario Schedule 24.)

☐ Section 83.1 of the CTA applies (redirection of payments for certain electricity corporations)

Yes No

☐ ☒ Was the corporation inactive throughout the taxation year?

☒ ☐ Has the corporation's Federal T2 Return been filed with the Canada Revenue Agency?

Are you requesting a refund due to:

☐ ☒ the Carry-back of a Loss?

☒ ☐ an Overpayment?

☐ ☒ a Specified Refundable Tax Credit?

☐ ☒ Are you a member of a Partnership or Joint Venture?

### Complete if applicable

Ontario Retail Sales Tax Vendor  
Permit no. (Use head office no.)

Ontario Employer Health Tax  
Account no. (Use head office no.)

Specify major business activity

**Allocation** – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction to that jurisdiction (s.39) (Int.B. 3008).

DOLLARS ONLY

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	- - - - -	±	From	690	42,651	.
Subtract: Charitable donations	- - - - -	-		1		.
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule 2)	- - - - -	-		2		.
Subtract: Taxable dividends deductible, per federal Schedule 3	- - - - -	-		3		.
Subtract: Ontario political contributions (Attach Schedule 2A) (Int.B. 3002R)	- - - - -	-		4		.
Subtract: Federal Part VI.1 tax	_____ x 3	-		5		.
Subtract: Prior years' losses applied – Non-capital losses	- - - - -	-	From	704	42,651	.
	From 715					
Net capital losses (page 16)	_____ x inclusion rate			50.000000	% =	- 714 .
Farm losses	- - - - -	-	From	724		.
Restricted farm losses	- - - - -	-	From	734		.
Limited partnership losses	- - - - -	-	From	754		.
<b>Taxable Income (Non-capital loss)</b>	- - - - -	=		10		.

Addition to taxable income for unused foreign tax deduction for federal purposes - - - - - + 11 .

**Adjusted Taxable Income** 10 + 11 (if 10 is negative, enter 11 ) - - - - - = 20 .

## Taxable Income

From 10 (or 20 if applicable) \_\_\_\_\_ x 30 100.0000 % x 12.5 % x 33 73 365 = + 29 .

Ontario Allocation

From 10 (or 20 if applicable) \_\_\_\_\_ x 30 100.0000 % x 14 % x 34 365 73 365 = + 32 .

Ontario Allocation

**Income Tax Payable** (before deduction of tax credits) 29 + 32 - - - - - = 40 .

## Number of Days in Taxation Year

Days after Dec. 31, 2002 and before Jan. 1, 2004 Total Days

Days after Dec. 31, 2003 Total Days

## Incentive Deduction for Small Business Corporations (IDSBC) (s.41)

**If this section is not completed, the IDSBC will be denied.**

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? (X)

☐ Yes ☒ No

\* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a)) - - - - 50 .

Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b)) + 51 .

Add: Losses of other years deducted for federal purposes (fed.s.111) + 52 .

Subtract: Losses of other years deducted for Ontario purposes (s.34) - 53 .

= 54 .

Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1) - - - - 55 300,000 .

## Ontario Business Limit Calculation

320,000 x 31 365 = + 46 .

400,000 x 34 365 = + 47 400,000 .

Business Limit for Ontario purposes 46 + 47 = 44 400,000 . x 48 100.0000 % = 45 400,000 .

**Income eligible for the IDSBC** - - - - - From 30 100.0000 % x 56 = 60 .

\*\*\*Ontario Allocation

Least of 50 , 54 or 45

\* **Note:** Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)

\*\* **Note:** Adjust accordingly for a floating taxation year and use 366 for a leap year.

\*\*\* **Note:** Ontario Allocation for IDSBC purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).

continued on Page 5



**Additional Deduction for Credit Unions (s.51(4))** (Attach schedule 17)

- - - - - 110

**Manufacturing and Processing Profits Credit (M&P) (s.43)**

**Applies** to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: **a)** your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and **b)** the total active business income is \$250,000 or less.

**Eligible Canadian Profits**

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) - - - - - From 56

Add: Adjustment for Surtax on Canadian-controlled private corporations

$$\frac{\text{From } 100}{100} \div \frac{\text{From } 30}{100.0000\%} \div \frac{\text{From } 78}{8.5000\%} = 121$$

\*Ontario Allocation

Lesser of 56 or 121 - - - - - + 122

120 - 56 + 122 - - - - - = 130

**Taxable Income** - - - - - + From 10

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) - - - - - From 56

Add: Adjustments for Surtax on Canadian-controlled private corporations - - - - - + From 122

Subtract: Taxable Income 10 X Allocation % to jurisdictions outside Canada - - - - - 140

Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses - - - - - 141

10 - 56 + 122 - 140 - 141 - - - - - = 142

**Claim****Number of Days in Taxation Year**

Days after Dec. 31, 2002 and before Jan. 1, 2004 Total Days

$$\frac{143}{\text{Lesser of } 130 \text{ or } 142} \times \frac{\text{From } 30}{100.0000\%} \times 1.5\% \times \frac{33}{73} \div \frac{365}{365} = + 154$$

Ontario Allocation

Days after Dec. 31, 2003 Total Days

$$\frac{143}{\text{Lesser of } 130 \text{ or } 142} \times \frac{\text{From } 30}{100.0000\%} \times 2\% \times \frac{34}{73} \div \frac{365}{365} = + 156$$

Ontario Allocation

M&P claim for taxation year 154 + 156 - - - - - = 160

\* **Note:** Ontario Allocation for M&P Credit purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))

**Manufacturing and Processing Profits Credit for Electrical Generating Corporations**

= 161

**Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity**

= 162

**Credit for Foreign Taxes Paid (s.40)**

**Applies** if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001R). (Attach schedule)

- 170

**Credit for Investment in Small Business Development Corporations (SBDC)**

**Applies** if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former *Small Business Development Corporations Act*)

Eligible Credit 175 Credit Claimed 180

**Subtotal of Income Tax**

40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180 - - - - - = 190

*continued on Page 7*

**Income Tax** *continued from Page 6***Specified Tax Credits** *(Refer to Guide)***Ontario Innovation Tax Credit (OITC) (s.43.3)** *Applies* to scientific research and experimental development in Ontario.Eligible Credit From 5620 OITC Claim Form *(Attach original Claim Form)* - - - - - + 191 .**Co-operative Education Tax Credit (CETC) (s.43.4)** *Applies* to employment of eligible students.Eligible Credit From 5798 CT23 Schedule 113 *(Attach Schedule 113)* - - - - - + 192 .**Ontario Film & Television Tax Credit (OFTTC) (s.43.5)***Applies* to qualifying Ontario labour expenditures for eligible Canadian content film and television productions. Name of Production 204Eligible Credit From 5850 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)* - - - - - + 193 .**Graduate Transitions Tax Credit (GTTC) (s.43.6)***Applies* to employment of eligible unemployed post secondary graduates, for employment commencing prior to July 6, 2004 and expenditures incurred prior to January 1, 2005. No. of Graduates From 6596 194Eligible Credit From 6598 CT23 Schedule 115 *(Attach Schedule 115)* - - - - - + 195 .**Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)***Applies* to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.Eligible Credit From 6900 OBPTC Claim Form *(Attach both the original Claim Form and the Certificate of Eligibility)* - - + 196 .**Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)***Applies* to labour relating to computer animation and special effects on an eligible production.Eligible Credit From 6700 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)* - - - - - + 197 .**Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)***Applies* to qualifying R&D expenditures under an eligible research institute contract.Eligible Credit From 7100 OBRITC Claim Form *(Attach original Claim Form)* - - - - - + 198 .**Ontario Production Services Tax Credit (OPSTC) (s.43.10)***Applies* to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.Eligible Credit From 7300 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)* - - - - - + 199 .**Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)***Applies* to qualifying labour expenditures of eligible products for the taxation year.Eligible Credit From 7400 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)* - - - - - + 200 .**Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)***Applies* to qualifying expenditures in respect of eligible Canadian sound recordings.Eligible Credit From 7500 OSRTC Claim Form *(Attach both the original Claim Form and the Certificate of Eligibility)* - - + 201 .**Apprenticeship Training Tax Credit (ATTC) (s.43.13)***Applies* to employment of eligible apprentices. No. of Apprentices From 5896 202Eligible Credit From 5898 CT23 Schedule 114 *(Attach Schedule 114)* - - - - - + 203 .Other (specify) \_\_\_\_\_ - - - - - + 203.1 .**Total Specified Tax Credits** 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 203 + 203.1 = 220 .**Specified Tax Credits** *Applied to reduce Income Tax* - - - - - = 225 .**Income Tax** 190 - 225 **OR Enter NIL if reporting Non-Capital Loss** *(amount cannot be negative)* - - - - = 230 .To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see **Determination of Applicability** section for the CMT on **Page 8**. If CMT is not applicable, transfer amount in 230 to Income Tax in **Summary** section on **Page 17**.**OR**If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the **Application of CMT Credit Carryovers** section part B, on **Page 8**.

Total Assets of the corporation	- - - - - + [240]	2,283,855 ●
Total Revenue of the corporation	- - - - - + [241]	2,281,196 ●

*The above amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.*

**If you are a member of an associated group** (X)  ☐ (Yes)

Name of associated corporation (Canadian & foreign) (if insufficient space attach schedule)		Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Total Assets		Total Revenue	
				+	243	+	244
				+	245	+	246
				+	247	+	248
Aggregate Total Assets	240 + 243 + 245 + 247, etc.	- - - -	- - - -	=	249	2,283,855	
Aggregate Total Revenue	241 + 244 + 246 + 248, etc.	- - - -	- - - -	=	250	2,281,196	

### Determination of Applicability

***Applies*** if ***either*** Total Assets 249 exceeds \$5,000,000 ***or*** Total Revenue 250 exceeds \$10,000,000.

**Short Taxation Years** – Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

**Associated Corporation** – The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

If CMT is applicable to current taxation year, complete section **Calculation: CMT** below and **Corporate Minimum Tax Schedule 101**.

**Calculation: CMT** (Attach Schedule 101.)

Gross CMT Payable	-	-	CMT Base	From Schedule 101		2136		.	X From	30		100.0000	% X	4 %	=	276		.				
					If negative, enter zero	Ontario Allocation																
Subtract: Foreign Tax Credit for CMT purposes ( <i>Attach Schedule</i> )																						
																		-		277		.
Subtract: Income Tax																						
																		-	From	190		.

<b>Net CMT Payable</b>	(If negative, enter Nil on Page 17.)	- - - - - =	280
------------------------	--------------------------------------	-------------	-----

If **280** is less than zero and you do not have a CMT credit carryover, transfer **230** from **Page 7** to **Income Tax Summary, on Page 17**.

If 280 is less than zero and you have a CMT credit carryover, complete A & B below.

If 280 is greater than or equal to zero, transfer 230 to **Page 17** and transfer 280 to **Page 17**, and to **Part 4 of Schedule 101: Continuity of CMT Credit Carryovers**.

**CMT Credit Carryover available** From Schedule 101 - - - - - From 2333

## Application of CMT Credit Carryovers

<b>A.</b>	Income Tax (before deduction of specified credits)	-	-	-	-	-	-	-	-	-	+ From	190	
	Gross CMT Payable	-	-	-	-	-	-	-	-	-	+ From	276	.
	Subtract: Foreign Tax Credit for CMT purposes	-	-	-	-	-	-	-	-	-	- From	277	.
	If <span style="border: 1px solid black; padding: 0 2px;">276</span> - <span style="border: 1px solid black; padding: 0 2px;">277</span> is negative, enter NIL in <span style="border: 1px solid black; padding: 0 2px;">290</span>	=											
	<b>Income Tax eligible for CMT Credit</b>	-	-	-	-	-	-	-	-	-	=	<span style="border: 1px solid black; padding: 0 2px;">290</span>	<span style="background-color: #cccccc;"></span>
												<span style="border: 1px solid black; padding: 0 2px;">300</span>	<span style="background-color: #cccccc;"></span>

<b>B.</b>	Income Tax (after deduction of specified credits)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	+ From	230		<b>.</b>
	Subtract: CMT credit used to reduce income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	310		<b>.</b>	
	<b>Income Tax</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	=	320		<b>.</b>	

Transfer to page 17

**If A & B apply, 310 cannot exceed the lesser of 230, 300 and your CMT credit carryover available 2333.**

**If only B applies,** 310 **cannot exceed the lesser of** 230 **and your CMT credit carryover available** 2333.

HYDRO 2000 INC.

1800109

2005-12-31

DOLLARS ONLY

**Capital Tax** (Refer to Guide and Int.B. 3011R)

If your corporation is a Financial Institution (s.58(2)), complete lines 480 and 430 on page 10 then proceed to page 13.

If your corporation is not a member of an associated group and/or partnership and the Gross Revenue and Total Assets as calculated on page 10 in 480 and 430 are both \$3,000,000 or less, your corporation is exempt from Capital Tax for the taxation year, except for a branch of a non-resident corporation. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in 550 on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets must be

adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017R).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

**Paid-up Capital of Non-resident:** Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(2)(a) or 2(2)(b), and whose business is not carried on solely in Canada is deemed to be the greater of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

**Paid-up Capital**

Paid-up capital stock (Int.B. 3012R and 3015R)	- - - - -	+	350	308,735
Retained earnings (if deficit, deduct) (Int.B. 3012R)	- - - - -	±	351	409,582
Capital and other surpluses, excluding appraisal surplus (Int.B.3012R)	- - - - -	+	352	
Loans and advances (Attach schedule) (Int.B. 3013R)	- - - - -	+	353	728,119
Bank loans (Int.B. 3013R)	- - - - -	+	354	
Bankers acceptances (Int.B. 3013R)	- - - - -	+	355	
Bonds and debentures payable (Int.B. 3013R)	- - - - -	+	356	
Mortgages payable (Int.B. 3013R)	- - - - -	+	357	
Lien notes payable (Int.B. 3013R)	- - - - -	+	358	
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013R)	- - - - -	+	359	76,242
Contingent, investment, inventory and similar reserves (Int.B. 3012R)	- - - - -	+	360	
Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012R)	- - - - -	+	361	
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017R)	- - - - -	+	362	
<b>Subtotal</b>	- - - - -	=	370	1,522,678
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012R)	- - - - -	-	371	409,463
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015R)	- - - - -	-	372	
<b>Total Paid-up Capital</b>	- - - - -	=	380	1,113,215
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015R)	- - - - -	-	381	
<b>Electrical Generating Corporations Only</b> – All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	- - - - -	-	382	
<b>Net Paid-up Capital</b>	- - - - -	=	390	1,113,215

**Eligible Investments** (Refer to Guide and Int.B. 3015R)

Attach computations and list of corporation names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	- - - - -	+	402	
Mortgages due from other corporations	- - - - -	+	403	
Shares in other corporations (certain restrictions apply) (Refer to Guide)	- - - - -	+	404	
Loans and advances to unrelated corporations	- - - - -	+	405	
Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)	- - - - -	+	406	
Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)	- - - - -	+	407	
<b>Total Eligible Investments</b>	- - - - -	=	410	

continued on Page 10



**Total Assets** (Int.B. 3015R)**DOLLARS ONLY**

Total Assets per balance sheet	- - - - -	+	420	2,283,855	.
Mortgages or other liabilities deducted from assets	- - - - -	+	421		.
Share of partnership(s)/joint venture(s) total assets (Attach schedule)	- - - - -	+	422		.
Subtract: Investment in partnership(s)/joint venture(s)	- - - - -	-	423		.
<b>Total Assets as adjusted</b>	- - - - -	=	430	2,283,855	.
Amounts in 360 and 361 (if deducted from assets)	- - - - -	+	440		.
Subtract: Amounts in 371, 372 and 381	- - - - -	-	441	409,463	.
Subtract: Appraisal surplus if booked	- - - - -	-	442		.
Add or Subtract: Other adjustments (specify on an attached schedule)	- - - - -	±	443		.
<b>Total Assets</b>	- - - - -	=	450	1,874,392	.

<b>Investment Allowance</b> ( 410 ÷ 450 ) × 390	- - - - -	<b>Not to exceed</b> 410	=	460	.
<b>Taxable Capital</b> 390 - 460	- - - - -		=	470	1,113,215

<b>Gross Revenue</b> (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	- - -	480	2,281,196	.
<b>Total Assets</b> (as adjusted)	- - - - -	From 430	2,283,855	.

**Calculation of Capital Tax for all Corporations except Financial Institutions****Note:** This version (2007) of the CT23 may only be used for a taxation year that commenced after December 31, 2004.

Financial Institutions use calculations on page 13.

**Important:**

- If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.
- OR** If the corporation is **not** a member of an associated group and/or partnership, complete Section B below, then review only the Capital Tax calculations in Section C on page 11, selecting and completing the one specific subsection (e.g. C3) that applies to the corporation.
- OR** If the corporation **is** a member of an associated group and/or partnership, complete Section B below and Section D on page 11, and if applicable, complete Section E or Section F on page 12. Note: if the corporation is a member of a connected partnership, please refer to the CT23 Guide for additional instructions before completing the Capital Tax section.

**SECTION A**

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in 550 on page 12 and complete the return from that point.

**SECTION B****B1.** Calculation of Taxable Capital Deduction (TCD)

		<b>Number of Days in Taxation Year</b>			
		Days after Dec. 31, 2004 and before Jan. 1, 2006	Total Days		
7,500,000	×	36	365 ÷ 73	= +	501 7,500,000
		Days after Dec. 31, 2005 and before Jan. 1, 2007	Total Days		
10,000,000	×	37	365 ÷ 73	= +	502
		Days after Dec. 31, 2006 and before Jan. 1, 2008	Total Days		
12,500,000	×	38	365 ÷ 73	= +	504
		Days after Dec. 31, 2007	Total Days		
15,000,000	×	39	365 ÷ 73	= +	505
<b>Taxable Capital Deduction (TCD)</b> 501 + 502 + 504 + 505				=	503 7,500,000

**B2.** This section applies to corporations to calculate the prorated capital tax rate.

## Calculation of Capital Tax Rate

		<b>Number of Days in Taxation Year</b>			
		Days before Jan. 1, 2007	Total Days		
0.3 %	×	556	365 ÷ 73	= +	511 0.3000 %
		Days after Dec. 31, 2006 and before Jan. 1, 2009	Total Days		
0.285 %	×	557	365 ÷ 73	= +	512
<b>Capital Tax Rate</b> 511 + 512				=	516 0.3000 %

continued on Page 11

2005-12-31

**D2. Calculation** Do not complete this calculation if ss.69(2.1) election is filed

Taxable Capital From 470 on page 10 - - - - - + From 470

Names of associated corporations (excluding Financial Institutions and corporations exempt from Capital Tax) having a permanent establishment in Canada  
(if insufficient space, attach schedule)

Ontario Corporations Tax  
Account No. (MOF)  
(if applicable)

Taxation Year End

Taxable Capital

		+ 531	.
		+ 532	.
		+ 533	.
Aggregate Taxable Capital	470 + 531 + 532 + 533 , etc.	= 540	

If 540 above is equal to or less than the TCD 503 on page 10, the corporation's Capital Tax for the taxation year, is NIL.

Enter NIL in 523 in section E below, as applicable.

If 540 above is greater than the TCD 503 on page 10, the corporation must compute its share of the TCD below in order to calculate its Capital Tax for the taxation year under Section E below.

From   $\div$  From   $\times$  From   $=$

Transfer to 542 in Section E below

**Ss.69(2.1) Election Filed**

☐ 591 (X if applicable)

**Election filed.** *Attach a copy of Schedule 591 with this CT23 Return.*  
Proceed to **Section F** below.

## SECTION E

This section applies if the corporation is a member of an associated group and/or partnership whose total **aggregate** Taxable Capital 540 above, exceeds the TCD 503 on page 10.

Complete the following calculation and transfer the amount from 523 to 543, and complete the return from that point.

$$\begin{array}{rcl}
 + & \text{From } 470 & \text{ } \\
 - & 542 & \text{ } \\
 = & 471 & \text{ }
 \end{array}
 \times \text{From } 30 \text{ } 100.0000 \% \times \text{From } 516 \text{ } \frac{0.3000 \%}{\text{Capital Tax Rate}} \times \frac{555}{365} \frac{365}{\text{Days in taxation year}} = + 523 \text{ }$$

Ontario Allocation      Transfer to 543 and complete the return from that point

## SECTION F

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election.

+ From	470	•	x	From	30	%	x	From	516	%	-	-	-	-	-	-	-	=	+	561	•	
<div style="display: flex; justify-content: space-between; font-weight: bold;"> <span>Ontario Allocation</span> <span>Capital Tax Rate</span> </div>																						
- Capital tax deduction from	995																			- From	995	•
<div style="display: flex; justify-content: space-between; font-weight: bold;"> <span>relating to <b>your corporation's</b> Capital Tax deduction, on Schedule 591</span> <span></span> </div>																						
																			=	562	•	

$$\begin{array}{ccccccc} \text{Capital Tax} & - & - & - & - & - & - \\ & & & & & & \boxed{562} \end{array} \times \frac{\begin{array}{c} \text{Days in taxation year} \\ \boxed{555} \end{array}}{\begin{array}{c} * \\ 365 \end{array}} = \begin{array}{c} \boxed{563} \end{array}$$

the taxation year  
Transfer to 543 and complete the return from that point

\* If floating taxation year, refer to Guide.

<b>Capital Tax</b>	before application of specified credits	- - - - -	=	<div style="border: 1px solid black; padding: 2px;">543</div>	
	Subtract: Specified Tax Credits applied to reduce capital tax payable ( <i>Refer to Guide</i> )	- - - - -	-	<div style="border: 1px solid black; padding: 2px;">546</div>	
<b>Capital Tax</b>	<div style="border: 1px solid black; padding: 2px;">543</div> - <div style="border: 1px solid black; padding: 2px;">546</div> ( <i>amount cannot be negative</i> )	- - - - -	=	<div style="border: 1px solid black; padding: 2px;">550</div>	

Transfer to Page 17

*continued on Page 13*

Capital Tax continued from Page 12

Calculation of Capital Tax for Financial Institutions

1.1 Credit Unions only

For taxation years commencing after May 4, 1999 enter NIL in 550 on page 12, and complete the return from that point.

1.2 Other than Credit Unions

(Retain details of calculations for amounts in boxes 565 and 570. Do not submit with this tax return.)

565

Lesser of adjusted Taxable Paid Up Capital and Basic Capital Amount in accordance with Division B.1

x

567

Capital Tax Rate (1)  
(Refer to Guide)

%

x

From 30

100.0000

%

x

555

Days in taxation year  
365  
(366 if leap year)

- - - -

=

+

569

570

Adjusted Taxable Paid Up Capital in accordance with Division B.1 in excess of Basic Capital Amount

x

571

Capital Tax Rate (2)  
(Refer to Guide)

%

x

From 30

100.0000

%

x

555

Days in taxation year  
365  
(366 if leap year)

- - - -

=

+

574

Capital Tax for Financial Institutions – other than Credit Unions (before Section 2)

569 + 574 - - = 575

\* If floating taxation year, refer to Guide.

2. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments - - - - -

-

585

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (X) ☐ Yes

Capital Tax - Financial Institutions

575 - 585 - - - - -

=

586

Transfer to 543 on Page 12

Premium Tax (s.74.2 & 74.3) (Refer to Guide)

(1) Uninsured Benefits Arrangements - - - - -

587

x

2 %

- -

=

588

Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in 588 and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in 588.)

Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax (Refer to Guide) - - - - -

-

589

Premium Tax

588 - 589 - - - - -

=

590

Transfer to page 17

**Reconcile net income (loss) for federal income tax purposes  
with net income (loss) for Ontario purposes if amounts differ**

**Net Income (loss) for federal income tax purposes, per federal T2 Schedule 1**

- - - - - ± **600** 42,651 •  
Transfer to Page 15

**Add:**

Federal capital cost allowance	- - - - -	+	<b>601</b>	<u>33,416</u> •
Federal cumulative eligible capital deduction	- - - - -	+	<b>602</b>	<u>192</u> •
Ontario taxable capital gain	- - - - -	+	<b>603</b>	<u>•</u>
Federal non-allowable reserves. Balance beginning of year	- - - - -	+	<b>604</b>	<u>•</u>
Federal allowable reserves. Balance end of year	- - - - -	+	<b>605</b>	<u>•</u>
Ontario non-allowable reserves. Balance end of year	- - - - -	+	<b>606</b>	<u>•</u>
Ontario allowable reserves. Balance beginning of year	- - - - -	+	<b>607</b>	<u>•</u>
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	- - - - -	+	<b>608</b>	<u>•</u>
Federal resource allowance ( <i>Refer to Guide</i> )	- - - - -	+	<b>609</b>	<u>•</u>
Federal depletion allowance	- - - - -	+	<b>610</b>	<u>•</u>
Federal foreign exploration and development expenses	- - - - -	+	<b>611</b>	<u>•</u>
Crown charges, royalties, rentals, etc. deducted for Federal purposes ( <i>Refer to Guide</i> )	- - - - -	+	<b>617</b>	<u>•</u>
Management fees, rents, royalties and similar payments to non-arm's length non-residents ▼				

**Number of Days in Taxation Year**

$$\begin{aligned} &\text{Days after Dec. 31, 2002 and before Jan. 1, 2004} \quad \text{Total Days} \\ &\text{612} \times 5 / 12.5 \times \text{33} \div 73 = \text{633} \times 365 \\ &\text{Days after Dec. 31, 2003} \quad \text{Total Days} \\ &\text{612} \times 5 / 14 \times \text{34} \div 73 = \text{634} \times 365 \end{aligned}$$

Total add-back amount for Management fees, etc. **633** + **634** = • ▶ + **613** •

Federal Scientific Research Expenses claimed in year from line **460** of fed. form T661  
excluding any negative amount in **473** from Ont. CT23 Schedule 161 - - - - - + **615** •

Add any negative amount in **473** from Ont. CT23 Schedule 161 - - - - - + **616** •

Federal allowable business investment loss - - - - - + **620** •

Total of other items not allowed by Ontario but allowed federally (*Attach schedule*) - - - - - + **614** •

**Total of Additions** **601** to **611** + **617** + **613** + **615** + **616** + **620** + **614** - - - = 33,608 • ▶ **640** 33,608 •  
Transfer to Page 15

**Deduct:**

Ontario capital cost allowance (excludes amounts deducted under <b>675</b> )	- - - - -	+	<b>650</b>	<u>33,416</u> •
Ontario cumulative eligible capital deduction	- - - - -	+	<b>651</b>	<u>192</u> •
Federal taxable capital gain	- - - - -	+	<b>652</b>	<u>•</u>
Ontario non-allowable reserves. Balance beginning of year	- - - - -	+	<b>653</b>	<u>•</u>
Ontario allowable reserves. Balance end of year	- - - - -	+	<b>654</b>	<u>•</u>
Federal non-allowable reserves. Balance end of year	- - - - -	+	<b>655</b>	<u>•</u>
Federal allowable reserves. Balance beginning of year	- - - - -	+	<b>656</b>	<u>•</u>
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) ( <i>Retain calculations. Do not submit.</i> )	- - - - -	+	<b>657</b>	<u>•</u>
Ontario depletion allowance	- - - - -	+	<b>658</b>	<u>•</u>
Ontario resource allowance ( <i>Refer to Guide</i> )	- - - - -	+	<b>659</b>	<u>•</u>
Ontario current cost adjustment ( <i>Attach schedule</i> )	- - - - -	+	<b>661</b>	<u>•</u>
CCA on assets used to generate electricity from natural gas, alternative or renewable resources.	- - - - -	+	<b>675</b>	<u>•</u>

**Subtotal of deductions for this page** **650** to **659** + **661** + **675** - - - - - **681** 33,608 •  
Transfer to Page 15

continued on Page 15

**Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ**  
continued from Page 14

Net Income (loss) for federal income tax purposes, per federal Schedule 1	- - - - -	From ±	600	42,651
Total of Additions on page 14	- - - - -	From =	640	33,608
Sub Total of deductions on page 14	- - - - -	From =	681	33,608

**Deduct:**

**Ontario New Technology Tax Incentive (ONTTI) Gross-up**

(Applies only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year

- - - 662

**ONTTI Gross-up deduction calculation:**

$$\begin{array}{l} \text{Gross-up of CCA} \\ \left[ \begin{array}{l} \text{From } 662 \times 100 \\ \text{From } 30 \quad 100.0000 \\ \text{Ontario Allocation} \end{array} \right] - \text{From } 662 = 663 \end{array}$$

**Workplace Child Care Tax Incentive (WCCT)**

(Applies to eligible expenditures incurred prior to January 1, 2005.)

$$\begin{array}{l} \text{Qualifying expenditures: } \left[ \begin{array}{l} 665 \times 30\% \times 100 \\ \text{From } 30 \quad 100.0000 \\ \text{Ontario allocation} \end{array} \right] = 666 \end{array}$$

**Workplace Accessibility Tax Incentive (WATI)**

(Applies to eligible expenditures incurred prior to January 1, 2005.)

$$\begin{array}{l} \text{Qualifying expenditures: } \left[ \begin{array}{l} 667 \times 100\% \times 100 \\ \text{From } 30 \quad 100.0000 \\ \text{Ontario allocation} \end{array} \right] = 668 \end{array}$$

Number of Employees accommodated

669

**Ontario School Bus Safety Tax Incentive (OSBSTI)**

(Applies to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) (Refer to Guide)

$$\begin{array}{l} \text{Qualifying expenditures: } \left[ \begin{array}{l} 670 \times 30\% \times 100 \\ \text{From } 30 \quad 100.0000 \\ \text{Ontario allocation} \end{array} \right] = 671 \end{array}$$

**Educational Technology Tax Incentive (ETTI)**

(Applies to eligible expenditures incurred prior to January 1, 2005.)

$$\begin{array}{l} \text{Qualifying expenditures: } \left[ \begin{array}{l} 672 \times 15\% \times 100 \\ \text{From } 30 \quad 100.0000 \\ \text{Ontario allocation} \end{array} \right] = 673 \end{array}$$

Ontario allowable business investment loss

+ 678

Ontario Scientific Research Expenses claimed in year in 477 from Ont. CT23 Schedule 161

+ 679

Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003)

+ 677

Total of other deductions allowed by Ontario (Attach schedule)

+ 664

**Total of Deductions** 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 = 33,608 ▶ 680 33,608

**Net income (loss) for Ontario Purposes** 600 + 640 - 680 = 690 42,651  
Transfer to Page 4

DOLLARS ONLY

## Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
<b>Balance at Beginning of Year</b>	700 (2) 129,724	710 (2)	720 (2)	730	740	750
<b>Add:</b>						
Current year's losses (7)	701	711	721	731	741	751
Losses from predecessor corporations (3)	702	712	722	732		752
<b>Subtotal</b>	703	713	723	733	743	753
<b>Subtract:</b>						
Utilized during the year to reduce taxable income	704 (2) 42,651	715 (2) (4)	724 (2)	734 (2) (4)	744 (4)	754 (4)
Expired during the year	705		725	735	745	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17	716 (2) to Page 17	726 (2) to Page 17	736 (2) to Page 17	746	
<b>Subtotal</b>	707 42,651	717	727	737	747	757
<b>Balance at End of Year</b>	709 (8) 87,073	719	729	739	749	759

## Analysis of Balance at End of Year by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only	Farm Losses	Restricted Farm Losses
800 9th preceding taxation year 1998-09-28	817 (9)	860 (9)		850	870
801 8th preceding taxation year 1999-09-28	818 (9)	861 (9)		851	871
802 7th preceding taxation year 2000-09-28	819 (9)	862 (9)		852	872
803 6th preceding taxation year 2000-12-31	820	830	840	853	873
804 5th preceding taxation year 2001-09-30	821	831	841	854	874
805 4th preceding taxation year 2001-12-31	822	832	842	855	875
806 3rd preceding taxation year 2002-12-31	823	833	843	856	876
807 2nd preceding taxation year 2003-12-31	824	834	844	857	877
808 1st preceding taxation year 2004-12-31	825 87,073	835	845	858	878
809 Current taxation year 2005-12-31	826	836	846	859	879
<b>Total</b>	829 87,073	839	849	869	889

## Notes:

- (1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- (2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.
- (3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.
- (4) To the extent of applicable gains/income/at-risk amount only.

- (5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.
- (6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.
- (7) Include amount from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.
- (8) Amount in 709 must equal total of 829 + 839.
- (9) Include non-capital losses incurred in taxation years ending after March 22, 2004.

HYDRO 2000 INC.

1800109

2005-12-31

DOLLARS ONLY

**Request for Loss Carry-Back (s.80(16))**

**Applies** to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carry-back adjustment may be applied by the Minister of Finance to amounts owing under **any Act administered by the Ministry of Finance**.

- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  - the first day of the taxation year after the loss year,
  - the day on which the corporation's return for the loss year is delivered to the Minister, or
  - the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

**Application of Losses**

	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
<b>Total amount of loss</b>	910	920	930	940
<b>Deduct:</b> Loss to be carried back to preceding taxation years and applied to reduce taxable income				
Predecessor Ontario Corporation's Tax Account No. (MOF)	901	911	921	931
Taxation Year Ending year month day	2002-12-31	912	922	932
i) 3 <sup>rd</sup> preceding	902	913	923	933
ii) 2 <sup>nd</sup> preceding	903	914	924	934
iii) 1 <sup>st</sup> preceding	904	915	925	935
<b>Total loss to be carried back</b>	From 706	From 716	From 726	From 736
<b>Balance of loss available for carry-forward</b>	919	929	939	949

**Summary**

Income Tax	- - - - - +	From 230 or 320	•
Corporate Minimum Tax	- - - - +	From 280	•
Capital Tax	- - - - - +	From 550	•
Premium Tax	- - - - - +	From 590	•
<b>Total Tax Payable</b>	- - - - - =	950	•
Subtract: Payments	- - - - - -	960	18,000 •
Capital Gains Refund (s.48)	- - - - - -	965	•
Qualifying Environmental Trust Tax Credit (Refer to Guide)	- - - - - -	985	•
Specified Tax Credits (Refer to Guide)	- - - - - -	955	•
Other, specify	- - - - - -		•
<b>Balance</b>	- - - - - - =	970	-18,000 •
<b>If payment due</b>	- - - - - -	Enclosed * 990	•
<b>If overpayment: Refund</b> (Refer to Guide)	- - - - - - =	975	18,000 •
Apply to	year month day	980	•
(Includes credit interest)			

\* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, payable to the **Minister of Finance** and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order. (Refer to Guide for other payment methods.)

**Certification**

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name (please print)

RENÉ BEAULNE

Title

GÉRANT

Full Residence Address

Signature

Date

2007-11-02

**Note:** Section 76 of the *Corporations Tax Act* provides penalties for making false or misleading statements or omissions.



**Corporate Minimum Tax (CMT)**  
**CT23 Schedule 101**

Page 1 of 3

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HYDRO 2000 INC.	1800109	2005-12-31

**Part 1: Calculation of CMT Base**

**Banks** – Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.

**Life Insurance corporations** – Net income/loss before Special Additional Tax as determined under s.57.1(2)(c) or (d)

Net Income/Loss (unconsolidated, determined in accordance with GAAP) ..... ± [2100] -8,966.

**Subtract (to the extent reflected in net income/loss):**

Provision for recovery of income taxes / benefit of current income taxes + [2101] .  
Provision for deferred income taxes (credits) / benefit of future income taxes ..... + [2102] 2,025.  
Equity income from corporations ..... + [2103] .  
Share of partnership(s)/joint venture(s) income ..... + [2104] .  
Dividends received/receivable deductible under fed.s.112 ..... + [2105] .  
Dividends received/receivable deductible under fed.s.113 ..... + [2106] .  
Dividends received/receivable deductible under fed.s.83(2) ..... + [2107] .  
Dividends received/receivable deductible under fed.s.138(6) ..... + [2108] .  
Federal Part VI.1 tax paid on dividends declared and paid, under fed.s.191.1(1) ..... x 3 ..... + [2109] .

**Subtotal** ..... = [2110] 2,025. ▶ - [2110] 2,025.

**Add (to extent reflected in net income/loss):**

Provision for current taxes / cost of current income taxes ..... + [2111] .  
Provision for deferred income taxes (debits) / cost of future income taxes ..... + [2112] .  
Equity losses from corporations ..... + [2113] .  
Share of partnership(s)/joint venture(s) losses ..... + [2114] .  
Dividends that have been deducted to arrive at net income per Financial Statements s.57.4(1.1) (excluding dividends under fed.s.137(4.1)) ... + [2115] .

**Subtotal** ..... = [2116] . ▶ + [2116] .

**Add/Subtract:**

Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years

\*\* Fed.s.85 ..... + [2117] . or - [2118] .  
\*\* Fed.s.85.1 ..... + [2119] . or - [2120] .  
\*\* Fed.s.97 ..... + [2121] . or - [2122] .  
\*\* Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years ..... + [2123] . or - [2124] .  
\*\* Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years ..... + [2125] . or - [2126] .  
\*\* Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years ... + [2127] . or - [2128] .

Interest allowable under ss.20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income - [2150] .

Capital gains on eligible donations of publicly-listed securities and ecologically sensitive land made after May 1, 2006 (to the extent reflected in net income/loss) - [2155] .

**Subtotal (Additions)** ..... = [2129] . ▶ + [2129] .

**Subtotal (Subtractions)** ..... = [2130] . ▶ - [2130] .

\*\* Other adjustments ..... ± [2131] .

**Subtotal** ± [2100] - [2110] + [2116] + [2129] - [2130] ± [2131] ..... = [2132] -10,991.

\*\* Share of partnership(s)/joint venture(s) **adjusted** net income/loss ..... ± [2133] .

**Adjusted net income (loss)** (if loss, transfer to [2202] in **Part 2: Continuity of CMT Losses Carried Forward.**) ..... = [2134] -10,991.

Deduct: \* CMT losses: pre-1994 Loss ..... + From [2210] .

\* CMT losses: other eligible losses ..... + [2211] .

= [2135] . ▶ - [2135] .

\* CMT losses applied cannot exceed adjusted net income or increase a loss

\*\* Retain calculations. Do not submit with this schedule.

**CMT Base** ..... = [2136] .

Transfer to CMT Base on Page 8 of the CT23 or Page 6 of the CT8

## CT23 Schedule 101

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HYDRO 2000 INC.	1800109	2005-12-31

## Part 2: Continuity of CMT Losses Carried Forward

<b>Balance at Beginning of year</b> NOTES (1), (2)	.....	+	2201		.....
<b>Add:</b> Current year's losses	.....	+	2202	10,991	.....
Losses from predecessor corporations on amalgamation NOTE (3)	.....	+	2203		.....
Losses from predecessor corporations on wind-up NOTE (3)	.....	+	2204		.....
Amalgamation (X) 2205 <input type="checkbox"/> Yes Wind-up (X) 2206 <input type="checkbox"/> Yes					
<b>Subtotal</b>	.....	=		10,991	.....
Adjustments (attach schedule)	.....	±	2208		.....
<b>CMT losses available</b>	2201 + 2207 ± 2208	=	2209	10,991	.....
<b>Subtract:</b> Pre-1994 loss utilized during the year to reduce adjusted net income	.....	+	2210		.....
Other eligible losses utilized during the year to reduce adjusted net income NOTE (4)	.....	+	2211		.....
Losses expired during the year	.....	+	2212		.....
<b>Subtotal</b>	.....	=			.....
<b>Balances at End of Year</b> NOTE (5)	2209 - 2213	=	2214	10,991	.....

## Notes:

- (1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.
- (2) Where acquisition of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) and a 57.5(7))
- (3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9))
- (4) CMT losses must be used to the extent of the lesser of the adjusted net income 2134 and CMT losses available 2209.
- (5) Amount in 2214 must equal sum of 2270 + 2290.

## Part 3: Analysis of CMT Losses Year End Balance by Year of Origin

For a pre-1994 loss, use the date of the last taxation year end before your corporation's first taxation year commencing after 1993.

	Year of Origin (oldest year first) year month day	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	9th preceding taxation year 1998-09-28	2260	2280
2241	8th preceding taxation year 1999-09-28	2261	2281
2242	7th preceding taxation year 2000-09-28	2262	2282
2243	6th preceding taxation year 2000-12-31	2263	2283
2244	5th preceding taxation year 2001-09-30	2264	2284
2245	4th preceding taxation year 2001-12-31	2265	2285
2246	3rd preceding taxation year 2002-12-31	2266	2286
2247	2nd preceding taxation year 2003-12-31	2267	2287
2248	1st preceding taxation year 2004-12-31	2268	2288
2249	Current taxation year 2005-12-31	2269	2289
		10,991	
<b>Totals</b>		2270	2290
		10,991	

The sum of amounts 2270 + 2290  
must equal amount in 2214.

**Corporate Minimum Tax (CMT)**  
**CT23 Schedule 101**

Page 3 of 3

Corporation's Legal Name HYDRO 2000 INC.	Ontario Corporations Tax Account No. (MOF) 1800109	Taxation Year End 2005-12-31
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**Part 4: Continuity of CMT Credit Carryovers**

**Balance at Beginning of year** NOTE (1) ..... + **2301**

**Add:** Current year's CMT Credit ( **280** on page 8 of the CT23  
or **347** on page 6 of the CT8. If negative, enter NIL) + From **280** or **347**

Gross Special Additional Tax NOTE (2) **312** on page 5 of CT8.  
(Life Insurance corporations only.  
Others enter NIL.) ..... + From **312**

Subtract Income Tax  
( **190** on page 6 of the CT23 or  
page 4 of the CT8) ..... - From **190**

**Subtotal** (If negative, enter NIL) ... =  - **2305**

Current year's CMT credit (If negative, enter NIL) **280** or **347** - **2305** ... =  + **2310**

CMT Credit Carryovers from predecessor corporations NOTE (3) ..... + **2325**

Amalgamation (X) **2315** ☐ Yes Wind-up (X) **2320** ☐ Yes

**Subtotal** **2301** + **2310** + **2325** ..... = **2330**

Adjustments (Attach schedule) ..... ± **2332**

**CMT Credit Carryover available** **2330** ± **2332** ..... = **2333**

*Transfer to Page 8 of the CT23 or Page 6 of the CT8*

**Subtract:** CMT Credit utilized during the year to reduce income tax  
( **310** on page 8 of the CT23 or **351** on page 6 of the CT8.) + From **310** or **351**

CMT Credit expired during the year ..... + **2334**

**Subtotal** ..... =  - **2335**

**Balance at End of Year** NOTE (4) **2333** - **2335** ..... = **2336**

**Notes:**

- (1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))
- (2) The CMT credit of life insurance corporations can be restricted (see s.43.1(3)(b)).
- (3) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))
- (4) Amount in **2336** must equal sum of **2370** + **2390**.

**Part 5: Analysis of CMT Credit Carryovers Year End Balance by Year of Origin**

	Year of Origin (oldest year first) year month day	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporation(s)
<b>2340</b>	9th preceding taxation year 1998-09-28	<b>2360</b>	<b>2380</b>
<b>2341</b>	8th preceding taxation year 1999-09-28	<b>2361</b>	<b>2381</b>
<b>2342</b>	7th preceding taxation year 2000-09-28	<b>2362</b>	<b>2382</b>
<b>2343</b>	6th preceding taxation year 2000-12-31	<b>2363</b>	<b>2383</b>
<b>2344</b>	5th preceding taxation year 2001-09-30	<b>2364</b>	<b>2384</b>
<b>2345</b>	4th preceding taxation year 2001-12-31	<b>2365</b>	<b>2385</b>
<b>2346</b>	3rd preceding taxation year 2002-12-31	<b>2366</b>	<b>2386</b>
<b>2347</b>	2nd preceding taxation year 2003-12-31	<b>2367</b>	<b>2387</b>
<b>2348</b>	1st preceding taxation year 2004-12-31	<b>2368</b>	<b>2388</b>
<b>2349</b>	Current taxation year 2005-12-31	<b>2369</b>	<b>2389</b>
<b>Totals</b>		<b>2370</b>	<b>2390</b>

The sum of amounts **2370** + **2390**  
must equal amount in **2336**.

**Corporate Minimum Tax (CMT)  
CT23 Schedule 101 – Supporting Schedule**

Corporation's Legal Name HYDRO 2000 INC.	Ontario Corporations Tax Account No. (MOF) 1800109	Taxation Year End 2005-12-31
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**CMT Losses Carried Forward Workchart**

**(i) Continuity of Pre-1994 CMT Losses**

	Corporation's Pre-1994 Loss	Predecessors' Pre-1994 Loss Amalgamation	Predecessors' Pre-1994 Loss Wind-Up
Date of the last tax year end before the corp's 1st tax year commencing after 1993 .....			
Pre-1994 Loss (per schedule) .....			
Less: Claimed in prior taxation years commencing after 1993 .....			
Pre-1994 Loss available for the current year .....			
Less: Deducted in the current year .....			
(max. = adj. net income for the year)			
Expired after 10 years .....			
Pre-1994 Loss Carryforward .....			

**(ii) Continuity of Other Eligible CMT Losses – Filing Corporation  
(for losses occurring in tax years commencing after 1993)**

	Year of Origin YYYY/MM/DD	Opening Balance	Adjustment	Deduction	Expired	Closing Balance
10th Prior Year	1997-09-28					
9th Prior Year	1998-09-28					
8th Prior Year	1999-09-28					
7th Prior Year	2000-09-28					
6th Prior Year	2000-12-31					
5th Prior Year	2001-09-30					
4th Prior Year	2001-12-31					
3rd Prior Year	2002-12-31					
2nd Prior Year	2003-12-31					
1st Prior Year	2004-12-31					
<b>Total</b>						

**Predecessor Corporations Only – Amalgamation**

Indicate the amounts of eligible CMT losses from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1997-09-28						
1998-09-28						
1999-09-28						
2000-09-28						
2000-12-31						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
<b>Total</b>						

**Corporate Minimum Tax (CMT)**  
**CT23 Schedule 101 – Supporting Schedule**

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HYDRO 2000 INC.	1800109	2005-12-31

**CMT Losses Carried Forward Workchart (continued)**

**Predecessor Corporations Only – Wind-Up**

Indicate the amounts of eligible CMT losses from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1997-09-28						
1998-09-28						
1999-09-28						
2000-09-28						
2000-12-31						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
<b>Total</b>						

**Corporate Minimum Tax (CMT)**  
**CT23 Schedule 101 – Supporting Schedule**

Corporation's Legal Name HYDRO 2000 INC.	Ontario Corporations Tax Account No. (MOF) 1800109	Taxation Year End 2005-12-31
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**CMT Credit Carryovers Workchart**

**Filing Corporation**

	Year of Origin YYYY/MM/DD	Opening Balance	Adjustment	Deduction	Expired	Closing Balance
10th Prior Year	1997-09-28					
9th Prior Year	1998-09-28					
8th Prior Year	1999-09-28					
7th Prior Year	2000-09-28					
6th Prior Year	2000-12-31					
5th Prior Year	2001-09-30					
4th Prior Year	2001-12-31					
3rd Prior Year	2002-12-31					
2nd Prior Year	2003-12-31					
1st Prior Year	2004-12-31					
	<b>Total</b>					

**Predecessor Corporations Only – Amalgamation**

Indicate the amounts of CMT credit carryovers from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1997-09-28						
1998-09-28						
1999-09-28						
2000-09-28						
2000-12-31						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
	<b>Total</b>					

**Predecessor Corporations Only – Wind-Up**

Indicate the amounts of CMT credit carryovers from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1997-09-28						
1998-09-28						
1999-09-28						
2000-09-28						
2000-12-31						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
	<b>Total</b>					

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HYDRO 2000 INC.	1800109	2005-12-31

### Loans or Advances Credited or Advanced to Corporation

(includes accounts payable to related parties outstanding at the taxation year end for 120 days or more, and accounts payable to non-related parties outstanding for 365 days or more at the taxation year end)

Canton Alfred-Plantagenet	+	371,062
Hydro One	+	357,057
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
<b>Total</b>	=	728,119

# Non-Capital Loss Continuity Workchart – Ontario

## Non-capital losses

Year	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce taxable income	Balance at end of year
Current	N/A				N/A	
2004	129,724	N/A		N/A	42,651	87,073
2003		N/A		N/A		
2002		N/A		N/A		
2001		N/A		N/A		
2001		N/A		N/A		
2000		N/A		N/A		
2000		N/A		N/A		*
Total	129,724				42,651	87,073

## Farm losses

Year	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce taxable income	Balance at end of year
Current	N/A				N/A	
2004		N/A		N/A		
2003		N/A		N/A		
2002		N/A		N/A		
2001		N/A		N/A		
2001		N/A		N/A		
2000		N/A		N/A		
2000		N/A		N/A		
1999		N/A		N/A		
1998		N/A		N/A		
1997		N/A		N/A		*
Total						

## Restricted farm losses

Year	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce taxable income	Balance at end of year
Current	N/A				N/A	
2004		N/A		N/A		
2003		N/A		N/A		
2002		N/A		N/A		
2001		N/A		N/A		
2001		N/A		N/A		
2000		N/A		N/A		
2000		N/A		N/A		
1999		N/A		N/A		
1998		N/A		N/A		
1997		N/A		N/A		*
Total						

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



Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HYDRO 2000 INC.	1800109	2005-12-31

 Is the corporation electing under regulation 1101(5q)? 1 ☐ Yes 2 ☒ No

1 Class number	2 Ontario undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the prior year's CCA schedule)	3 Cost of acquisitions during the year (new property must be available for use)  See note 1 below	4 Net adjustments (show negative amounts in brackets)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)  See note 2 below	8 Reduced undepreciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (column 6 minus column 12)
1	141,275	43,547		0	184,822	21,774	163,048	4	0	0	6,522	178,300
2	255,343			0	255,343		255,343	6	0	0	15,321	240,022
8	3,288			0	3,288		3,288	20	0	0	658	2,630
10	7,403			0	7,403		7,403	30	0	0	2,221	5,182
12	4,062	8,587		0	12,649	4,294	8,355	100	0	0	8,355	4,294
45		1,507		0	1,507	754	753	45	0	0	339	1,168
<b>Totals</b>	411,371	53,641			465,012	26,822	438,190				33,416	431,596

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the *Income Tax Act* (Canada).

 Enter in boxes  . . . .  . . . .  on the CT23.

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.



Ministry of Finance  
Corporations Tax  
33 King Street West  
PO Box 620  
Oshawa ON L1H 8E9

# Ontario Cumulative Eligible Capital Deduction Schedule 10 Page 1 of 2

For taxation years 2002 and later

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HYDRO 2000 INC.	1800109	2005-12-31

- For use by a corporation that has eligible capital property.
- A separate cumulative eligible capital account must be kept for each business.

## Part 1 – Calculation of current year deduction and carry-forward

Ontario Cumulative eligible capital – balance at end of preceding taxation year (if negative, enter zero) ..... = + 2,749 **A**

**Add:** Cost of eligible capital property acquired during the taxation year + ..... **B**  
Other adjustments ..... + ..... **C**  
**B + C** ..... = ..... x 3 / 4 = ..... **D**

Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002 ..... x 1 / 2 = - ..... **E**

**D minus E** (if negative, enter zero) ..... = ..... **F**

Amount transferred on amalgamation or wind-up of subsidiary ..... + ..... **G**

**Subtotal A + F + G** ..... = 2,749 **H**

**Deduct:** Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year ..... + ..... **I**

The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the *Income Tax Act* (Canada) ..... + ..... **J**

Other adjustments ..... + ..... **K**

**I + J + K** ..... = ..... x 3 / 4 ..... = - ..... **L**

**Ontario cumulative eligible capital balance H minus L** ..... = 2,749 **M**

If **M** is negative, enter zero at line **Q** and proceed to **Part 2**, page 2.

Cumulative eligible capital for a property no longer owned after ceasing to carry on that business ..... **N**

From **M** 2,749

From **N** -

**Current year deduction M minus N** ..... = 2,749 x 7 % = + 192 **O**

**N + O** ..... = 192 **P**

**Note:** The maximum current year deduction is 7%. Any amount up to the maximum deduction of 7% may be claimed.  
For taxation years starting after December 21, 2000, the deduction may not exceed the maximum amount prorated for the number of days in the taxation year divided by 365 or 366 days.  
Enter amount in box 651 of the CT23

**Ontario cumulative eligible capital - closing balance M minus P** (if negative, enter zero) ..... = 2,557 **Q**

See page 2 - Part 2

**Ontario Cumulative Eligible Capital Deduction**  
**Schedule 10 Page 2 of 2**

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HYDRO 2000 INC.	1800109	2005-12-31

**Part 2 – Amount to be included in income arising from disposition**

**Complete this part only if the amount at line M is negative.**

Amount from line M above. *Show this as a positive amount; not negative.* ..... **R**

Total cumulative eligible capital deductions from income for taxation  
years beginning after June 30, 1988 ..... + ..... **1**

Total of all amounts which reduced cumulative eligible capital in the  
current or prior years under subsection 80(7) of the ITA ..... + ..... **2**

Total of cumulative eligible capital deductions claimed  
for taxation years beginning before July 1, 1988 ..... + ..... **3**

Negative balances in the cumulative eligible capital  
account that were included in income for taxation  
years beginning before July 1, 1988 ..... - ..... **4**

**Deduct line 4 from line 3 (if negative, enter zero)** ..... = ..... **5**

**Total lines 1 + 2 + 3** ..... = ..... **6**

Amounts included in income under paragraph 14(1)(b), as that  
paragraph applied to taxation years ending after June 30, 1988  
and before February 28, 2000, to the extent that it is for an  
amount described at line 1 ..... **7**

Amounts at **Line Z** from Ontario Schedule 10 of previous taxation  
years ending after February 27, 2000  
(This will be **Line T** in earlier versions of this schedule.) ..... + ..... **8**

**Total lines 7 + 8** ..... = ..... **9**

**Deduct line 9 from line 6 (if negative, enter zero)** ..... = ..... **S**

**R minus S (if negative, enter zero)** ..... = ..... **T**

From Line 5 ..... x 1 / 2 ..... = - ..... **U**

**T minus U (if negative, enter zero)** ..... = ..... **V**

From V ..... x 2 / 3 ..... = ..... **W**

Lesser of **R** and **S** ..... = + ..... **Z**

**Amount to be included in income W + Z** ..... = .....

# Corporate Taxpayer Summary

## Corporate information

Corporation's name: HYDRO 2000 INC.

Taxation Year: 2005-01-01 to 2005-12-31

Jurisdiction: Ontario

BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Corporation is associated: N Number of associated corporations:       

Corporation is related: N Type of corporation: Canadian-Controlled Private Corporation

Total amount due (refund) federal and provincial\*: -18,000

\* The amounts displayed on lines "Total amount due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensitive help.

## Summary of federal information

Net income: 42,651 Calculation of income from an active business carried on in Canada: 42,651

Taxable income:                      Dividends paid:                     

Donations:                      Balance of the low income rate pool at the end of the year:                     

Part I tax (base amount) . . .                      Balance of the general rate income pool at the end of the year:                     

Surtax . . . . .                     

### Credits against part I tax

Small business deduction .                     

M&P deduction . . . . .                     

Foreign tax credit . . . . .                     

Political contributions . . . .                     

Investment tax credits . . .                     

Abatement/Other\* . . . . .                     

### Summary of tax

Part I . . . . .                     

Part I.3 . . . . .                     

Part IV . . . . .                     

Part III.1 . . . . .                     

Other\* . . . . .                     

Provincial or territorial tax . . . . .                     

### Refunds/credits

ITC refund . . . . .                     

Dividends refund . . .                     

Instalments . . . . .                     

Surtax credit . . . . .                     

Other\* . . . . .                     

**Balance due/refund (–)**                     

\* The amounts displayed on lines "Other" are all listed in the Help. Press F1 to consult the context-sensitive help.

## Summary of federal carryforward/carryback information

### Carryback amounts

Investment tax credits . . . . .                     

Non-capital loss . . . . .                     

Capital loss . . . . .                     

Farm loss . . . . .                     

Restricted farm loss . . . . .                     

Surtax credit . . . . .                     

Part I tax credit (Schedule 42) . . . . .                     

Federal foreign non-business income tax credit                     

### Carryforward balances

RDTOH . . . . .                     

Charitable donations . . . . .                     

Gifts to Canada, a province or a territory                     

Gifts of certified cultural property . . . . .                     

Gifts of certified ecologically sensitive land                     

Investment tax credits . . . . .                     

Non-capital losses . . . . . 87,073

Capital/L.P.P. losses . . . . .                     

Farm losses . . . . .                     

Restricted farm losses . . . . .                     

Current year's balance of SR&ED expenditures (T661) . . . . .                     

Foreign business tax credit . . . . .                     

Unused surtax credit (Schedule 37) . . . . . 1,241

Capital dividend amount . . . . .                     

Part I tax credit (Schedule 42) . . . . .                     

Cumulative eligible capital . . . . . 2,557

Capital gains reserves . . . . .                     

Financial statement reserve . . . . .                     

Other reserves . . . . .                     

Balance of patronage dividends . . . . .                     

Continuity of exemption of accumulated income

**Summary of provincial information – provincial income tax payable**

	<b>Ontario (CT-23)</b>	<b>Québec (CO-17)</b>	<b>Alberta (AT1)</b>
% Allocation . . . . .	100.00		
Attributed taxable income . . . . .			
Surtax . . . . .		N.A.	N.A.
Tax payable before deduction* . . . . .			
Deductions and credits . . . . .			
Net tax payable . . . . .			
Attributed taxable capital . . . . .	1,113,215		N.A.
Capital tax payable** . . . . .			N.A.
Total tax payable*** . . . . .			
Instalments and refundable credits . . . . .	18,000		
Balance due/Refund (-) . . . . .	-18,000		

\* For Québec, this includes special taxes.

\*\* For Québec, this includes compensation tax and registration fee.

\*\*\* For Ontario, this includes corporate minimum tax and premium tax.

	<b>British Columbia</b>	<b>Saskatchewan</b>	<b>Manitoba</b>	
% Allocation . . . . .				
Attributed taxable income . . . . .				
Tax payable before deduction . . . . .				
Deductions and credits . . . . .				
Tax payable or refundable credit . . . . .				
Attributed taxable capital . . . . .				
Capital tax payable . . . . .				
Instalments and refundable credits . . . . .				
Balance due/Refund (-) . . . . .				
	<b>Newfoundland and Labrador</b>	<b>Prince Edward Island</b>	<b>Nova Scotia</b>	<b>New Brunswick</b>
% Allocation . . . . .				
Attributed taxable income . . . . .				
Tax payable before deduction . . . . .				
Deductions and credits . . . . .				
Tax payable or refundable credit . . . . .				
Attributed taxable capital . . . . .				
Capital tax payable . . . . .				
Instalments and refundable credits . . . . .				
Balance due/Refund (-)* . . . . .				

\* Only applies in the case of bank, a loan corporation or a trust corporation.

	<b>Yukon</b>	<b>Northwest Territories</b>	<b>Nunavut</b>
% Allocation . . . . .			
Attributed taxable income . . . . .			
Tax payable before deduction . . . . .			
Deductions and credits . . . . .			
Tax payable or refundable credit . . . . .			

**Summary of provincial carryforward amounts**

	Ontario	Québec	Alberta
Non-capital losses .....	87,073		
Net capital/L.P.P. losses .....			
Farm losses .....			
Restricted farm losses .....			
Donations .....			
Capital gains reserves .....			
Financial statement reserves .....			
Other reserves .....			
Eligible capital .....	2,557	2,557	2,557

**Other carryforward amounts:**

Scientific research and experimental development – Sch. 425 .....	
Manufacturing and processing – Sch. 426 .....	
Research and development – Sch. 380 .....	
Manufacturing investment – Sch. 381 .....	
Co-operative education – Sch. 384 .....	
Odour control – Sch. 385 .....	
Manufacturing and processing investment – Sch. 402 .....	
Research and development – Sch. 403 .....	
Direct equity tax – Sch. 303 .....	
Investment – Sch. 321 .....	
Energy efficiency tax credit – Sch. 342 .....	
Manufacturing and processing investment – Sch. 344 .....	
Research and development – Sch. 360 .....	
Investment – Sch. 480 .....	
R&D expenditures not deducted at the end of the year – RD – 222 .....	
Foreign non-business income tax credits – CO-17S.39 .....	
Development work expenses – FM220.3 .....	
Excess development work expenses – FM220.3 .....	
Unclaimed SR&ED expenditure pool deduction balance – A16 .....	
Continuity of other eligible CMT losses – Filling Corporation – OCMT101 .....	
Predecessor corporations only – Amalgamation – OCMT101 .....	
Predecessor corporations only – Wind-up – OCMT101 .....	
CMT credit carryovers workchart - Filling Corporation – OCMT101 .....	
CMT credit carryovers workchart - Predecessor corporations only – Amalgamation .....	
CMT credit carryovers workchart - Wind-up – OCMT101 .....	
Ontario current taxation year closing balance in pool of deductible SR&ED expenditures – O161 .....	
Continuity Schedule for Federal ITC relating to SR&ED Expenditures for the Preceding Taxation Year – O161 ..	
Continuity Schedule for the Amount of Federal ITC from SR&ED Expenditures relating to QORD for the Preceding Taxation Year - O161 .....	

# Five Year Comparative Summary

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
<b>Federal information</b>					
Taxation year end . . . . .	2005-12-31	2004-12-31	2003-12-31	2002-12-31	2001-12-31
Net income . . . . .	42,651	-240,491	111,604	28,648	-29,485
Taxable income . . . . .			110,767		
Active business income . . . . .	42,651		111,604	28,648	
Dividends paid . . . . .					
LRIP . . . . .					
GRIP . . . . .					
Donations . . . . .					
Balance due/refund (-) . . . . .			14,532		

<b>Federal taxes</b>					
Part I . . . . .			13,291		
Surtax . . . . .			1,241		
Part I.3 . . . . .					
Part IV . . . . .					
Part I & Surtax . . . . .					
Part III.1 tax . . . . .					
Other* . . . . .					
* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.					

<b>Credits against part I tax</b>					
Small business deduction . . . . .			17,723		
M&P deduction . . . . .					
Foreign tax credit . . . . .					
Political contribution . . . . .					
Investment tax credit . . . . .					
Abatement/other* . . . . .			11,077		
* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.					

<b>Refunds/credits</b>					
ITC refund . . . . .					
Dividend refund . . . . .					
Instalments . . . . .					
Surtax credit . . . . .					
Other* . . . . .					
* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.					

**Ontario**

Taxable income . . . . .			110,767		
Surtax . . . . .					
Income tax payable before deduction . . . . .			13,846		
Income tax deductions /credits . . . . .			7,754		
Net income tax payable .			6,092		
Taxable capital . . . . .	1,113,215	777,630	892,136	736,979	765,023
Capital tax payable . . . .					
Total tax payable* . . . . .			6,092		
Instalments and refundable credits . . . . .	18,000				
Balance due/refund . . . . .	-18,000	-24,000	-12,018	-5,300	-1,080

\* This includes corporate minimum tax and premium tax.