T661 Schedule F – Expenditures for SR&ED Contracts

Schedule F – Arm's Length and Non-Arm's Length SR&ED Contracts (attach to Form T661).
Complete this schedule only if the total dollar amount per contractor for the year is greater than $30,000. If necessary, use copies of this schedule and attach them to Form T661.

Section A – Number of contractors for whom you have to report and provide details in Sections B and C

Arm's length contractors (Complete section B below)		900
Non-arm's length contractors (Complete section C below)		920

Section B – Complete this section for each arm's length contractor

902 Name of contractor	904 Contractor's Business No. or GST Registration No.	906 Number of contracts per contractor	908 Total dollar amount per contractor greater than $30,000	910 Project code for expenditures claimed in the year (if available)	912 Total contract expenditures in tax year
Conestoga Rovers	NR	1	29,389	Methane gas	29,389
ELECSAR	101601110	1	301,354	Transformer	296,585
Sierra Construction	137842902	1	1,066,756	Transformer	11,905
Custom Control Panels	120932405	1	354,343	Transformer	65,929
BG High Voltage	100500727	1	374,976	Transformer	37,498
Magna	123228130	1	74,796	Transformer	74,796
AESI	100289438	1	1,500	Transformer	1,500
Norfolk Power	862892593	1	9,377	Transformer	9,377
The total of column 912 is included in the total of line 340 in Part 3, Step 1 of Form T661.				**Total**	526,979

Section C – Complete this section for each non-arm's length contractor

922 Name of contractor	924 Contractor's Business No. or GST Registration No.	926 Number of contracts per contractor	928 Total dollar amount per contractor greater than $30,000	930 Project code for expenditures claimed in the year (if available)	932 Total contract expenditures in tax year
The total of column 932 is included in the total of line 345 in Part 3, Step 1 of Form T661.				**Total**	

Scientific Research & Experimental Development
Technical Submission to CCRA in support of ITC claim
for the year ending 2005-Dec-31

RESDEV
TAX CONSULTANTS INC.

Prepared on behalf of

Brantford Power Inc.

84 Market St.
Brantford, ON, N3T 5N8

List of projects:

SR&ED Category: **Manufacturing (Process Development)**

Claim period: **Fiscal year from 2005-Jan-01 to 2005-Dec-31**

Date prepared: **June 2007**

Company Background: Brantford Power Inc. had some serious limitations with a transformer station that was operating at the limits of its capacity; they were approaching a crisis situation and needed a quick means to increase their capacity. An assessment of the technology available indicated that the cost for a replacement would be extremely high. There was a pressing need to find a new way of doing things that could avoid burdening the community with extra costs. Joining forces with Brant County Power (Brant County) provided a win-win situation for both. It was an unusual way to operate as most utilities operate their own facilities exclusively and may, at best, work out sales agreements with neighboring utilities. This was to be a cooperative sharing venture between two equals that allowed both to enjoy the economics of a large-scale installation. Going this route enabled both companies a route to reduce their individual costs by sharing the design, construction and operation of the facility.

Brantford Power Inc has also undertaken on a secondary project whereby they are going to utilize methane gas produced from a landfill site. Brantford Power Inc. is the local distributor of electricity to homes and businesses in the City of Brantford, Ontario. It is one of the operating companies of the Brantford Energy Corporation, a publicly owned subsidiary of the City. Brantford Power Inc is responsible for delivering electricity, maintaining lines to homes and businesses, ensuring the system meets the City of Brantford's growing needs, and provides emergency services.

Note: All work performed within the plant must comply with safety regulations such as OHSA (the occupational Health and Safety Act) and the applicable environmental assessments.

1 Shared Transformer

Project Description

Development of a Transformer Station was designed, constructed and operated jointly by Brantford Power and Brant County. The two companies combined have agreed upon how the operation of the transformer station will be conducted to their mutual satisfaction prior to all agreements being put in place.

Background

As of the end of 2003, Brantford Power had to deal with an old transformer station that was reaching the edge of its operating limits and in some days going a bit beyond. This station took the main feed from the Hydro One transmission lines at 115 kV input and reduced it down to the 27 kV used for distribution throughout the region. The situation was serious for Brantford Power. The transformer was severely overloaded, at times, by as much as 30 MW. With even a small rate of growth in the community, it would only be a matter of time before this overloading could result in rotating brown or blackouts and possibly force an extended outage to many thousands of people. At the same time, Brant County was also looking at increasing their capacity. The need was pressing, but not as urgent as with Brantford Power. As both companies shared a common need for increased capacity, this situation was ideal for some type of cooperative solution as their territories were adjacent to each other.

A. Technological Objectives

The technological objectives of this project are for both companies to expand their capacity through a joint venture to develop the design and construct a new transformer station to add that much needed capacity. The major components of that objective were:

a. To develop the most appropriate protocols for sharing the various tasks starting from the design phase and going on to operation.

b. To minimize for both entities the overall cost of the project.

c. To minimize the length of time it would take before the station could be fully up and running.

The timing was the most critical item as there was a high likelihood that rotating blackouts were on the horizon.

B. Technology Base Level

Neither Brantford Power nor Brant County Power has the required staffing level of in-house experience to design a transformer station. The project was to be performed by a number of subcontractors who have that knowledge. These organizations did the design and construction with input from the two utilities. There were people on staff at both utilities with sufficient knowledge within the field that they could work with the subcontractors through the various phases from start to completion. Internal staff performed the testing phase, which occurred later in 2005.

C. Technological Advancement

In the past, the normal route to design and build a transformer station to reduce 115 kV to 27 kV would have been through Hydro One, the Provincial electrical transmission system. This company has been in the business for many decades initially as Ontario Hydro. They pioneered long-distance electrical transmission and over the years, built up an extensive staff and experience in this field. Until recently, they did essentially all of this type of work in Ontario and that would likely have included this transformer station. That situation has changed considerably over the last few years when Ontario Hydro was split into Ontario Power Generation and Hydro One. On careful examination, it could be seen that Brantford Power and Brant County Power were forced to go their own route as:

a. Hydro One is an extremely large organization with a vast number of employees and an extremely large investment in equipment. When Ontario Hydro was a provincially owned utility, charges did not always reflect true cost. Now that Hydro One is a private corporation, it must make more realistic charges. This has resulted in them being far too expensive, taking the costs well beyond the range that many local utilities can accept. As a major organization, Hydro One has too much inertia. They tend to be far too rigid in their design concepts. This rigidity would have prevented going ahead with the concepts described in "c" and "d" below.

b. There was a rush to get the system up and operating as fast as possible due to the increasing possibility of rotating blackouts if the overload situation was not corrected. At the best of times, Hydro One was not known for doing things quickly. To complicate the issue, there was a corporation-wide labour strike in effect at the time of this project. This strike lasted for a long time with no indication when it would end. This essentially meant that there would be an indefinite hold on the project.

c. The two utilities wanted to go into this as a joint venture rather than one of them building the system and then selling power to the other. This was not a normal way of doing things with transformer stations. The normal protocol would have been for one of the utilities to have the facility entirely under their own jurisdiction. They would build and operate the transformer station and then sell power to the other. All the operating protocols for sharing had to be developed, e.g., metering, security, protection, etc. It was hoped that a suitable method to share these duties could be developed throughout the progress of this project. Hopefully, it would be successful and prove to offer a better alternative for other utilities that may beconsidering shared applications such as this.

d. There was a desire to experiment with a new Protection and Control (P&C) system that differed considerably from the one adopted several years ago by Hydro One as their standard. The two utilities considered the protective relaying used by Hydro One as being a major fault in the design of their existing transformer stations. Hydro One was not prepared to change from their standard.

D. Project activities during this taxation year

The project was initiated at the end of 2003 and carried through to the end of the 2004-year with the initial design phase. The final design, construction and testing went into 2005. A summary of the tasks performed within the 2005 fiscal would include:

a. The design phase, which had been split into two phases to cut back, the delay of delivery times had been resolved in the 2004 year. The second phase of all design commenced in 2005. The breakdown beginning in January 2005 was as follows:

    - Civil Structure/Building Architecture – Process completed in March 2005
    - Major Equipment including the preparation of transformer drawings – Process completed in February 2005
    - 115kV Instruments, drawings and review – Process completed in January 2005
    - 115kV Disconnect switches and insulators – Process completed in January 2005
    - 28kV Switch Gear – Process completed in March 2005
    - Grounding Reactors – Process completed in April 2005

    In March 2005

    - DC Systems Drawings approval reviews – Process completed in April 2005

    In October 2005

    - Hydro One commenced working on the HV Drop Design, construction of the relay design and installations – Process completed in October 2005

d. As part of the early design, it was necessary to develop a scheme whereby the two utilities could share operating ownership. This involved simulating the load characteristics from both jurisdictions and how they would vary over both the day and year, how they would interact with each other and what would happen if one utility tripped off line while the other was fullyoperational. The results of this simulation concluded that the best option was to run with eight separate feeders. An analysis of the relative load requirements of the two utilities determined that five of these feeders would be dedicated to Brantford Power and three to Brant County. The design also incorporated complete isolation between the two sets of feeders to ensure that an upset on one would not influence the other. Provision was also made to alter that split in the future. The required testing of this phase was done in the latter part of 2005. The testing that was done at the end of 2005 and going into 2006 did verify that this system was able to perform as planned.

c. Cascading trips that result in major electrical outages covering large sections of the North American electrical grid system are very rare occurrences. When they do occur, millions of people can be left for a day or longer with no electrical power. Inevitably, these get traced back to faults in the protective relaying equipment in a small transformer station. A series of line perturbations was simulated to determine if such a condition could arise in this system. The analysis indicated that it could. It was further decided that the Hydro One designs used in the past had an inherent fault in their protective relaying that could result in these cascading trips. It was concluded that the Hydro One recommended protective relaying used for P&C was not the ideal route. The system was simulated with a new type of relaying to overcome that fault. The simulations indicated a major improvement and it was decided to order the new system. These were written into the design along with a testing program and a fallback procedure should they not perform as required. (Note: That testing did verify that the change to the new protective relaying system had a large impact upon the reliability of the system.) Following is a break down of how the Voltage control scheme would work. This system is designed to satisfy the needs of tapchanger operation in both the manual and automatic mode. The system consists of two Automatic Voltage Regulator devices. Beckwith M-2001B type installed at the relay panel.

- Both transformers online.
  - Automatic control. If the voltage is out of the band defined in the AVR setting both the tap changers will move simultaneously, only when both the tap changers are at the same tap position. There is an interlock preventing tap changer operation in the case that the tap changers are at different positions.
  - Manual Control. Through the SCADA system, the manual mode is selected (sealed contact from SCADA). Now tap changers can be operated only manually through SCADA. Each one of the tapchangers is operated independently through SCADA system, either raise or lower (momentary contact). There is no interlock between tap positions: each one of the tapchangers can be operated irrespective of the tap position of other tapchanger. In the event of a communication interruption, all functions will be automatically restored to automatic control.
- Only one transformer online.
  - Automatic control. In this case through a n.c. contact of the 115kV disconnect switch, the interlock requiring consistent tapchanger positions is bypassed. We will have automatic operation on the tapchangers regardless of tap positions. If it is necessary to have one transformer out of service for maintenance and tapchanger position operation is undesirable, the LOCAL position on the local-remote selector switch inside the tap changer box will be selected. The tapchanger with switch selected in local position will not move.
  - Manual control. The case is not different from manual operation of both transformers online as described above.

d. The joint ownership caused some difficulties related to metering. The de facto standard throughout the industry was to keep the ownership with one company that would then sell power to the other. The concept of dual ownership required that separate metering be installed. A number of options were simulated to determine which route could be run at the lowest cost and with the maximum reliability. The problem was one incoming 115 kV line and two isolated sets of outgoing lines to separate customers. It was concluded that Brantford Power would meter the incoming 115 kV line to get an accurate measure of the supply from the Hydro One lines. Brant County would then meter the outgoing feed to their utility. The outgoing feed to Brantford Power would then be resolved by calculation using the corrections for system losses supplied by the Independent System Operator. If it were deemed necessary additional testing would be done to verify the quality of the calculation. The testing performed at the end of 2005 and into 2006 did verify that this system did perform as required.

e. Specific areas were problems were encountered that needed to addressed were as follows:

- Feeder plans indicate the need to review building width to accommodate feeder crossovers in basement area. Lowering the 28kV feeder to provide clearances to 115kV ccts. Considerable testing and trial and error runs were done in order to get CSA approval.
- Relay and Control. Submitted design database that was updated with the Michael Movev revised relay/RTU I/O and a column added for KW Hydro point check-off. The design for the database went through a few revisions before final submission.

- Areva Switchgear - EWDs have been marked up and returned to Areva. Wire lists and revised EWDs have been reworked and resubmitted for approval.
- HONI to supply NSD570 relays originally designed with one but had to be revised to place two into the system. HONI to give final designs for the tap to determine what needed to be done with the 28kV feeder along Powerline Road
- Grounding grid completed and tested. The 2 Ohms resistance measurement appears to be high. Tying in the system neutral drops the overall ground resistance to acceptable limits. The 2 Ohms resistance measurement is acceptable.
- 115kV disconnect switches have been specified with 95 degrees at the open position. Hard to achieve. HONE is the only authority specifying this requirement. There is no technical solution available to compensate for this at the present time so field adjustments were done by raising the front of the switch to gain the required tilt.
- A comment on the size of the anchor bolts being installed for the lighting arrestors. Sierra to discuss these concerns with BGHV. An Engineer designed the towers and anchor bolts. Reviewing the initial size to ensure safety regulations were adhered to show that the original designs were sufficient for the project.
- 28kV feeder egress where revisions to the cable ampacity calculations for all feeders on West egress duct bank.
- Schedule from Custom/ESAC was delivered. The milestones identified have been integrated into the project.

Due to different contractors running into areas of difficulty is not an uncommon issue that is in need of being rectified. Keeping to a desired deadline certainly keeps the technology advancing to stay current to the times. Having defined the long-delivery items kept the system on track for the final design, procurement in 2005 with the target for completion being the end of 2005. The transformer station was completed and fully in service during December of 2005.

E. Supporting Documentation

The active file describes the activities related to the project and the financial records that document purchases made for both equipment and consulting services. There are on-going records, including a finalized design that was completed in 2005 and the transformer station built from it. All available information from the contracts for all design work and related information is available.

2 Landfill Gas Collection

Project Description

Brantford Power is proposing a new landfill gas-to-energy (LFGTE) renewable generating facility including a LFG collection system at the Mohawk Landfill operated by the City of Brantford. The proposed base business plan incorporates a facility located at the landfill adjacent to the Brantford Water Pollution Control Plant owned by the City. The facility will be sized to incorporate up to 5 engines. The base economic case comprises the initial installation of three Caterpillar G3520C reciprocating gas engines supplied by Toromont. These engines are specifically designed for LFG use and incorporate the newest and most advanced Caterpillar technology, achieving engine efficiencies of approximately 42 %. The G3520C engines produce approximately 1600 kW each and are expected to operate continuously over the life of the plant. Each engine is expected to have operating availabilities on the order of 98 to 99%. This facility will be designed and constructed in accordance with the expected RES requirements and good engineering practices. The LFGT collection field will consist of gas extraction wells, collection piping, and condensate removal system. The utilization facility will include a building housing the equipment, including generator room, gas room, workshop area, washroom, and office/meeting area.

A. Technological Objectives

The technological objectives of this project are to expand their capacity to develop the design and construct a new supply of energy from the use of gases being created from decomposing material located in a landfill site. Using digester gas from the Water Pollution Control Plant (WPCP) to operate or supplement an additional engine operation. The ability to feed electrical power directly to the WPCP. Piping waste heat from the engine water and exhaust system to heat the WPCP digesters and WPCP buildings. Using waste heat for possible district heating or greenhouse type operation. Also use the waste heat for potential brown field developments. Providing the capability for black starting the plant to supplement the standby power needs at the WPCP and local electrical users. Finally to use fuel from the natural gas well located at the landfill to supplement the fuel to operate additional engines.

B. Technology Base Level

Brantford Power does not have the required staffing level of in-house experience to design a project of this magnitude. The project was to be performed by a number of subcontractors who have that knowledge. These organizations did the design and construction with input from Brantford power Inc. There were people on staff with sufficient knowledge within the field that they could work with the subcontractors through the various phases from start to completion.

C. Technological Advancement

This is a new field that has a wide variety of areas that can be implemented in a number of different ways. We are hoping to create a method to convert the methane gas produced from the landfill site into a usable energy source. We are also seeking a way to transform the heat created from this new energy source into an alternative source of heat for numerous other projects stated in the technological objectives.

D. Project activities during this taxation year

The project was initiated in August of 2005. The Brantford Power Inc has gone from the very beginning of an idea through to a full breakdown of all the necessary testing and analyzing for the concept to show if the technology was even available. What the capabilities for output generation of electricity, and what the uses for all aspects of production of such a site would have on effects such as safety to the community, the feasibility and the need for this type of project. Subcontractors for the project are Conestoga-Rovers and Associates, Toromont and Corporation of the City of Brantford. Following is a list of what was developed in putting the feasibility package together:

a. Complete design, development and utilization for the overall consumption of methane gas emissions.

b. Detailed design of utilization facility buildings and services

c. Detailed drawings, specification of the Land Fill Gas (LFG)

d. OFG engine-generation equipment based on LFG flow and characterization profiles provided by CRA

e. Primary land uses adjacent to the site are Brantford WPCP. The centralized compost facility and landfill site operations office. And the Mohawk Six Nations Reserve

f. Complete breakdown of how all components will need to be placed, from location of site to all internal machinery. How the electrical power will be implemented into the system to be used by area's close to were it is being generated

The project, although showing great promise, has been terminated in December of 2005 due to the company's inability to proceed with the project. For the time being it will be shelved until further notice.

E. Supporting Documentation

The active file describes the activities related to the project and the financial records that document purchases made for consulting services. There are records and a completed detailed plan showing all necessary steps to turn this concept into a feasible working system. All available information from the contracts for all design work and related information is available. This is only the first phase of this project where the information that has been worked on is just the groundwork to a future project.

SCHEDULE 31

INVESTMENT TAX CREDIT – CORPORATIONS

General information

1. For use by a corporation that during a tax year:
   - earned an investment tax credit (ITC);
   - is claiming a deduction against its Part I tax payable;
   - is claiming a refund of credit earned during the current tax year;
   - is claiming a carryforward of credit from preceding tax years;
   - is transferring a credit following an amalgamation or wind-up of a subsidiary, as described under subsections 87(1) and 88(1) of the federal *Income Tax Act;*
   - is requesting a credit carryback; or
   - is subject to a recapture of ITC.
2. References to parts, sections, and subsections on this schedule are from the federal *Income Tax Act* and the federal *Income Tax Regulations.* References to interpretation bulletins and information circulars are to the latest versions.
3. The ITC is eligible for a three-year carryback (if not deductible in the year earned). It is also eligible for a ten-year carryforward for credits earned in tax years that end before 2006 and a twenty-year carryforward for credits earned in tax years that end after 2005.
4. Investments or expenditures, as defined in subsection 127(9) and Part XLVI of the federal *Income Tax Regulations*, that earn the ITC are:
   - qualified property (Parts 4 to 7);
   - qualified expenditures that are part of the SR&ED qualified expenditure pool (Parts 8 to 17). Complete and file Form T661, *Claim for Scientific Research and Experimental Development (SR&ED) Carried out in Canada*;
   - pre-production mining expenditures (Parts 18 to 20); and
   - apprenticeship job creation expenditures (Parts 21 to 23).
5. Attach a completed copy of this schedule with the *T2 Corporation Income Tax Return.*
6. For more information on ITCs, see the section called "Investment Tax Credit" in the *T2 Corporation – Income Tax Guide,* Information Circular IC 78-4, *Investment Tax Credit Rates,* and its related Special Release. Also, see Interpretation Bulletin IT-151, *Scientific Research and Experimental Development Expenditures.*
7. For information on SR&ED, see Interpretation Bulletin IT-151, *Scientific Research and Experimental Development Expenditures;* Information Circular 86-4, *Scientific Research and Experimental Development;* Pamphlet T4052, *An Introduction to the Scientific Research and Experimental Development Program;* and Guide T4088, *Claiming Scientific Research and Experimental Development* (guide to Form T661).

Detailed information

1. For the purpose of this schedule, **"investment"** means:
   The capital cost of the property (excluding amounts added by an election under section 21), determined without reference to subsections 13(7.1) and 13(7.4), minus the amount of any government assistance or non-government assistance that the corporation has received, is entitled to receive, or can reasonably be expected to receive for that property when it files the income tax return for the year in which the property was acquired.
2. An ITC deducted or refunded in a tax year for a depreciable property, other than a depreciable property deductible under paragraph 37(1)(b), reduces the capital cost of that property in the next tax year. It also reduces the undepreciated capital cost of that class in the next tax year. An ITC for SR&ED deducted or refunded in a tax year will reduce the balance in the pool of deductible SR&ED expenditures and the adjusted cost base (ACB) of an interest in a partnership in the next tax year. An ITC from pre-production mining expenditures deducted in a tax year reduces the balance in the pool of deductible cumulative Canadian exploration expenses in the next tax year.
3. Property acquired has to be "available for use" before a claim for an ITC can be made.
4. Qualified expenditures for SR&ED and capital costs for a property qualifying for an ITC must be identified by the claimant on Form T661 and Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which the expenditures or capital costs were incurred.
5. Partnership allocations – Subsection 127(8) provides for the allocation of the amount that may reasonably be considered to be a partner's share of the ITCs of the partnership at the end of the fiscal period of the partnership. An allocation of ITCs is generally considered to be the partner's reasonable share of the ITCs if it is made in the same proportion in which the partners have agreed to share any income or loss and if section 103 of the Act is not applicable for the agreement to share any income or loss. For more information, see Interpretation Bulletin IT-151. Special rules apply to specified and limited partners.
6. For SR&ED expenditures made after February 22, 2005, the expression "in Canada" includes the "exclusive economic zone" (as defined in the *Oceans Act* to generally consist of an area that is within 200 nautical miles from the Canadian coastline), including the airspace, seabed and subsoil for that zone. For SR&ED expenditures made prior to February 23, 2005, the expression "in Canada" generally includes the 12 nautical mile territorial sea.

Name of corporation	Business Number	Tax year end Year Month Day
BRANTFORD POWER INC.	86585 8773 RC0001	2005-12-31

Part 1 – Investments, expenditures and percentages

	Specified percentage
Investments	
Qualified property acquired primarily for use in Newfoundland and Labrador, Prince Edward Island, Nova Scotia, New Brunswick, the Gaspé Peninsula, or a prescribed offshore region	10 %
Expenditures	
If you are a Canadian-controlled private corporation (CCPC) throughout the tax year, this percentage may apply to you on the portion that you claim of the SR&ED qualified expenditure pool that does not exceed your expenditure limit (see Part 10)	35 %
Note: If your current year's qualified expenditures are more than the corporation's expenditure limit (see Part 10), the excess is eligible for an ITC calculated at the 20 % rate.	
If you are a corporation that is not a CCPC throughout the current tax year that incurred qualified expenditures for SR&ED in any area in Canada after 1995	20 %
If you are a taxable Canadian corporation that incurred pre-production mining expenditures:	
• in 2003	5 %
• in 2004	7 %
• after 2004	10 %
If you paid salary and wages to apprentices in the first 24 months of their apprenticeship contract for employment after May 1, 2006	10 %

Part 2 – Determination of a qualifying corporation

Is the corporation a qualifying corporation? ..... 101 1 Yes [ ] 2 No [X]

For the purpose of a refundable ITC, a **qualifying corporation** is defined under subsection 127.1(2). The corporation has to be a CCPC throughout the current tax year and the taxable income (before any loss carrybacks) for its preceding year cannot be more than its business limit for that preceding year. If the corporation is associated with any other corporations during the tax year, the total of the taxable incomes of the corporation and the associated corporations (before any loss carrybacks), for their last tax year ending in the preceding calendar year, cannot be more than the total of their business limits for that last year.

Note: A CCPC calculating a refundable ITC for tax years ending before March 23, 2004, is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1). For tax years ending after March 22, 2004, the association rule remains the same except where:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of both corporations; and
- one of the corporations has at least one shareholder who is not common to both corporations.

If you are a **qualifying** corporation, you will earn a **100%** refund on your share of any ITCs earned at the 35% rate on qualified **current** expenditures for SR&ED, up to the allocated expenditure limit. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund.

Some CCPCs that are not qualifying corporations may also earn a 100% refund on their share of any ITCs earned at the 35% rate on qualified current expenditures for SR&ED, up to the allocated expenditure limit. The expenditure limit can be determined in Part 10. The 100% refund does not apply to qualified capital expenditures eligible for the 35% credit rate. They are only eligible for the 40% refund.

The 100% refund will not be available to a corporation that is an **excluded corporation** as defined under subsection 127.1(2). A corporation is an excluded corporation if, at any time during the year, it is a corporation that is either controlled by (directly or indirectly, in any manner whatever) or is related to:

a) one or more persons exempt from Part I tax under section 149;
b) Her Majesty in right of a province, a Canadian municipality, or any other public authority; or
c) any combination of persons referred to in a) or b) above.

Part 3 – Corporations in the farming industry

Complete this area if the corporation is making SR&ED contributions

Is the corporation claiming a contribution in the current year to an agricultural organization whose goal is to finance SR&ED work (for example, check-off dues)? ..... 102 1 Yes [ ] 2 No [X]

If *Yes*, complete Schedule 125, *Income Statement Information*, to identify the type of farming industry the corporation is involved in. For more information on Schedule 125, see the *Guide to the General Index of Financial Information (GIFI) for Corporations.*

QUALIFIED PROPERTY

Part 4 – Eligible investments for qualified property from the current tax year

CCA* class number 105	Description of investment 110	Date available for use 115	Location used (province) 120	Amount of investment 125

*CCA: capital cost allowance

Total investment – enter in formula on line 240 in Part 5 ______

Part 5 – Calculation of current-year credit and account balances – ITC from investments in qualified property

ITC at the end of the preceding tax year . . . . . . ______

Deduct:

Credit deemed as a remittance of co-op corporations . . . . . . 210 ______

Credit expired* . . . . . . 215 ______

Subtotal ______ ► ______

ITC at the beginning of the tax year . . . . . . 220 ______

Add:

Credit transferred on amalgamation or wind-up of subsidiary . . . . . . 230 ______

ITC from repayment of assistance . . . . . . 235 ______

Total current-year credit: total of column 125 ______ x 10 % = 240 ______

Credit allocated from a partnership . . . . . . 250 ______

Subtotal ______ ► ______

Total credit available . . . . . . ______

Deduct:

Credit deducted from Part I tax (enter on line EEE in Part 24) . . . . . . 260 ______

Credit carried back to the preceding year(s) (from Part 6) . . . . . . ______ A

Credit transferred to offset Part VII tax liability . . . . . . 280 ______

Subtotal ______ ► ______

Credit balance before refund . . . . . . ______ B

Deduct:

Refund of credit claimed on investments from qualified property (from Part 7) . . . . . . 310 ______

ITC closing balance of investments from qualified property . . . . . . 320 ______

* The credit expires after 10 tax years if it was earned in a tax year ending before 2006 and after 20 tax years if it was earned in a tax year ending after 2005.

Part 6 – Request for carryback of credit from investments in qualified property

	Year	Month	Day			
1st preceding tax year				Credit to be applied	901	
2nd preceding tax year				Credit to be applied	902	
3rd preceding tax year				Credit to be applied	903	

Total (enter on line A in Part 5) ______

Part 7 – Calculation of refund for qualifying corporations on investments from qualified property

Current-year ITCs (total of lines 240 and 250 in Part 5) . . . . . . ______ C

Credit balance before refund (amount B from Part 5) . . . . . . ______ D

Refund (40 % of amount C or D, whichever is less) . . . . . . ______ E

Enter amount E or a lesser amount on line 310 in Part 5 (also enter it on line 780 of the T2 return if the corporation does not claim an SR&ED ITC refund).

Name of corporation	Business Number	Tax year end Year Month Day
BRANTFORD POWER INC.	86585 8773 RC0001	2005-12-31

SR&ED

Part 8 – Qualified expenditures for SR&ED

Current expenditures	350	905,120
Capital expenditures	360	
Repayments made in the year (from line 560 on Form T661)	370	
Total (this must equal the amount from line 570 on Form T661)	380	905,120

Part 9 – Components of the SR&ED expenditure limit calculation

Part 9 only applies if the corporation was a CCPC throughout the current tax year.

Note: A CCPC that calculates SR&ED expenditure limit for tax years ending before March 23, 2004, is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1). This also applies for tax years ending after March 22, 2004, except where:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation; and
- one of the corporations has at least one shareholder who is not common to both corporations.

Is the corporation associated with another CCPC for the purpose of calculating the SR&ED expenditure limit? **385** 1 Yes [X] 2 No [ ]

Complete lines 390 and 395 if you answered *No* to the question at line 385 above or if the corporation is not associated with any other corporations (the amounts for associated corporations will be determined on Schedule 49).

a) Enter your taxable income for the preceding tax year* **390** ____________

b) Enter your reduced business limit** for the current tax year* (this amount cannot be more than the amount at line 4 on page 4 of the T2 return) **395** ____________

* If either of the tax years referred to at line 390 or 395 is less than 51 weeks, multiply the taxable income or the business limit by the following result: 365 divided by the number of days in these tax years. For details on the expression "Reduced business limit," see line 652 of the *T2 Corporation – Income Tax Guide*.

** If the corporation is claiming only a portion of the business limit from line 4 on page 4 of the T2 return because of its association with other corporations, calculate your reduced business limit as if the corporation was not associated in the current tax year. Enter the result at line 395.

Part 10 – Calculation of SR&ED expenditure limit for a CCPC throughout the current tax year

For stand-alone corporations: $ *

Subtract: line 390 from Part 9 or $400,000*, whichever is more ____________ x 10 = ____________

Excess (if negative, enter "0") ____________ F

Line F ____________ x Line 395 / Line 4 on page 4 of the T2 return ____________ = ____________ **G

For associated corporations:

If associated, the allocation of the SR&ED expenditure limit as provided on Schedule 49 **400** ____________ **H

Where the tax year of the corporation is less than 51 weeks, calculate the amount of the expenditure limit as follows:

Line G or H ____________ x Number of days in the tax year / 365   365 = ____________ I

Your SR&ED expenditure limit for the year (enter the amount from line G, H, or I, whichever applies) **410** ____________

* If your tax year immediately follows a tax year that ended before 2007, the references to $6,000,000 and $400,000 should be $5,000,000 and $300,000 respectively.

** Amount G or H cannot be more than $2,000,000.

Part 11 – Calculation of investment tax credits on SR&ED expenditures

Enter whichever is less: current expenditures (line 350 from Part 8) or the expenditure limit (line 410 from Part 10)*	420		x	35 %	=		J
Line 350 minus line 410 (if negative, enter "0")	430	905,120	x	20 %	=	181,024	K
Line 410 minus line 350 (if negative, enter "0")			L				
Enter whichever is less: capital expenditures (line 360 from Part 8) or line L above*	440		x	35 %	=		M
Line 360 minus line L (if negative, enter "0")	450		x	20 %	=		N

Repayments (amount from line 370 in Part 8)

If a corporation makes a repayment of any government assistance, non-government assistance, or contract payments that reduced the amount of qualified expenditures for ITC purposes, the amount of the repayment is eligible for a credit at the rate that would have applied to the repaid amount.

460		x	35 %	=	
470		x	30 %	=	
480		x	20 %	=	
			Total		

O:

Current-year SR&ED ITC (total of lines J, K, M, N, and O; enter on line 540 in Part 12) 181,024

* For corporations that are not CCPCs throughout the year, enter "0" on lines J and M.

Part 12 – Calculation of current-year credit and account balances – ITC from SR&ED expenditures

ITC at the end of the preceding tax year					
Deduct:					
Credit deemed as a remittance of co-op corporations	510				
Credit expired*	515				
Subtotal			▶		
ITC at the beginning of the tax year			520		
Add:					
Credit transferred on amalgamation or wind-up of subsidiary	530				
Total current-year credit	540	181,024			
Credit allocated from a partnership	550				
Subtotal		181,024	▶	181,024	
Total credit available				181,024	
Deduct:					
Credit deducted from Part I tax (enter on line FFF in Part 24)	560	181,024			
Credit carried back to the preceding year(s) (from Part 13)			P		
Credit transferred to offset Part VII tax liability	580				
Subtotal		181,024	▶	181,024	
Credit balance before refund					Q
Deduct:					
Refund of credit claimed on expenditures of SR&ED (from Part 14 or 15, whichever applies)			610		
ITC closing balance on SR&ED			620		

* The credit expires after 10 tax years if it was earned in a tax year ending before 2006 and after 20 tax years if it was earned in a tax year ending after 2005.

Part 13 – Request for carryback of credit from SR&ED expenditures

	Year	Month	Day			
1st preceding tax year				Credit to be applied	911	
2nd preceding tax year				Credit to be applied	912	
3rd preceding tax year				Credit to be applied	913	
				Total (enter on line P in Part 12)		

Name of corporation	Business Number	Tax year end Year Month Day
BRANTFORD POWER INC.	86585 8773 RC0001	2005-12-31

Part 14 – Calculation of refund of ITC for qualifying corporations – SR&ED

Complete this part only if you are a qualifying corporation as determined at line 101.

Is the corporation an excluded corporation as defined under subsection 127.1(2)? .... 650 1 Yes [ ] 2 No [X]

Credit balance before refund (amount Q from Part 12) .... _______ R

Current-year ITC (lines 540 plus 550 from Part 12 **minus** line O from Part 11) _______ S

Refundable credits (amount R or S, whichever is less)* .... _______ T

Amount J from Part 11 .... _______ U

Subtract: Amount T or U, whichever is less .... _______ V

Net amount (if negative, enter "0") .... _______ W

Amount W _______ x 40 % .... _______ X

Add: Amount V .... _______ Y

Refund of ITC (amounts X **plus** Y – enter this, or a lesser amount, on line 610 in Part 12) .... _______ Z

Enter the total of lines 310 from Part 5 and 610 from Part 12 on line 780 of the T2 return.

* If you are also an excluded corporation [as defined in subsection 127.1(2)], this amount should be multiplied by 40%.
Claim this, or a lesser amount, as your refund of ITC on line Z.

Part 15 – Calculation of refund of ITC for CCPCs that are not qualifying or excluded corporations – SR&ED

Complete this box only if you are a CCPC that is not a qualifying or excluded corporation as determined in Part 2.

Credit balance before refund (amount Q from Part 12) .... _______ AA

Amount J from Part 11 .... _______ BB

Subtract: Amount AA or BB, whichever is less .... _______ CC

Net amount (if negative, enter "0") .... _______ DD

Amount M from Part 11 .... _______ EE

Amount DD or EE, whichever is less _______ x 40 % .... _______ FF

Add : Amount CC above .... _______ GG

Refund of ITC (amounts FF **plus** GG) .... _______ HH

Enter HH, or a lesser amount, on line 610 in Part 12 and also on line 780 of the T2 return.

RECAPTURE – SR&ED

Part 16 – Calculating the recapture of ITC for corporations and corporate partnerships – SR&ED

You will have a recapture of ITC in a year when **all** of the following conditions are met:

- you acquired a particular property in the current year or in any of the 10 preceding tax years, if the credit was earned in a tax year ending before 2006, or in any of the 20 preceding tax years, if the credit was earned in a tax year ending after 2005;
- you claimed the cost of the property as a qualified expenditure for SR&ED on Form T661;
- the cost of the property was included in calculating your ITC or was the subject of an agreement made under subsection 127(13) to transfer qualified expenditures; and
- you disposed of the property or converted it to commercial use after February 23, 1998. This condition is also met if you disposed of or converted to commercial use a property that incorporates the particular property previously referred to.

Note
The recapture **does not apply** if you disposed of the property to a non-arm's length purchaser who intended to use it all or substantially all for SR&ED. When the non-arm's length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical ITC rate of the original user.

You will report a recapture on the T2 return for the year in which you disposed of the property or converted it to commercial use. In the following tax year, add the amount of the ITC recapture to the SR&ED expenditure pool.

If you have more than one disposition for calculations 1 and 2, complete the columns for each disposition for which a recapture applies, using the calculation formats below.

Calculation 1 – If you meet all of the above conditions

	Amount of ITC you originally calculated for the property you acquired, or the original user's ITC where you acquired the property from a non-arm's length party, as described in the note above 700	Amount calculated using ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case) 710	Amount from column 700 or 710, whichever is less
1.			

Subtotal (enter this amount on line LL in Part 17) ____________ II

Calculation 2 – Only if you acquired all or a part of the qualified expenditure from another person under an agreement described in subsection 127(13); otherwise, enter nil at line JJ in Part 16.

A The rate percentage that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement 720	B The proceeds of disposition of the property if you dispose of it to an arm's length person; or, in any other case, enter the fair market value of the property at conversion or disposition 730	C The amount, if any, already provided for in Calculation 1 (This allows for the situation where only part of the cost of a property is transferred under a subsection 127(13) agreement.) 740

Name of corporation	Business Number	Tax year end Year Month Day
BRANTFORD POWER INC.	86585 8773 RC0001	2005-12-31

Part 16 – Calculating the recapture of ITC for corporations and corporate partnerships – SR&ED (continued)

Calculation 2 (continued) – Only if you acquired all or a part of the qualified expenditure from another person under an agreement described in subsection 127(13); otherwise, enter nil on line JJ below.

D The amount determined by the formula **(A x B) - C**	E The ITC earned by the transferee for the qualified expenditures that were transferred 750	F Amount from column D or E, whichever is less

Subtotal (enter this amount on line MM in Part 17) ______ JJ

Calculation 3

As a member of the partnership, you will report your share of the ITC of the partnership after the ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 550 in Part 12. However, if the partnership does not have sufficient ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line KK below.

Corporate partner's share of the excess of ITC (amount to be reported on line NN in Part 17) 760 ______ KK

Part 17 – Total recapture of investment tax credit

Recaptured ITC for calculation 1 from line II in Part 16		LL
Recaptured ITC for calculation 2 from line JJ in Part 16 above		MM
Recaptured ITC for calculation 3 from line KK in Part 16 above		NN
Total recapture of investment tax credit – Add lines LL, MM and NN (Enter amount OO at line 602 of the T2 return.)		OO

PRE-PRODUCTION MINING

Part 18 – Pre-production mining expenditures

Exploration information

A mineral resource that qualifies for the credit means a mineral deposit from which the principal mineral to be extracted is diamond, a base or precious metal deposit, or a mineral deposit from which the principal mineral to be extracted is an industrial mineral that, when refined, results in a base or precious metal.

In column 800, list all minerals for which pre-production mining expenditures have taken place in the tax year and after 2002.

List of minerals 800

For each of the minerals reported in column 800 above, identify each project, mineral title, and mining division where title is registered. If there were no mineral title, identify the project and mining division only.

Project name 805	Mineral title 806	Mining division 807

Pre-production mining expenditures *

Pre-production mining expenditures that the corporation incurred in the tax year and after 2002, for the purpose of determining the existence, location, extent, or quality of a mineral resource in Canada:

Prospecting	810		PP
Geological, geophysical, or geochemical surveys	811		QQ
Drilling by rotary, diamond, percussion, or other methods	812		RR
Trenching, digging test pits, and preliminary sampling	813		SS

Pre-production mining expenditures incurred in the tax year and after 2002 for bringing a new mine in a mineral resource in Canada into production in reasonable commercial quantities and incurred before the new mine comes into production in such quantities:

Clearing, removing overburden, and stripping	820		TT
Sinking a mine shaft, constructing an adit, or other underground entry	821		UU

Other pre-production mining expenditures incurred in the tax year and after 2002:

Description 825	Amount 826

Add amounts at column 826 ►			VV
Total pre-production mining expenditures (add amounts PP to VV)	830		
Deduct: Total of all assistance (grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to at line 830 above	832		
Excess (line 830 minus line 832) (if negative, enter "0")			WW
Add: Repayments of government and non-government assistance	835		XX
Pre-production mining expenditures (amount WW plus amount XX)			YY

* A pre-production mining expenditure is defined under subsection 127(9) and does not include an amount renounced under subsection 66(12.6).

Name of corporation	Business Number	Tax year end Year Month Day
BRANTFORD POWER INC.	86585 8773 RC0001	2005-12-31

Part 19 – Calculation of current-year credit and account balances – ITC from pre-production mining expenditures

ITC at the end of the preceding tax year ....

Deduct:

Credit deemed as a remittance of co-op corporations 841

Credit expired* 845

Subtotal ▶

ITC at the beginning of the tax year 850

Add:

Credit transferred on amalgamation or wind-up of subsidiary 860

Expenditures from line YY, Part 18, incurred in 2003 .... 865 x 5 % = ZZ

Expenditures from line YY, Part 18, incurred in 2004 .... 867 x 7 % = AAA

Expenditures from line YY, Part 18, incurred after 2004 .... 870 x 10 % = BBB

Total current-year credit (add amounts ZZ, AAA, and BBB) .... 880 ▶

Total credit available ....

Deduct:

Credit deducted from Part I tax (enter on line GGG in Part 24) 885

Credit carried back to the preceding year(s) (from Part 20) CCC

Subtotal ▶

ITC closing balance from pre-production mining expenditures 890

* The credit expires after 10 tax years if it was earned in a tax year ending before 2006 and after 20 tax years if it was earned in a tax year ending after 2005.

Part 20 – Request for carryback of credit from pre-production mining expenditures

	Year	Month	Day		
1st preceding tax year				Credit to be applied	921
2nd preceding tax year				Credit to be applied	922
3rd preceding tax year				Credit to be applied	923

Total (enter on line CCC in Part 19)

APPRENTICESHIP JOB CREATION

Part 21 – Calculation of total current-year credit – ITC from apprenticeship job creation expenditures

If you are a related person as defined under subsection 251(2), has it been agreed in writing that you are the only employer who will be claiming the apprenticeship job creation tax credit for this tax year for each apprentice whose contract number (or social insurance number or name) appears below? (If not, you cannot claim the tax credit.) . . . . . 611 1 Yes ☐ 2 No ☐

For each apprentice in their first 24 months of the apprenticeship, enter the apprenticeship contract number registered with Canada, or a province or territory, under an apprenticeship program designed to certify or license individuals in the trade. If there is no contract number, enter the social insurance number (SIN) or the name of the eligible apprentice. Also enter the name of the eligible trade, the eligible salary and wages* payable for employment after May 1, 2006, and 10% of this amount. Then enter the lesser of 10% of eligible salary and wages or $2,000.

	A Contract number (SIN or name of apprentice) 601	B Name of eligible trade 602	C Eligible salary and wages* 603	D Column C x 10 % 604	E Lesser of column D or $ 2,000 605
1.					
				Total current-year credit (enter at line 640)	

* Net of any other government or non-government assistance received or to be received.

Part 22 – Calculation of current-year credit and account balances – ITC from apprenticeship job creation expenditures

ITC at the end of the preceding tax year . . . . . ______

Deduct:

Credit deemed as a remittance of co-op corporations . . . . . 612 ______

Credit expired after 20 tax years . . . . . 615 ______

Subtotal ______ ▶ ______

ITC at the beginning of the tax year . . . . . 625 ______

Add:

Credit transferred on amalgamation or wind-up of subsidiary . . . . . 630 ______

ITC from repayment of assistance . . . . . 635 ______

Total current-year credit (total of column 605) . . . . . 640 ______

Credit allocated from a partnership . . . . . 655 ______

Subtotal ______ ▶ ______

Total credit available . . . . . ______

Deduct:

Credit deducted from Part I tax (enter on line HHH in Part 24) . . . . . 660 ______

Credit carried back to the preceding year(s) (from Part 23) . . . . . ______ DDD

Subtotal ______ ▶ ______

ITC closing balance from apprenticeship job creation expenditures . . . . . 690 ______

Part 23 – Request for carryback of credit from apprenticeship job creation expenditures

	Year	Month	Day			
1st preceding tax year				Credit to be applied	931	
2nd preceding tax year				Credit to be applied	932	
3rd preceding tax year				Credit to be applied	933	
				Total (enter on line DDD in Part 22)		

Investment tax credit for child care spaces

Calculation of current-year credit – ITC from child care space creation expenditures

	A Eligible expenditures for child care spaces	B Column A x 25.00 %	C Lesser of column B or $ 10,000
1.			

Total current-year credit ______

Calculation of current-year credit and account balances – ITC from child care space creation expenditures

ITC at the end of the preceding tax year ______

Deduct:

- Credit deemed as a remittance of co-op corporations ______
- Credit expired after 20 tax years ______

Subtotal ______ ▶ ______

ITC at the beginning of the tax year ______

Add:

- Credit transferred on amalgamation or wind-up of subsidiary ______
- ITC from repayment of assistance ______
- Total current-year credit (total of column C) ______
- Credit allocated from a partnership ______

Subtotal ______ ▶ ______

Total credit available ______

Deduct:

- Credit deducted from Part I tax (enter on line HHH.1 in Part 24) ______
- Credit carried back to the preceding year(s) ______

Subtotal ______ ▶ ______

ITC closing balance for child care space creation expenditures ______

Request for carryback of credit from child care space creation expenditures

	Year Month Day		
1st preceding tax year	2004-12-31	Credit to be applied	
2nd preceding tax year	2003-12-31	Credit to be applied	
3rd preceding tax year	2002-12-31	Credit to be applied	
		Total	

Part 24 – Total ITC deducted from Part I tax

ITC from investments in qualified property deducted from Part I tax (from line 260 in Part 5)		EEE
ITC from SR&ED expenditures deducted from Part I tax (from line 560 in Part 12)	181,024	FFF
ITC from pre-production mining expenditures deducted from Part I tax (from line 885 in Part 19)		GGG
ITC from apprenticeship job creation expenditures deducted from Part I tax (from line 660 in Part 22)		HHH
ITC from child care space creation expenditures deducted from Part I tax		HHH.1
Total ITC deducted from Part I tax (add lines EEE, FFF, GGG, HHH and HHH.1)	181,024	III

(Enter amount III at line 652 of the T2 return.)

Summary of Investment Tax Credit Carryovers

Continuity of investment tax credit carryovers

CCA class no.: 99

Current year

Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)
181,024	181,024			

Prior years

Taxation year	ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC expired (H) See Note	ITC end of year (E-F-G-H) See Note
1st prior year					
2nd prior year					
3rd prior year					
4th prior year					
5th prior year					
6th prior year					
7th prior year					
8th prior year					
9th prior year					
10th prior year					
Total					

Total ITC utilized (B+C+D+G) 181,024

Note : The **ITC end of year** includes the amount of ITC expired from the 10th preceding year that is in column (H). Note that this credit expires only at the beginning of the subsequent fiscal period. Consequently, this amount will be posted on line 215, 515, 615, 845 or on the line *Credit expired* for the child care space creation, as applicable, of Schedule 31 for the subsequent period.

T2 CORPORATION INCOME TAX RETURN

055 Do not use this area

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."

Identification

Business Number (BN) 001 86585 8773 RC0001

Corporation's name

002 BRANTFORD POWER INC.

Has the corporation changed its name since the last time you filed your T2 return? 003 1 Yes [ ] 2 No [X]

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 [X]

(If *Yes*, complete lines 011 to 018)

011 84 Market Square

012 P.O. Box 308

City	Province, territory, or state
015 Brantford	016 ON
Country (other than Canada)	Postal code/Zip code
017	018 N3T 5N8

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 [X]

(If *Yes*, complete lines 021 to 028)

021 c/o

022 84 Market Square

023 P.O. Box 308

City	Province, territory, or state
025 Brantford	026 ON
Country (other than Canada)	Postal code/Zip code
027	028 N3T 5N8

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 [X]

(If *Yes*, complete lines 031 to 038)

031 84 Market Square

032 P.O. Box 308

City	Province,territory, or state
035 Brantford	036 ON
Country (other than Canada)	Postal code/Zip code
037	038 N3T 5N8

040 Type of corporation at the end of the tax year

1 [X] Canadian-controlled private corporation (CCPC)

2 [ ] Other private corporation

3 [ ] Public corporation

4 [ ] Corporation controlled by a public corporation

5 [ ] Other corporation (specify, below)

If 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 060 2005-01-01 (YYYY MM DD) — Tax year-end 061 2005-12-31 (YYYY MM DD)

Has there been an acquisition of control to which subsection 249(4) applies since the previous tax year? . . . . 063 1 Yes [ ] 2 No [X]

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 [X]

Is this the first year of filing after:

Incorporation? . . . . 070 1 Yes [ ] 2 No [X]

Amalgamation? . . . . 071 1 Yes [ ] 2 No [X]

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 [X]

If *Yes*, complete and attach Schedule 24.

Is this the final tax year before amalgamation? . . . . 076 1 Yes [ ] 2 No [X]

Is this the final return up to dissolution? . . . . 078 1 Yes [ ] 2 No [X]

Is the corporation a resident of Canada?

080 1 Yes [X] 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 [X]

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?	150	X	9
Is the corporation an associated Canadian-controlled private corporation?	160	X	23
Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders?	151		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	162		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?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167		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?	168		22
Did the corporation have any foreign affiliates during the year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal *Income Tax Regulations*?	170		29
Has the corporation had any non-arm's length transactions with a non-resident?	171		T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; or gifts of cultural or ecological property?	202		2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
Is the corporation claiming any type of losses?	204	X	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		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?	207		7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any property that is eligible capital property?	210	X	10
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming reserves of any kind?	213		13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Was the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26*
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231	X	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232	X	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233	X	33/34/35
Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236	X	36
Is the corporation claiming a surtax credit?	237		37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		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?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		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?	250		39
Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131
Is the corporation claiming a film or video production services tax credit refund?	254		T1177
Is the corporation subject to Part XIII.1 tax?	255		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?	256		T1134-A
Did the corporation have any controlled foreign affiliates?	258		T1134-B
Did the corporation own specified foreign property in the year with a cost amount over $100,000?	259		T1135
Did the corporation transfer or loan property to a non-resident trust?	260		T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174

Additional information

		1 Yes	2 No
Is the corporation inactive?	280		X
Has the major business activity changed since the last return was filed? (enter *Yes* for first-time filers)	281		X

What is the corporation's major business activity? 282 ____
(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 283 1 Wholesale [ ] 2 Retail [ ]

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.

284	Electricity Distribution	285	100.000 %
286		287	%
288		289	%

		1 Yes	2 No
Did the corporation immigrate to Canada during the tax year?	291		X
Did the corporation emigrate from Canada during the tax year?	292		X

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI.			300	2,723,145	A
Deduct: Charitable donations from Schedule 2	311				
Gifts to Canada, a province, or a territory from Schedule 2	312				
Cultural gifts from Schedule 2	313				
Ecological gifts from Schedule 2	314				
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320				
Part VI.1 tax deduction from Schedule 43 *	325				
Non-capital losses of preceding tax years from Schedule 4	331	399,534			
Net capital losses of preceding tax years from Schedule 4	332				
Restricted farm losses of preceding tax years from Schedule 4	333				
Farm losses of preceding tax years from Schedule 4	334				
Limited partnership losses of preceding tax years from Schedule 4	335				
Taxable capital gains or taxable dividends allocated from a central credit union	340				
Prospector's and grubstaker's shares	350				
Subtotal		399,534 ▶		399,534	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")				2,323,611	C
Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions			355		D
Taxable income (amount C **plus** amount D)			360	2,323,611	
Income exempt under paragraph 149(1)(t)			370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 **minus** line 370)				2,323,611	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	2,723,145	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 form Part I tax	405	2,323,611	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 / Number of days in the tax year	/ 365	=		1
300,000	x	Number of days in the tax year in 2005 and in 2006 / Number of days in the tax year	365 / 365	=	300,000	2
400,000	x	Number of days in the tax year after 2006 / Number of days in the tax year	/ 365	=		3
			Add amounts at lines 1, 2, and 3		300,000	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 *** 110,269 D / 11,250 = 2,940,507 E

Reduced business limit (amount C **minus** amount E) (if negative, enter "0")	425		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 / Number of days in the tax year	365 / 365	x	16 %	=	G2
Amount G1		x	Number of days in the tax year in 2008 / Number of days in the tax year	/ 365	x	16.5 %	=	G3
Amount G1		x	Number of days in the tax year after 2008 / Number of days in the tax year	/ 365	x	17 %	=	G4

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

* 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 / Number of days in the tax year	/ 365	x	2 %	=	I
Amount H		x	Number of days in the tax year in 2005 / Number of days in the tax year	365 / 365	x	3 %	=	J
Amount H		x	Number of days in the tax year in 2006 / Number of days in the tax year	/ 365	x	5 %	=	K
Amount H		x	Number of days in the tax year after 2006 / Number of days in the tax year	/ 365	x	7 %	=	L
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)	x 300,000 / line 4 above =			A
Net active business income (amount from line 400) *			2,723,145	B
Taxable income from line 360 **minus** 3 times the amount at line 636** on, and **minus** any amount that, because of federal law, is exempt from Part I Tax		2,323,611 C		
Deduct:				
Aggregate investment income (amount from line 440)		D		
Amount C **minus** amount D (if negative, enter "0")		2,323,611 ▶	2,323,611	E
Amount A, B, or E above, whichever is less				F
Amount Z from Part 9 of Schedule 27	x 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 **minus** amount L (if negative, enter "0")				M
Accelerated tax reduction – 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		2,323,611	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 **minus** amount H (if negative, enter "0")		2,323,611	I

Amount I	2,323,611	x Number of days in the tax year before 2008 / Number of days in the tax year	365 / 365	x 7 %	=	162,653	J1
Amount I	2,323,611	x Number of days in the tax year in 2008 / Number of days in the tax year	/ 365	x 7.5 %	=		J2
Amount I	2,323,611	x Number of days in the tax year in 2009 / Number of days in the tax year	/ 365	x 8 %	=		J3
Amount I	2,323,611	x Number of days in the tax year after 2009 / Number of days in the tax year	/ 365	x 9 %	=		J4

General tax reduction for Canadian-controlled private corporations – total of amounts J1, J2, J3, and J4 (enter amount J on line 638) ..... 162,653 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 **minus** amount R (if negative, enter "0")			S

General tax reduction (continued)

Amount S		x	Number of days in the tax year before 2008 / Number of days in the tax year	365 / 365	x	7 %	=	T1
Amount S		x	Number of days in the tax year in 2008 / Number of days in the tax year	/ 365	x	7.5 %	=	T2
Amount S		x	Number of days in the tax year in 2009 / Number of days in the tax year	/ 365	x	8 %	=	T3
Amount S		x	Number of days in the tax year after 2009 / Number of days in the tax year	/ 365	x	9 %	=	T4

General tax reduction – total of amounts T1, T2, T3, and T4 (enter amount T on line 639) . . . . ______ T

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 % = ______
(amount L from Part 2 of Schedule 7) (if negative, enter "0") ______ ▶ ______ B

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

Taxable income from line 360 2,323,611

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 = ______
______ ▶ ______

2,323,611 x 26 2 / 3 % = 619,630 D

Part I tax payable minus investment tax credit refund (line 700 **minus** line 780)	332,958		
Deduct: Corporate surtax from line 600	26,024		
Net amount	306,934 ▶	306,934	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** ______
______ ▶ ______ G

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** ______
______ ▶ ______ H

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 | 882,972 A

Corporate surtax calculation

Base amount from line A above	882,972	1
Deduct:		
10 % of taxable income (line 360 or amount Z, whichever applies)	232,361	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	6
Part I tax otherwise payable (line A **plus** lines C and D **minus** line F)		c	

Total of lines 2 to 6	232,361	7
Net amount (line 1 **minus** line 7)	650,611	8

Corporate surtax

line 8 650,611 x 4 % x $\frac{\text{Number of days in the tax year before 2008} \quad 365}{\text{Number of days in the tax year} \quad 365}$ = 600 | 26,024 B

Recapture 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	2,323,611		
Deduct:			
Amount on line 400, 405, 410, or 425, whichever is the least			
Net amount	2,323,611 ▶	2,323,611	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) 908,996 E

Deduct:

Small business deduction from line 430			9
Federal tax abatement	608	232,361	
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	162,653	
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	181,024	
	Subtotal	576,038 ▶	576,038 F

Part I tax payable – Line E **minus** line F (enter amount G on line 700) .... 332,958 G

Summary of tax and credits

Federal tax

Part I tax payable	700	332,958
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	332,958

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 770 332,958 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	509,065
Total credits	890	509,065

509,065 B

Refund code 894 1 Overpayment 176,107

Balance (line A **minus** line B) -176,107

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

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 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 D'Amboise (Last name) 951 Brian (First name) 954 CFO (Position, office, or rank)

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 2006-05-23 Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation 956 (519) 759-4150 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 ☐

Schedule of Instalment Remittances

Name of corporation contact: ______________________
Telephone number: __________

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
		509,065

Total amount of instalments claimed (carry the result to line 840 of the T2 Return) 509,065 **A**

Total instalments credited to the taxation year per T9 509,065 **B**

Transfer

Account number	Taxation year end	Amount	Effective interest date	Description
From:				
To:				
From:				
To:				
From:				
To:				
From:				
To:				
From:				
To:				

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 100

Name of corporation	Business Number	Tax year end Year Month Day
BRANTFORD POWER INC.	86585 8773 RC0001	2005-12-31

Balance sheet information

Account	Description	GIFI		Amount	Prior year
	Assets				
	Total current assets	1599	+	19,998,155	17,174,278
	Total tangible capital assets	2008	+	62,011,453	50,757,595
	Total accumulated amortization of tangible capital assets	2009	–	11,329,395	8,831,695
	Total intangible capital assets	2178	+		
	Total accumulated amortization of intangible capital assets	2179	–		
	Total long-term assets	2589	+	6,756,999	7,007,826
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	77,437,212	66,108,004
	Liabilities				
	Total current liabilities	3139	+	19,491,420	14,428,576
	Total long-term liabilities	3450	+	31,214,174	26,335,511
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	50,705,594	40,764,087
	Shareholder equity				
	Total shareholder equity (mandatory field)	3620	+	26,731,618	25,343,917
	Total liabilities and shareholder equity	3640	=	77,437,212	66,108,004
	Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849	=	4,294,113	2,906,412

* Generic item

SCHEDULE 141

NOTES CHECKLIST

Corporation's name	Business Number	Tax year end Year Month Day
BRANTFORD POWER INC.	86585 8773 RC0001	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 [X]	2 No [ ]
Is the accounting practitioner connected* with the corporation?	097	1 Yes [ ]	2 No [X]

* 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: 198

Completed an auditor's report	1	[X]
Completed a review engagement report	2	[ ]
Conducted a compilation engagement	3	[ ]

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 [X]

Part 4 – Other information

Were notes to the financial statements prepared?	101	1 Yes [X]	2 No [ ]
If *Yes*, complete lines 102 to 107 below:			
Are any values presented at other than cost?	102	1 Yes [ ]	2 No [X]
Has there been a change in accounting policies since the last return?	103	1 Yes [ ]	2 No [X]
Are subsequent events mentioned in the notes?	104	1 Yes [ ]	2 No [X]
Is re-evaluation of asset information mentioned in the notes?	105	1 Yes [ ]	2 No [X]
Is contingent liability information mentioned in the notes?	106	1 Yes [X]	2 No [ ]
Is information regarding commitments mentioned in the notes?	107	1 Yes [ ]	2 No [X]
Does the corporation have investments in joint venture(s) or partnership(s)?	108	1 Yes [ ]	2 No [X]
If *Yes*, complete line 109 below:			
Are you filing financial statements of the joint venture(s) or partnership(s)?	109	1 Yes [ ]	2 No [X]

SCHEDULE 1

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Corporation's name	Business Number	Tax year end Year Month Day
BRANTFORD POWER INC.	86585 8773 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				1,387,701 A
Add:				
Provision for income taxes – current		101	650,513	
Amortization of intangible assets		106	2,497,700	
Income or loss for tax purposes – joint ventures or partnerships		109	-1,342	
Scientific research expenditures deducted per financial statements		118	905,120	
Non-deductible meals and entertainment expenses		121	5,748	
Reserves from financial statements – balance at the end of the year		126	491,850	
Subtotal of additions			4,549,589 ►	4,549,589
Other additions:				
Miscellaneous other additions:				
600 Retail Variance accounts @ Dec 31, 2004		290	5,426,518	
601 Recoverable Transition Costs deducted in 2004		291	717,254	
602 Regulatory Assets recovered - Dec 31, 2005		292	2,485,905	
603.1 Prior Period Adjustment to Reg Assets	1,444,456			
Total	1,444,456	293	1,444,456	
604.1 See attached	330,000			
Total	330,000	294	330,000	
Subtotal of other additions		199	10,404,133 ►	10,404,133
Total additions		500	14,953,722 ►	14,953,722
Deduct:				
Capital cost allowance from Schedule 8		403	2,294,351	
Cumulative eligible capital deduction from Schedule 10		405	72,665	
Scientific research expenses claimed in year from Form T661		411	882,894	
Reserves from financial statements – balance at the beginning of the year		414	474,521	
Subtotal of deductions			3,724,431 ►	3,724,431
Other deductions:				
Miscellaneous other deductions:				
700 RSVA & RCVA Dec 31, 2005		390	3,415,405	
701 PILS credit balance		391	2,407,521	
702 Recoverable Transition Costs - Non-Capital - Dec 31, 2005		392	759,932	
703 Other Regulatory Assets - Dec 31, 2005		393	168,473	
704.1 Pre-Market Opening Variance - Dec 31, 2005	3,142,516			
Total	3,142,516	394	3,142,516	
Subtotal of other deductions		499	9,893,847 ►	9,893,847
Total deductions		510	13,618,278 ►	13,618,278
Net income (loss) for income tax purposes – enter on line 300 of the T2 return				2,723,145

T2 SCH 1 E (06)

CORPORATION LOSS CONTINUITY AND APPLICATION

Name of corporation	Business Number	Tax year-end Year Month Day
BRANTFORD POWER INC.	86585 8773 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			2,723,145
Deduct: (increase a loss)			
Net capital losses deducted in the year (enter as a positive amount)			
Taxable dividends deductible under sections 112, 113, or subsection 138(6)			
Amount of Part VI.1 tax deductible			
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)			
Subtotal (if positive, enter "0")			
Deduct: (increase a loss)			
Section 110.5 and/or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions			
Subtotal			
Add: (decrease a loss)			
Current-year farm loss			
Current-year non-capital loss (if positive, enter "0")			

Continuity of non-capital losses and request for a carryback

	Code	Amount	Total
Non-capital loss at the end of preceding tax year		399,534	
Deduct: Non-capital loss expired *	100		
Non-capital losses at beginning of tax year	102	399,534	
Add: 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		399,534
Deduct:			
Other adjustments (includes adjustments for an acquisition of control)	150		
Section 80 – Adjustments for forgiven amounts	140		
Subsection 111(10) – Adjustments for fuel tax rebate			
Deduct:			
Amount applied against taxable income (enter on line 331 of the T2 return)	130	399,534	
Amount applied against taxable dividends subject to Part IV tax	135		399,534
Subtotal			
Deduct – Request to carry back non-capital loss to:			
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		

* 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 ______

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

	Capital gain (100%)		Amount carried back (100%)
First preceding tax year	______	951	______
Second preceding tax year	______	952	______
Third preceding tax year	______	953	______

Capital losses – Closing balance .... 280 ______

Note 1
On line 332 of the T2 return, enter the amount from line 225 multiplied by 50%.

Note 2
Enter on lines 225, 951, 952, or 953, whichever applies, the actual amount of the loss. At the time of the application of the loss carryback, the net capital loss amount will be calculated at the inclusion rate of the year to which the net capital loss is applied.

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

* 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		485	C
Minus the deductible farm loss:			
$2,500 plus D or E, whichever is less	$ 2,500		
(Amount C above ______ – $2,500) divided by 2 = ______ D			
$ 6,250 E			2,500 F
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			
Deduct: Restricted farm loss expired after 10 tax years *	400		
Restricted farm losses at beginning of tax year	402		
Add: Restricted farm losses transferred on an amalgamation or the wind-up of a subsidiary corporation	405		
Current-year restricted farm loss (enter on line 233 of Schedule 1)	410		
Deduct:			
Amount applied against farming income (enter on line 333 of the T2 return)	430		
Section 80 – Adjustments for forgiven amounts	440		
Other adjustments	450		
		Subtotal	
Deduct – Request to carry back restricted farm loss to:			
First preceding tax year to reduce farming income	941		
Second preceding tax year to reduce farming income	942		
Third preceding tax year to reduce farming income	943		
Restricted farm losses – Closing balance		480	

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

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

Part 7 – Limited partnership losses

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

Total (enter this amount on line 222 of Schedule 1)

Limited partnership losses from prior tax years that may be applied in the current year						
1	2	3	4	5	6	7
Partnership identifier	Fiscal period ending	Limited partnership losses at 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 **minus** column 5 If negative, enter "0".	Limited partnership losses that may be applied in the year. The lesser of columns 3 and 6
630	632	634	636	638		650

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

Total (enter this amount on line 335 of the T2 return)

Non-Capital Loss Continuity Workchart

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

Non-capital losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce: Taxable income	Applied to reduce: Part IV tax	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			
2000	399,534	N/A		N/A	399,534		
2000		N/A		N/A			
1999		N/A		N/A			*
Total	399,534				399,534		

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: Taxable income	Applied to reduce: Part IV tax	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			
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			
1996		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: Taxable income	Applied to reduce: Part IV tax	Balance at end of year
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	
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	
1996		N/A		N/A		N/A	*
Total						N/A	

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

SCHEDULE 8

CAPITAL COST ALLOWANCE (CCA)

Name of corporation	Business Number	Tax year end Year Month Day
BRANTFORD POWER INC.	86585 8773 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 [X]

	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 **multiplied** by column 8; or a lower amount) (line 403 of Schedule 1)****	12 Undepreciated capital cost at the end of the year (column 6 **plus** column 7 **minus** column 11)
	200		201	203	205	207	211		212	213	215	217	220
1	1		111,255	1,303,849		0	651,925	763,179	4	0	0	30,527	1,384,577
2	8		30,852	6,602		0	3,301	34,153	20	0	0	6,831	30,623
3	10		585,395	262,199		0	131,100	716,494	30	0	0	214,948	632,646
4	10		72,988			0		72,988	30	0	0	21,896	51,092
5	1		40,825,043	1,012,191		22,425	494,883	41,319,926	4	0	0	1,652,797	40,162,012
6	98		386,335		-386,335	0			0	0	0		
7	90		262,199		-262,199	0			0	0	0		
8	47			9,183,803		0	4,591,902	4,591,901	8	0	0	367,352	8,816,451
		Total	42,274,067	11,768,644	-648,534	22,425	5,873,111	47,498,641				2,294,351	51,077,401

* 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.

Fixed Assets Reconciliation

Reconciliation of change in fixed assets per financial statements to amounts used per tax return

Tax return

Additions for tax purposes – Schedule 8 regular classes		11,768,644	
Additions for tax purposes – Schedule 8 leasehold improvements	+	-648,534	
Operating leases capitalized for book purposes	+		
Capital gain deferred	+		
Recapture deferred	+		
Deductible expenses capitalized for book purposes – Schedule 1	+		
	+		
Total additions per books	=	11,120,110	11,120,110
Proceeds up to original cost – Schedule 8 regular classes		22,425	
Proceeds up to original cost – Schedule 8 leasehold improvements	+		
Proceeds in excess of original cost – capital gain	+		
Recapture deferred – as above	+		
Capital gain deferred – as above	+		
Pre V-day appreciation	+		
	+		
Total proceeds per books	=	22,425	– 22,425
Depreciation and amortization per accounts – Schedule 1			–
Loss on disposal of fixed assets per accounts			–
Gain on disposal of fixed assets per accounts			+
Net change per tax return			= 11,097,685

Financial statements

Fixed assets (excluding land) per financial statements

Closing net book value		50,473,817
Opening net book value	–	41,873,836
Net change per financial statements	=	8,599,981

If the amounts from the tax return and the financial statements differ, explain why below

SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
BRANTFORD POWER INC.	86585 8773 RC0001	2005-12-31

This schedule is to be completed by a corporation having one or more of the following:
- related corporation(s)
- associated corporations(s)

	Name	Country of residence (if other than Canada)	Business Number (Canadian corporation only) (see note 1)	Relationship code (see note 2)	Number of common shares owned	% of common shares owned	Number of preferred shares owned	% of preferred shares owned	Book value of capital stock
	100	200	300	400	500	550	600	650	700
1.	BRANTFORD ENERGY CORPORATIO		87504 1329 RC0001	1	1,001	100.000			22,437,505
2.	BRANTFORD HYDRO INC.		87504 1121 RC0001	3					

Note 1: Enter "NR" if a corporation is not registered.
Note 2: Enter the code number of the relationship that applies from the following order: 1 – Parent 2 – Subsidiary 3 – Associated 4 – Related, but not associated.

T2 SCH 9(99)

SCHEDULE 10

CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

Name of corporation	Business Number	Tax year end Year Month Day
BRANTFORD POWER INC.	86585 8773 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

Cumulative eligible capital - Balance at the end of the preceding taxation year (if negative, enter "0") 200 1,038,078 A

Add: Cost of eligible capital property acquired during the taxation year 222 ____

Other adjustments 226 ____

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 228 ____ x 1 / 2 = ____ C

amount B minus amount C (if negative, enter "0") ____ ► ____ D

Amount transferred on amalgamation or wind-up of subsidiary 224 ____ E

Subtotal (add amounts A, D, and E) 230 1,038,078 F

Deduct: Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year 242 ____ G

The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) 244 ____ H

Other adjustments 246 ____ I

(add amounts G,H, and I) ____ x 3 / 4 = 248 ____ J

Cumulative eligible capital balance (amount F minus amount J) 1,038,078 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 249 ____

amount K 1,038,078

less amount from line 249 ____

Current year deduction 1,038,078 x 7.00 % = 250 72,665 *

(line 249 plus line 250) (enter this amount at line 405 of Schedule 1) 72,665 ► 72,665 L

Cumulative eligible capital – Closing balance (amount K minus amount L) (if negative, enter "0") 300 965,413 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.

T2 SCH 10 (04)

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

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

Amount from line K (show as positive amount)				N
Total of cumulative eligible capital (CEC) deductions from income for taxation years beginning after June 30, 1988		400	1	
Total of all amounts which reduced CEC in the current or prior years under subsection 80(7)		401	2	
Total of CEC deductions claimed for taxation years beginning before July 1, 1988	402	3		
Negative balances in the CEC account that were included in income for taxation years beginning before July 1, 1988	408	4		
Line 3 minus line 4 (if negative, enter "0")	►		5	
Total of lines 1, 2 and 5			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 400		7		
Amounts at line T from Schedule 10 of previous taxation years ending after February 27, 2000		8		
Subtotal (line 7 plus line 8)	409	►	9	
Line 6 minus line 9 (if negative, enter "0")			►	O
Line N minus line O (if negative, enter "0")				P
Line 5		x 1 / 2 =		Q
Line P minus line Q (if negative, enter "0")				R
Amount R		x 2 / 3 =		S
Amount N or amount O, whichever is less				T
Amount to be included in income (amount S plus amount T) (enter this amount on line 108 of Schedule 1)			410	

AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO ALLOCATE THE BUSINESS LIMIT

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for purposes of the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one tax year ending in a calendar year, is required to file an agreement for each tax year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group. Include non-CCPCs and CCPCs that have filed an election under subsection 256(2) of the *Income Tax Act* (ITA) not to be associated for purposes of the small business deduction.

Column 2: Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").

Column 3: Enter the association code that applies to each corporation:

1 - Associated for purposes of allocating the business limit (unless code 5 applies)
2 - CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction
3 - Non-CCPC that is a "third corporation" as defined in subsection 256(2)
4 - Associated non-CCPC
5 - Associated CCPC to which code 1 does not apply because of a subsection 256(2) election made by a "third corporation"

Column 4: Enter the business limit for the year of each corporation in the associated group. The business limit is computed at line 4 on page 4 of each respective corporation's T2 return.

Column 5: Assign a percentage to allocate the business limit to each corporation that has an association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A falls within the range for the calendar year to which the agreement applies:

Calendar year	Acceptable range
2004	$225,001 to $250,000
2005	$250,001 to $300,000
2006	maximum $300,000
2007	$300,001 to $400,000

If the calendar year to which this agreement applies is after 2007, ensure that the total at line A does not exceed $400,000.

Allocating the business limit

Date filed (do not use this area) . . . . **025** Year Month Day

Enter the calendar year to which the agreement applies . . . . **050** Year 2005

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? . . . . **075** 1 Yes [ ] 2 No [X]

	1 Names of associated corporations **100**	2 Business Number of associated corporations **200**	3 Association code **300**	4 Business limit for the year (before the allocation) $	5 Percentage of the business limit % **350**	6 Business limit allocated* $ **400**
1	BRANTFORD POWER INC.	86585 8773 RC0001	1	300,000	100.0000	300,000
2	BRANTFORD ENERGY CORPORATION	87504 1329 RC0001	1	300,000		
3	BRANTFORD HYDRO INC.	87504 1121 RC0001	1	300,000		
				Total	100.0000	300,000 A

Business limit reduction under subsection 125(5.1) of the ITA

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "Large corporation amount" at line 415 of the T2 return. If the corporation is a member of an associated group** of corporations in the current tax year, the amount at line 415 of the T2 return is equal to 0.225% x (A - $10,000,000) where, "A" is the total of taxable capital employed in Canada*** of each corporation in the associated group for its last tax year ending in the preceding calendar year.

*Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's tax year is less than 51 weeks, prorate the amount in column 6 by the number of days in the tax year divided by 365, and enter the result on line 410 of the T2 return.

Special rules apply if a CCPC has more than one tax year ending in a calendar year and is associated in more than one of those years with another CCPC that has a tax year ending in the same calendar year. In this case, the business limit for the second (or subsequent) tax year(s) will be equal to the lesser of the business limit determined for the first tax year ending in the calendar year and the business limit determined for the second (or subsequent) tax year(s) ending in the same calendar year.

** The associated group includes the corporation filing this schedule and each corporation that has an "association code" of 1 or 4 in column 3.

*** "Taxable capital employed in Canada" has the meaning assigned by subsection 181.2(1) or 181.3(1) or section 181.4 of the ITA.

T2 SCH 23 (06)

SCHEDULE 33

PART I.3 TAX ON LARGE CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
BRANTFORD POWER INC.	86585 8773 RC0001	2005-12-31

- File this schedule if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than $10,000,000.
- Even if there is no Part I.3 tax payable for the days in the tax year that are after 2005, you must still complete this schedule (except parts 5 and 9).
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms "financial institution," "long-term debt," and "reserves."
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- No Part I.3 tax is payable for a taxation year by a corporation that was:
  1) bankrupt [as defined by subsection 128(3)] at the end of the year;
  2) a deposit insurance corporation throughout the year, as defined by subsection 137.1(5), or deemed to be a deposit insurance corporation by subsection 137.1(5.1);
  3) exempt from tax under section 149 throughout the year on all of its taxable income;
  4) neither resident in Canada nor carrying on a business through a permanent establishment in Canada at any time in the year; or
  5) a corporation described in subsection 136(2) throughout the year, the principal business of which was marketing (including any related processing) natural products belonging to or acquired from its members or customers.
- File the completed Schedule 33 with the *T2 Corporation Income Tax Return* no later than six months from the end of the tax year.
- This schedule may contain changes that had not yet become law at the time of printing.

If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, "Taxable capital employed in Canada."

Part 1 – Capital

Add the following amounts at the end of the year:

	Line	Amount	Total
Reserves that have not been deducted in computing income for the year under Part I	101	821,850	
Capital stock (or members' contributions if incorporated without share capital)	103	22,437,505	
Retained earnings	104	4,294,113	
Contributed surplus	105		
Any other surpluses	106		
Deferred unrealized foreign exchange gains	107		
All loans and advances to the corporation	108	25,622,324	
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	5,100,000	
Any dividends declared but not paid by the corporation before the end of the year	110		
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111	2,177,025	
Proportion of the amount, if any, by which the total of all amounts (see note below) for the partnership of which the corporation is a member at the end of the year exceeds the amount of the partnership's deferred unrealized foreign exchange losses	112		
Subtotal		60,452,817 ►	60,452,817 A

Deduct the following amounts:

	Line	Amount	Total
Deferred tax debit balance at the end of the year	121		
Any deficit deducted in computing its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122		
Any amount deducted under subsection 135(1) in computing income under Part I for the year, as long as the amount may reasonably be regarded as being included in any of lines 101 to 112 above	123		
The amount of deferred unrealized foreign exchange losses at the end of the year	124		
Subtotal		►	B
Capital for the year (amount A minus amount B) (if negative, enter "0")	190		60,452,817

Note: Lines 101, 107, 108, 109, 111, and 112 are determined as follows:

- If the partnership is a member of another partnership (tiered partnerships), include the amounts of the partnership and tiered partnerships.
- Amounts for the partnership and tiered partnerships are those that would be determined for lines 101, 107, 108, 109, 111, and 112 as if they apply in the same way that they apply to corporations.
- Do not include amounts owing to the member or to other corporations that are members of the partnership.
- Amounts are determined at the end of the last fiscal period of the partnership ending in the year of the corporation.
- The proportion of the total amounts is determined by the corporation's share of the partnership's income or loss for the fiscal period of the partnership.

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend receivable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim, or similar obligation of, a partnership all of the members of which, throughout the year, were other corporations (other than financial institutions) that were not exempt from tax under Part I.3 [other than by reason of paragraph 181.1(3)(d)]	406	
An interest in a partnership (see note 1 below)	407	
Investment allowance for the year (add lines 401 to 407)	490	

Notes:

1. Where the corporation has an interest in a partnership or in tiered partnerships, consider the following:
   - the investment allowance of a partnership is deemed to be the amount calculated at line 490 above, at the end of its fiscal period, as if it was a corporation;
   - the total of the carrying value of each asset of the partnership described in the above lines is for its last fiscal period ending at or before the end of the corporation's tax year; and
   - the carrying value of a partnership member's interest at the end of the year is its specified proportion [as defined in subsection 248(1)] of the partnership's investment allowance.
2. Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 [other than by reason of paragraph 181.1(3)(d)].
3. Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation, according to subsection 181.2(6).

Part 3 – Taxable capital

Capital for the year (line 190)		60,452,817	C
Deduct: Investment allowance for the year (line 490)			D
Taxable capital for the year (amount C minus amount D) (if negative, enter "0")	500	60,452,817	

Part 4 – Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500) 60,452,817 × (Taxable income earned in Canada **610** 2,323,611 / Taxable income 2,323,611) = **Taxable capital employed in Canada** **690** 60,452,817

Notes:
1. Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2. Where a corporation's taxable income for a tax year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of $1,000.
3. In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada			701	
Deduct the following amounts:				
Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada	711			
Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada	712			
Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal or movable property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below)	713			
Total deductions (add lines 711, 712, and 713)		►		E
Taxable capital employed in Canada (line 701 minus amount E) (if negative, enter "0")			790	

Note: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

Part 5 – Calculation of gross Part 1.3 tax

If the tax year starts after 2005, do not complete this part.

Taxable capital employed in Canada (line 690 or 790, whichever applies)		60,452,817	
Deduct: Capital deduction claimed for the year (enter $50,000,000 or, for related corporations, the amount allocated on Schedule 36)	801	48,099,683	
Excess of taxable capital employed in Canada over capital deduction	811	12,353,134	
Line 811 12,353,134 × Number of days in the tax year in 2004 / Number of days in the tax year 365 × 0.002 =			F
Line 811 12,353,134 × Number of days in the tax year in 2005 365 / Number of days in the tax year 365 × 0.00175 =		21,618	G
Note: The Part I.3 tax rate is reduced to 0% for the days in the tax year that are after 2005. Subtotal (add amounts F and G)		21,618	H

Where the tax year of a corporation is less than 51 weeks, calculate the amount of gross Part I.3 tax as follows:

Amount H 21,618 × Number of days in the year (365) / 365 =			I
Gross Part I.3 tax (amount H or I, whichever applies)	820	21,618	

Part 6 – Calculation of gross Part I.3 tax for purposes of the unused surtax credit

Taxable capital employed in Canada (line 690 or 790, whichever applies)		60,452,817	J
Deduct: Line 801 above 48,099,683 × 1/5 =		9,619,937	K
Excess (amount J minus amount K) (if negative, enter "0")		50,832,880	L
Amount L 50,832,880 × 0.00225 =		114,374	M

Where the tax year of a corporation is less than 51 weeks, calculate the amount of gross Part I.3 tax for purposes of the unused surtax credit as follows:

Amount M 114,374 × Number of days in the year (365) / 365 =			N
Gross Part I.3 tax for purposes of the unused surtax credit (amount M or N, whichever applies)	821	114,374	

Part 7 – Calculation of current-year surtax credit available

- Corporations can claim a credit against their Part I.3 tax for the amount of Canadian surtax payable for the year. This is called the surtax credit.
- Any unused surtax credit can be carried back three years or carried forward seven years. Unused surtax credits must be applied in order of the oldest first.
- Refer to subsection 181.1(7) when calculating the amount deductible for a corporation's unused surtax credits where control of the corporation has been acquired between the year in which the credits arose and the year in which you want to claim them.

For a corporation that was a non-resident of Canada throughout the year, enter amount **a** or **b** at line O, whichever is less:

a) line 600 from the T2 return		**a**	
b) line 700 from the T2 return		**b**	O

In any other case, enter amount **c** or **d** at line P, whichever is less:

c) line 600 from the T2 return 26,024 x (line 690 of this schedule 60,452,817 / line 500 of this schedule 60,452,817) = 26,024 **c**

d) line 700 from the T2 return 332,958 **d** 26,024 P

Current-year surtax credit available (amount O or P, whichever applies) **830** 26,024

Part 8 – Calculation of current-year unused surtax credit

Current-year surtax credit available (line 830)		26,024
Less: Gross Part I.3 tax for purposes of the unused surtax credit (line 821)		114,374
Current-year unused surtax credit (if negative, enter "0")	**850**	

Enter this amount at line 600 on Schedule 37.

Part 9 – Calculation of net Part I.3 tax payable

If the tax year starts after 2005, do not complete this part.

Gross Part I.3 tax (line 820)			21,618 Q
Deduct:			
Current-year surtax credit applied (line 820 or 830, whichever is less)	**861**	21,618	
Unused surtax credit from previous years applied (amount from line 320 on Schedule 37)	**862**		
Subtotal (cannot be more than amount on line 820)		21,618 ►	21,618 R
Net Part I.3 tax payable (amount Q minus amount R)	**870**		

Enter this amount at line 704 of the T2 return.

Part 10 – Calculation for purposes of the small business deduction

This part is applicable only to corporations that are not associated in the current year, but were associated in the prior year.

Taxable capital employed in Canada (line 690 or 790, whichever applies)	S
Deduct:	
Capital deduction claimed for the year (enter $10,000,000)	T
Excess (amount S minus amount T) (if negative, enter "0")	U
Gross Part I.3 tax for purposes of the small business deduction (Amount U x 0.00225)	V

Enter this amount at line 415 of the T2 return

SCHEDULE 36

AGREEMENT AMONG RELATED CORPORATIONS – PART I.3 TAX

- Members of a related group of corporations should use this schedule to allocate the capital deduction of $50,000,000 among the members of the related group. **Do not file this agreement if no members of the related group have to pay Part I.3 tax.**
- In cases where a related corporation has more than one taxation year ending in a calendar year, it has to file an agreement for each of those taxation years.
- A corporation that is related to any other corporation at any time in a taxation year of the corporation that ends in a calendar year may file such an agreement.
- In accordance with subsection 181.5(7) of the federal *Income Tax Act*, a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

Agreement

Date filed (do not use this area) . . . . . . 010 Year Month Day

Is this an amended agreement? . . . . . . 020 1 Yes [ ] 2 No [X]

Calendar year to which the agreement applies . . . . . . 030 Year 2005

Note: This agreement must include all the information indicated below for all members of the related group, including members to which no amount of capital deduction is allocated for the year. However, any member that is exempt from Part 1.3 tax under subsection 181.1(3) does not have to be included.

	Names of all corporations which are members of the related group 200	Business Number (if a corporation is not registered, enter "NR") 300	Allocation of capital deduction for the year $ 400	Taxation year end to which this agreement applies* (YYYY/MM/DD) 500
1	BRANTFORD POWER INC.	86585 8773 RC0001	48,099,683	
2	BRANTFORD ENERGY CORPORATION	87504 1329 RC0001	120,001	
3	BRANTFORD HYDRO INC.	87504 1121 RC0001	1,780,316	

Total (cannot be more than $50,000,000) 50,000,000

* Entries are only required in this column for a corporation that has more than one taxation year ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year. The capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

SCHEDULE 50

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
BRANTFORD POWER INC.	86585 8773 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.

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Provide only one number per shareholder			Percentage common shares	Percentage preferred shares
		Business Number	Social insurance number	Trust number		
	100	200	300	350	400	500
1	BRANTFORD ENERGY CORPORATION	87504 1329 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

Federal Tax Instalments

Federal tax instalments

For the taxation year ended: 2006-12-31

The following is a list of federal instalments payable for the current taxation year. The last column indicates the instalments payable to Revenue Canada. The instalments are due no later than on the dates indicated, otherwise non-deductible interest will be charged. A cheque or money order should be made payable to the Receiver General. Payment may be made either to an authorized financial institution or filed with form T9 (instalment form) and addressed to the appropriate Revenue Canada Taxation Centre.

Date	Instalments required	Instalments paid	Cumulative difference	Instalments payable
2006-01-31	27,747			27,747
2006-02-28	27,747			27,747
2006-03-31	27,747			27,747
2006-04-30	27,747			27,747
2006-05-31	27,747			27,747
2006-06-30	27,747			27,747
2006-07-31	27,747			27,747
2006-08-31	27,747			27,747
2006-09-30	27,747			27,747
2006-10-31	27,747			27,747
2006-11-30	27,747			27,747
2006-12-31	27,741			27,741
Total	332,958			332,958

Indicate instalment method chosen [1-3]: 1
1stI nstalment base method

If instalments are starting late, indicate the MONTH in which you want them to start (1=January, 2=February, etc.) 1

1 – 1st Instalment base method

1st Instalment base amount (amount I below)	332,958	÷ 12	=	27,747
Monthly instalments required				27,747

2 – Combined 1st and 2nd instalment base method

2nd Instalment base amount:

Indicate: Part I tax						
Part I.3, VI & VI.I tax	+					
Provincial tax	+					
Total			÷ 12	=		A
1/12 of estimated current year credits (H below /12)				–		
Each of the first two instalment payments				=		B
Total tax from I below		332,958				
Amount B above x 2	–					
	=	332,958	÷ 10	=	33,296	
Each of the remaining ten instalment payments				=	33,296	

3 – Estimated tax method

Instalment base amount (amount I below)		÷ 12	=	
Monthly instalments required				

Instalment base calculation

		1st instalment base method		Estimated tax method	
Taxable income		2,323,611			
Calculation of tax payable					
Federal part I tax		882,972			
Federal surtax	+	26,024	+		
Refundable tax on a CCPC's investment income	+		+		
Subtotal		908,996			A
Small business deduction					
Investment corporation deduction	+		+		
Federal tax abatement	+	232,361	+		
Manufacturing and processing profits deduction	+		+		
Non-business foreign tax credit	+		+		
Business foreign tax credit	+		+		
Tax reduction, general and accelerated	+	162,653	+		
Logging tax credit	+		+		
Federal political contribution tax credit	+		+		
Investment tax credit per Schedule 31 and resource deduction	+	181,024	+		
Qualifying environmental trust tax credit	+		+		
Subtotal		576,038			B
Total part I tax payable (A - B)		332,958			C
Part I.3 tax	+		+		D
Part VI tax	+		+		D.1
Part VI.I tax	+		+		D.2
Provincial/territorial tax	+		+		E
Total					
Parts I, I.3, VI, VI.I and provincial/territorial tax		332,958			F
Adjustment for short taxation years: x 365 ÷ number of days in year if less than 365	365 ÷	365	365 ÷	365	
		332,958			G
Estimated current year credits:					
Investment tax credit refund					
Dividend refund	+		+		
Federal capital gains refund	+		+		
Provincial and territorial capital gains refund	+		+		
NRO allowable refund per Schedule 26	+		+		
Tax withheld at source	+		+		
Other estimated credits	+		+		
Total estimated current year credits					H
Instalment base amount (G - H)		332,958			I

Ontario Tax Instalments

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
BRANTFORD POWER INC.	1800056	2005-12-31

Ontario tax instalments

For the taxation year ended: 2006-12-31

The following is a list of Ontario instalments payable for the current taxation year. The last column indicates the instalments payable to the Ontario Ministry of Revenue. The instalments are due no later than on the dates indicated, otherwise non-deductible interest will be charged. A cheque or money order should be made payable to the Minister of Finance. Payment may be made either to a chartered bank in Ontario or filed with an instalment form and addressed to:

Ministry of Revenue (Ontario)
Corporation Tax
33 King Street West
P.O. Box 620
Oshawa Ontario
L1H 8E9

Quarterly instalment

Date	Instalments required	Instalments paid	Cumulative difference	Instalments payable
Total				

Date	Instalments required	Instalments paid	Cumulative difference	Instalments payable
2006-01-31	26,959			26,959
2006-02-28	26,959			26,959
2006-03-31	26,959			26,959
2006-04-30	26,959			26,959
2006-05-31	26,959			26,959
2006-06-30	26,959			26,959
2006-07-31	26,959			26,959
2006-08-31	26,959			26,959
2006-09-30	26,959			26,959
2006-10-31	26,959			26,959
2006-11-30	26,959			26,959
2006-12-31	26,955			26,955
Total	323,504			323,504

Indicate instalment method chosen [1-3]: 1

1stI nstalment base method

Do not use the quarterly payment even if applicable "X" to continue montly payments

If instalments are starting late, indicate the MONTH in which you want them to start (1=January, 2=February, etc.) 1

1 – 1st Instalment base method

1st instalment base amount (amount I below)	323,504 ÷ 12 =	26,959
Monthly instalments required		26,959
Quarterly instalments required		

2 – Combined 1st and 2nd instalment method

2nd instalment base amount:

Indicate: Income tax, C.M.T					
Capital tax, prem. tax	+				
Total	=		÷ 12 =		A
Each of the first two instalment payments					B
Total tax from I below		323,504			
Amount A above x 2	–				
	=	323,504	÷ 10 =	32,351	
Each of the remaining ten instalment payments				32,351	
Quarterly instalments required					

3 – Estimated tax method

Instalment base amount (amount I below)		÷ 12 =	
Monthly instalments required			
Quarterly instalments required			

Instalment base calculation

		1st instalment base method		Estimated tax method	
Ontario taxable income		2,323,611			
Calculation of tax payable					
Gross Ontario tax		325,306			A
Incentive deduction for an S.B.C., net of surtax					
Manufacturing and processing profits credit	+		+		
Additional deduction for credit unions	+		+		
Credit for foreign taxes paid	+		+		
Credit for investment in S.B.D.C.	+		+		
Specified credits applied against income tax	+		+		
Total deduction and credits	=		=		B
Income tax (A - B)		325,306			C
Capital tax	+	146,018	+		D
Corporate minimum tax paid (credited)	+	-147,820	+		E
Premium tax	+		+		F
Total income tax and other taxes (C + D + E + F)	=	323,504	=		G
Adjustment for short taxation years x 365 ÷ number of days in year if less than 365	365 ÷	365	365 ÷	365	
		323,504			H
Total estimated current year credits	–		–		
		323,504			I