

February 9, 2012

Ms. Kirsten Walli Ontario Energy Board PO Box 2319 27th Floor, 2300 Yonge Street Toronto, Ontario M4P 1E4

Re: Final Disposition of Account 1562 Deferred Payments in Lieu of Taxes

Board File No.: EB-2012-0059

Dear Ms. Walli,

Please find enclosed our application for final disposition of Middlesex Power Distribution Corp – Newbury's Account 1562 Deferred Payments in Lieu of Taxes.

If you have any questions or concerns regarding this application, please do not hesitate to contact me at (519) 352-6300 ext 243 or via email at: regulatory@ckenergy.com.

Regards,

[Original Signed By]

Andrya Eagen Senior Regulatory Specialist Phone: (519) 352-6300 Ext. 243 Email: andryaeagen@ckenergy.com

CC: Dan Charron, President of Chatham-Kent Hydro

Chris Cowell, Chief Financial and Regulatory Officer

David Ferguson, Director of Regulatory Affairs and Risk Management





On behalf of Middlesex Power Distribution Corp - Newbury

Application for Final Disposition of Account 1562 Deferred PILs

Board File No.: EB-2012-0059

Filed: February 6, 2012

Chatham-Kent Hydro Inc. - Newbury

Account 1562 Deferred PILs - Application for Final Disposition

Board File No.: EB-2012-0059 Date Filed: February 9, 2012

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Introduction

On December 16, 2012, the Board approved the amalgamation of Chatham-Kent Hydro Inc. ("CKH") and Middlesex Power Distribution Corp. ("MPDC"). Subsequently, on January 20, 2012, the electrical distribution licence of CKH was updated to include MPDC's former service territories and MPDC's licence was cancelled. CKH therefore submits this application on behalf of MPDC – Newbury.

Basis for Application

On November 28, 2008, the Board initiated a combined proceeding on its own motion (EB-2008-0831) to determine the accuracy of the final account balances with respect to 'Account 1562 Deferred Payments in Lieu of Taxes' for the period of October 1, 2001 to April 30, 2006 ("Affected Period"). The Board determined that ENWIN Utilities Ltd., Halton Hills Hydro Inc., and Barrie Hydro Distribution Inc. should provide their specific evidence on the disposition of account 1562.

On June 24, 2011, the Board issued its decision in the EB-2008-0831 proceeding, in which the Board stated:

"Each remaining distributor will be expected to apply for final disposition of account 1562 with its next general rates application (either IRM or cost of service). If the distributor files evidence in accordance with all the various decisions made in the course of this proceeding, including the use of the updated model referenced above and certifies to that effect, the distributor may expect that the determination of the final account balance will be handled expeditiously and in a largely administrative manner.

On August 2, 2011, the Board issued a letter with respect to the process and deadlines for 2012 IRM applications. This letter established a filing deadline of November 25, 2011 for MPDC, for an IRM application to include rates for MPDC's three service territories – MPDC – Main, MPDC – Dutton and MPDC – Newbury.

In a letter to the Board dated November 16, 2011 (please see Attachment 7), MPDC acknowledged the Board's EB-2008-0381 Combined Deferred PILs decision, and the expectation that distributors would apply for the final disposition of Account 1562 Deferred PILs with their next rate applications. However, MPDC explained that locating and validating the PILS related pre-acquisition accounting records of the three MPDC predecessor utilities was proving challenging. Subsequently, in a letter to MPDC dated November 23, 2011 (please see attachment 8), the Board directed MPDC – Main, MPDC – Dutton and MPDC – Newbury to file stand-alone applications for the disposition of Account 1562 by no later than April 1, 2012.

With the exception of the disposition of Account 1562, MPDC filed complete IRM applications for MPDC – Main, MPDC – Dutton and MPDC – Newbury rates in accordance with the November 25, 2011 deadline.

Chatham-Kent Hydro Inc. - Newbury

Account 1562 Deferred PILs - Application for Final Disposition

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Background on MPDC Corporate Structure and Recent Changes

On March 24, 2005, Chatham-Kent Energy ("CKE") submitted MAAD application EB-2005-0255 requesting Board approval to acquire all shares of the former MPDC. The Board approved this acquisition in its Decision and Order issued on June 24, 2005. CKE's acquisition of MPDC subsequently closed June 30, 2005.

On October 15, 2008, Middlesex Power Distribution Corporation ("MPDC") submitted MAAD applications EB-2008-0332 and EB-2008-0350 requesting Board approval to acquire all shares of the former Dutton Hydro Inc. and the former Newbury Power Corporation, and to subsequently amalgamate both entities into MPDC. The Board approved these acquisitions and subsequent amalgamation in its Decision and Order issued February 9, 2009. MPDC subsequently closed the respective purchase transactions on April 30, 2009. Since that date, MPDC has been serving the distribution areas formerly licensed to each of MPDC, Dutton Hydro Inc. and Newbury Power Corporation and has maintained separate rates for each of the three former areas.

On August 31, 2011, Chatham-Kent Hydro ("CKH"), a subsidiary of CKE and an affiliate of MPDC, filed MAAD application EB-2011-0328 with the Board seeking leave to amalgamate with MPDC. Contemporaneously, CKH and MPDC jointly filed an application for the amendment of the licence of the CKH to include all of the MPDC service territories and the cancellation of the licence of MPDC. On December 16, 2011, the Board approved this application. On January 11, 2012, CKH notified the Board that the resolutions of amalgamation of CKH and Middlesex Power Distribution Corp ("MPDC"), dated January 1, 2012, had been filed with, and certified by, the Ontario Ministry of Government Services. Subsequently, on January 20, 2012 the Board confirmed the amendment of the CKH licence and cancelled the MPDC licence.

Application

MPDC – Newbury has located and validated the appropriate financial records with assistance from the previous ownership of Newbury Power Inc. ("NPI"), its predecessor public accountant and the Ministry of Finance.

MPDC – Newbury now submits herein its application for disposition of Account 1562 Deferred Payments in Lieu of Taxes for the period October 1, 2001 to April 30, 2006.

No PILs Included in Rates for the Affected Period

MPDC – Newbury has reviewed the details of rates charged to customers for the Affected Period and noted that no PILs adjustments were included in rates nor collected rom customers. This is also noted in NPI's 2006 EDR application, until that time, NPI had not adjusted rates since the original rate unbundling in 2001¹. Accordingly, no rate making models exist for NPI for the Affected Period.

¹ EB-2005-0392, Original Application, Tab 3, Schedule 3-2

Chatham-Kent Hydro Inc. - Newbury

Account 1562 Deferred PILs – Application for Final Disposition

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MPDC – Newbury confirms that no amounts relating to PILs were included in rates, nor collected from customers, for the Affected Period.

No PILs Paid During the Affected Period

Per review of the corporate tax returns for the Affected Period and confirmation with the Ministry of Finance, MPDC – Newbury confirms that during the Affected Period it had no taxable income and that no PILs were paid.

Submission

MPDC – Newbury therefore submits that its Account 1562 Deferred PILs disposition amounts to \$nil. Accordingly, MPDC – Newbury is seeking an order for final disposition of \$nil.

Supporting Evidence

MPDC – Newbury includes the following evidence attachments in support of this application:

Attachment 1: 2001 financial statements, federal and provincial final tax returns

Attachment 2: 2002 financial statements, federal and provincial final tax returns

Attachment 3: 2003 financial statements, federal and provincial final tax returns

Attachment 4: 2004 financial statements, federal and provincial final tax returns

Attachment 5: 2005 financial statements, federal and provincial final tax returns

Attachment 6: Decision and Order for EB-2008-0332/EB-2008-0350

Attachment 7: MPDC – Dutton Letter to Board dated November 16, 2011

Attachment 8: Letter from Board dated November 23, 2011

MPDC – Newbury

Attachment 1 2001 Supporting Documentation

AUDITORS' REPORT AND FINANCIAL STATEMENTS

DECEMBER 31, 2001

AUDITORS' REPORT

To the Shareholders of Newbury Power Inc.

We have audited the balance sheet of Newbury Power Inc., as at December 31, 2001 and the statements of income, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts in the financial statements. An audit also includes assessing the accounting principles used and the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2001 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chatham, Ontario February 27, 2002

CHARTERED ACCOUNTANTS

Colles Guron

FINANCIAL STATEMENTS

DECEMBER 31, 2001

Statement of income	1
Statement of retained earnings	2
Balance sheet	3
Statement of cash flows	4
Notes to financial statements	5 - 8

STATEMENT OF INCOME

YEAR ENDED DECEMBER 31, 2001

	20	001	2000
SERVICE REVENUE			
General	\$ 16	50,247 \$	45,219
Residential		9,170	27,718
Street lighting		<u>4,414</u>	1,033
	28	33,831	73,970
COST OF POWER	25	53,804	67,162
GROSS PROFIT	3	30,027	6,808
EXPENSES			
Administration	1	8,443	7,546
Amortization	1	1,462	2,783
Billing and collection		2,491	1,215
Distribution		6,738	4,858
Interest on long-term debt		<u>3,625</u>	
	5	<u> </u>	16,402
INCOME (LOSS) BEFORE OTHER INCOME	(2	22,732)	(9,594)
OTHER INCOME	1	3,344	5,647
NET INCOME (LOSS)	\$ ((9 <u>,388</u>) <u>\$</u>	(3,947)

STATEMENT OF RETAINED EARNINGS

YEAR ENDED DECEMBER 31, 2001

TEAR ENDED DECEMBER 31, 2001	2001	2000
BALANCE (DEFICIT), BEGINNING	\$ (3,947) \$	-
NET INCOME (LOSS)	 (9,388)	(3,947)
BALANCE (DEFICIT), ENDING	\$ (13,335) \$	(3,947)

BALANCE SHEET

DECEMBER 31, 2001

	2001	2000
ASSETS		
CURRENT ASSETS Cash Accounts receivable (note 3) Deferred charges Prepaid expenses	\$ 60,285 9 46,217 5,200 3,270 114,972	5 71,182 44,134 5,200 1,840 122,356
CAPITAL ASSETS (note 4) OTHER ASSETS (note 5)	179,933 	186,845 8,844 318,045
LIABILITIES	-	
CURRENT LIABILITIES Accounts payable and accrued charges	\$ 50,558 \$,
LONG-TERM DEBT (note 6)	100,000 150,558	100,000 156,366
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (note 7) DEFICIT	165,626 (13,335) 152,291	165,626 (3,947) 161,679
	<u>\$ 302,849</u> \$	318,045

ON BEHALF OF THE BOARD
Pollin Nam
art frictery

Director

Director

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2001

		2001	2000
CASH PROVIDED BY (USED IN)			
OPERATIONS Net income (loss)	\$	(9,388) \$	(3,947)
Items not requiring cash: Amortization Net change in non-cash working capital items affecting operations (note 8)	_	11,463 2,075 (9,321) (7,246)	2,783 (1,164) 13,275 12,111
INVESTING Purchase of capital assets		(3,651)	(4,383)
FINANCING Proceeds from issuance of common shares		 -	10
INCREASE (DECREASE) IN CASH POSITION		(10,897)	7,738
CASH POSITION, BEGINNING		71,182	-
CASH ACQUIRED IN ASSET TRANSFER			63,444
CASH POSITION, ENDING	\$	60,285 \$	71,182

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2001

1. NATURE OF ACTIVITIES

The company, incorporated January 12, 2000 under the laws of Ontario, operates a hydro electric power distribution company. Pursuant to an agreement dated September 30, 2000, specified assets and liabilities of Newbury Hydro were transferred to the Company and the Company began the business of distribution of hydro services.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for government organizations. The significant accounting policies are as follows:

CASH

Cash may consist of amounts on deposit plus term deposits with maturity dates less than one year.

CAPITAL ASSETS

Amortization of capital assets is calculated using the straight-line method, based on the estimated useful life of the asset, as follows:

Distribution system - overhead	25years
Distribution system - underground	25 years
Line transformers	25 years
Meters	25 years
Office equipment	10 years

INCORPORATION COSTS

Amortization is calculated on the straight-line method over 10 years.

REVENUE

Revenue is recorded when power is consumed.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2001

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

USE OF ESTIMATES

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of certain revenue and expenses during the year. Actual results could differ from these estimates.

3. ACCOUNTS RECEIVABLE	2001	2000
Electrical energy Sundry GST	\$ 37,258 7,353 1,606	6,130
	\$46,217	\$ 44,134

4. CAPITAL ASSETS 2001 2000

	 Cost	cumulated ortization	Net		Net
Distribution system - overhead	\$ 135,788	\$ 40,683	\$ 95,105	\$	100,612
Distribution system - underground Line transformers	41,445 53,394	8,911 18,248	32,534 35,146		34,144 37,283
Meters	18,413	5,630	12,783		13,520
Office equipment	 7,091	 2,726	 4,365	_	1,286
	\$ 256,131	\$ 76,198	\$ 179,933	\$	186,845

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2001

5. OTHER ASSETS	2001	2000
Incorporation costs	\$ 7,944	\$ 8.844
6. LONG-TERM DEBT	2001	2000
7.25% Note payable in annual instalments, due June 2016	\$ 100,000	\$ 100,000
7. CAPITAL STOCK	2001	2000
AUTHORIZED		
Unlimited common shares without par value		
ISSUED		
165,626 common shares	\$ 165,626	<u>\$ 165,626</u>

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2001

8. STATEMENT OF CASH FLOWS		2001	2000
a) Change in Non-cash Working Capital Balances The net change in non-cash working capital balances related to operations is represented by the following:			
Accounts receivable Unbilled revenue Deferred charges Prepaid expenses Accounts payable and accrued charges Other assets Less working capital acquired September 30, 2000	\$	(29,397) \$ 27,313 - (1,430) (5,807) -	
	\$	(9,321) \$	13,275
b) Interest Received Interest on short-term investments	<u>\$</u>	1,021 \$	544



Ministry of Finance

Corporations Tax Branch PO Box 620 33 King Street West Oshawa ON L1H 8E9

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the Exempt from Filing (EFF) declaration on page 2 or file the CT23 Return on pages 3-17, together with the applicable schedules on pages 2003

CT23 Corporations Tax and Annual Return For taxation years commencing after September 30, 2001

Corporations Tax Act - Ministry of Finance (MOF)

Corporations Information Act - Ministry of Consumer and Business Services (MCBS)

(formerly Ministry of Consumer and Commercial Relations)
The Annual Return (common page 1 and MCBS Schedule A on pages 22 and 23,

and Schedule K on page 24) contains non-tax information collected under the authority of the Corporations Information Act for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

Form criteria, may request and file the CT23 Short-Form Return (see page 2).	Wirinstry Ose
MCBS Annual Return Required? (Not required if already filed or Annual Return exempt, Refer to Guide) X Yes No Page 1 o	f 24
Corporation's Legal Name (including punctuation)	Ontario Corporations Tax Account No. (MOF)
NEWBURY BOWER INC	6820376
NEWBURY POWER INC Mailing Address	This CT23 Return covers the Taxation Year year month day
	Start 2001-01-01
22910 HAGERTY ROAD	year month day 2001-12-31
NEWBURY	
ON CA NOL-1Z0	
Has the mailing address changed since last filed CT23 Return? Yes Date of Change year month day	Date of Incorporation or Amalgamation year month day
Registered/Head Office Address	2000-01-12
22910 HAGERTY ROAD	
	Ontario
NEWBURY	Corporation No. 1394004
ON CA N0L-1Z0	(MCBS)
Location of Books and Records	Connedo Contrara and Dougram Annual
22910 HAGERTY ROAD	Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.
	If applicable, enter
NEWBURY	879744126RC0001
ON CA NOL-1ZO	
Name of person to contact regarding this CT23 Return Telephone No. Fax No.	Jurisdiction Incorporated ONTARIO
ROBBIE MCNAUGHTON Address of Principal Office in Ontario (Extra-Provincial Corporations only) (M	ICBS) ,
Audress of Philipal Office in Offiano (extra-Provincial Corporations only)	If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:
	Commenced year month day
ON CA -	year month day
Former Corporation Name (Extra-Provincial Corporations only) X Not Applicable (N	ICBS) Ceased
	X Not Applicable
	Preferred Language/Langue de préférence
Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS).	x English anglais French français
With the state of the Director WOW and Wide interest and later of the state of the	
If there is no change to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please X this box. Schedule(s) A and K are not required (MCBS).	o hange
Certification (MCBS)	
I certify that all information set out in the Annual Return is true, correct and complete.	
Name of Authorized Person (Print clearly or type in full)	l
ROBBIE MCNAUGHTON	
Title: Director X Officer Other individual having knowledge of the affairs of the Corporation Note: Sections 13 and 14 of the Corporations Information Act provide penalties for making talse or mislea	ding statements or omissions.

6820376

Taxation Year End 2001-12-31

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation – Please "X" box(es) if applicab	le in sections 1 & 2	Ontario Retail Sales Tax Vendor Permit No. (Use Head Office no.)
Canadian-controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))		if applicable, enter Ontario Employer Health Tax Account No.
2 X Other Private		(Use Head Office no.) if applicable, enter
9 Public		ii applicable, elitei
4 Non-share Capital	Share Capital with full voting rights (nearest percent)	
5 Other (specify)	owned by Canadian Residents	Specify major business activity
2 1 Family Farm Corporation s.1 (2) 2 Family Fishing Corporation s.1 (2)	Bare Trustee Corporation Branch of Non-resident s.63(1)	
3 Mortgage Investment Corporation s.47	Financial institution prescribed by	
4 Credit Union s.51	Regulation only 17 Investment Dealer	-
Bank Mortgage Subsidiary s.61 (4) Bank s.1 (2)	Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale	
7 Loan and Trust Corporation s.61 (4)	19 X Hydro successor, Municipal Electrical Utility or subsidiary of either	
8 Non-resident Corporation s.2(2)(a) or (b)	20 Producer and seller of steam for uses other than for the generation of electricity	
9 Non-resident Corporation s.2(2)(c)	21 Insurance Exchange s.74.4	
10 Mutual Fund Corporation s.48	Farm Feeder Finance Co-operative Corporation	-
Non-resident owned investment Corporation s.49	Professional Corporation (incorporated professionals only)	
Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)		
Please "X" box(es) if applicable:		
First Year of Filing Amended Return Taxation Year End has changed - Canada Customs	Final Taxation Year up to Dissolution (wind-up) (Note: For discontinued businesses, see Guide.) Final Taxation Year before Amalgamation Floating Fiscal Year End	Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario Acquisition of Control fed s.249(4)
and Revenue Agency (formerly Revenue Canada) approval required		Date Control was acquired year month day
Was the corporation inactive throughout the taxation year?		Yes No
Has the corporation's Federal T2 Return been filed with th	e Canada Customs and Revenue Agency (CCRA)?	\mathbf{x}
Are you requesting a refund due to: the Carry-back of a	Loss?	<u> </u>
an Overpayment?		□ x
a Specified Refund	able Tax Credit?	
Are you a Member of a Partnership or Joint Venture?		

* Note: Ontario Allocation for IDSBC purposes may differ from

continued on Page 5

Taxation Year End

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NEWBURY POWER INC 6820376 2001-12-31 Income Tax DOLLARS ONLY Allocation - If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Int.B. 3008). -5.990. Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15) 690 0. 1 Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule 2) 2 0. Subtract: Taxable dividends deductible, per federal T2 SCH 3 3 0. Subtract: Ontario political contributions (Attach schedule 2A) (Int.B. 3002) 0. Subtract: Federal Part VI.1 tax 0. 5 0. Subtract: Prior years' losses applied -Non-capital losses 704 0. From 715 0. 714 Net capital losses (page 16) Farm losses 724 0. Restricted farm losses 0. 734 Limited partnership losses 0. 754 -5.990. Taxable Income (Non-capital loss) 10 Addition to taxable income for unused foreign tax deduction for federal purposes 10 + 11 (if 10 is negative, enter 0. Adjusted Taxable Income 11) 20 **Number of Days In Taxation Year** Days after Sept. 30, 2001 Taxable Income Total Days and before Jan. 1, 2004 20 if applicable) 0. x 30 365 100.0000%x 73 29 Ontario Allocation Days after Dec. 31, 2003 and before Jan. 1, 2005 Total Days 365 100.0000%x 14.0000%x 0 32 0. 0 x Ontario Allocation 40 29 32 Income Tax Payable (before deduction of tax credits) Incentive Deduction for Small Business Corporations (IDSBC) (s.41) (If this section is not completed, the IDSBC will be denied.) Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? Income from active business carried on in Canada for federal purposes (fed,s.125(1)(a)) 50 0. 51 Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b)) 0. Add: Losses of other years deducted for federal purposes (fed.s.111) 52 0. Subtract: Losses of other years deducted for Ontario purposes (s.34) 0. 53 0. 54 Federal Business limit for the year before the application of fed.s.125(5.1) 0. 55 (not exceeding \$200,000) Add: Ontario enhancement of federal business limit Number of Days in Taxation Year Days after Sept. 30, 2001 and before Jan. 1, 2003 Total Days 0 x 365 28 73 X From 55 200,000 43 0. 0 Days after Dec. 31, 2002 and before Jan 1, 2004 Total Days 0 x 31 46 0. X From 0 200,000 Days after Dec 31, 2003 and before Jan 1, 2005 Total Days 365 0 x 31 73 X From 55 200.000 47 0 Ontario enhancement 0. 43 47 federal business limit 0. 45 55 **Business Limit for Ontarlo purposes** 44 100.0000% 0 30 56 Income eligible for the IDSBC From

* Ontario Allocation

30 If Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4))

45

Least of 50

6670%

95 + 96 + 97

0. X From 94

Specified rate of surtax for Taxation Year

Surtax Lesser of 70 Continued on Page 6

From 86

70 or 88

87

365

73

97

94

87

88

100

.0000

.0000

0.

0

before Jan 1, 2005

34

0000%

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NEWBURY POWER INC

6820376

2001-12-31

DOLLARS ONLY

Income Tax continued from Page 6 Specified Tax Credits (Refer to Guide)			
Ontario Innovation Tax Credit (OITC) (s.43.3) Applies to research and development in Ontario. Eligible Credit From 5620 OITC Claim Form (Attach original Claim Form)		+ 191	0.
Co-operative Education Tax Credit (CETC) (s.43.4) Applies to employment of eligible students			
Eligible Credit From 5798 Summary Schedule F		+ 192	0.
Ontario Film & Television Tax Credit (OFTTC) (s.43.5) Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television produ	uctions.		
Eligible Credit From 5899 either Claim Form from Ontario Media Development Corporation (OMDC) or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.			
(Attach the original Certification/Claim Form received from the OMDC or the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)		+ 193	0.
Graduate Transitions Tax Credit (GTTC) (s.43.6)	No, of Graduates From 6596		
Applies to employment of eligible unemployed post secondary graduate.	194 0		8 8 6
Eligible Credit From 6598 Summary Schedule G		+ 195	0.
Ontario Book Publishing Tax Credit (OBPTC) (s 43.7)			
Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.	e e	[con]	0
Eligible Credit From 6900 OBPTC Claim Form (Attach both the original Claim Form and the Certifica	tion Form)	+ 196	0.
Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)			
Applies to labour relating to computer animation and special effects on an eligible production.			
Eligible Credit From 6700 Claim Form Certified by Ontario Media Development Corporation		_	
(Attach the original Claim/Certification Form with the CT23 Tax Return.)		+ 197	0.
Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)			
Applies to qualifying R&D expenditures under an eligible research institute contract.			
Eligible Credit From 7100 OBRITC Claim Form (Attach original Claim Form)		+ 198	0.
Ontario Production Services Tax Credit (OPSTC) (s.43.10)			
Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not be	en claimed.		
Eligible Credit From 7300 either Claim Form from Ontario Media Development Corporation (OMDC)			
or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.			
(Attach the original Certification/Claim Form received from the OMDC or the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)		+ 199	0.
Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)			
Applies to qualifying labour expenditures of eligible products for the taxation year.			
Eligible Credit From 7400 Claim Form certified by Ontario Media Development Corporation			
(Attach original Claim/Certification Form.)		+ 200	0.
Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)			
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.			
Eligible Credit From 7500 OSRTC Claim Form (Attach both the original Claim Form and the Certification)	ation Form)	+ 201	0.
			0
Other (specify)	********	+ 201.1	0.
Total Specified Tax Credits	199 + 200 + 201 + 201.1	= 220	0,
Specified Tax Credits Applied to reduce Income Tax		= 225	0.
Income Tax 190 - 225 OR Enter NIL if reporting Non-Capital Loss (amount cannot be neg	gative)	= 230	0.
To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see Determ . CMT on Page 8 . If CMT is not applicable, transfer amount in 230 to Income Tax in Summary s		or the	
OR If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryov		ce	

income tax otherwise payable, then proceed to and complete the Application of CMT Credit Carryovers section part B, on Page 8.

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NEWBURY POWER INC

6820376

2001-12-31

DOLLARS ONLY

Corporate Minimum Tax (CMT)

Determination of Applicability

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

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

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

* Total Assets of the corporation	giranga kanggan kangga		302.849.	·
* Total Revenue of the corporation		********		+ 241 <u>297.175.</u>
If you are a member of an associated group (x)	242 (Yes)			
Name of associated corporation (Canadian & foreign) (if insufficient space, attach schedule)	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	* Total Assets	* Total Revenue
		+ 2	43	+ 244
		+ [2	45	+ 246
		+ 2	.47	+ 248
Aggregate Total Assets 240 + 243 + 245	+ 247 , etc.		302,849	L
Aggregate Total Revenue 241 + 244 + 246	+ 248 , etc. · ·			<u>250</u> <u>297,175.</u>
If CMT is applicable to current taxation year, complete se on Pages 18, 19 and 20 of CT23.	ection <i>Calculation: CMT</i> bel	low and <i>Corporate Minimun</i>	n Tax Schedules A through	E
Calculation: CMT (Attach Schedule A: Calculation of	CMT Base on Page 18.)			
Gross CMT PayableCMT Base From 2135	0.	X From 30 100.0		2760.
Subtract: Foreign Tax Credit for CMT purposes (Attach s	3 /		ī	277 0.
Subtract: Income Tax			From	190 0.
Net CMT Payable (If negative, enter Nil on Page 17.)			н [280 0.
	intractization of			
If 280 is less than zero and you do not have a CMT cre	edit carryover, transfer	from Page 7 to Income	tax Summary, on Page 17.	
If 280 is less than zero and you have a CM⊤ credit car	rvover, complete A & B belo	ow.		
If 280 is greater than or equal to zero, transfer 230			dule D: Continuity of CMT (Credit Carryovers, on Page 20.
CMT Credit Carryover available .	*******	********	From[2307
Application of CMT Credit Carryovers				
A. Income Tax (before deduction of specified credits) Gross CMT Payable		+ From 276	+ From 0.	1900.
Subtract: Foreign Tax Credit for CMT purposes If 276 – 277 is negative, enter NIL in 290		- From 277	<u>0.</u> 0. –	290 0.
Income Tax eligible for CMT Credit			101011111111111	300 0.
B. Income tax (after deduction of specified credits)			+ From	230 0.
Subtract: CMT credit used to reduce income taxes			Y	310 0.
Income Tax				320 0.
If A & B apply, 310 cannot exceed the lesser of	230 , 300 and your CM	IT credit carryover available	e 2307.	Transfer to page 17
If only B applies, 310 cannot exceed the lesser of	230 and your CMT cr	redit carryover available	2307	

^{*} These amounts include the corporation's and associated corporations' share of any partnership(s)/joint venture(s) total assets and total revenue.

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NEWBURY POWER INC

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

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

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both \$1,500,000 or less and the taxation year ends on or after January 1, 2001, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both \$3,000,000 or less and the taxation year commences after September 30, 2001, your corporation is exempt from Capital tax for the taxation year. A Corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in 550 on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

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

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

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

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

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

Paid-u	p Capital		
Paid-up ca	apital stock (Int.B. 3012 and 3015)	+ 350	0.
Retained e	earnings (if deficit, deduct) (Int.B. 3012)	± 351	0.
Capital an	d other surpluses, excluding appraisal surplus (Inf.B.3012)	+ 352	0.
Loans and	advances (Attach schedule) (Int.B. 3013)	+ 353	0.
Bank loan	s (Int.B. 3013)	+ 354	0.
Bankers a	cceptances (Int.B. 3013)	+ 355	0.
Bonds and	debentures payable (Int.B. 3013)	+ 356	0.
Mortgages	s payable (Int.B. 3013)	+ 357	0.
Lien notes	payable (Int.B. 3013)	+ 358	0.
be include Contingen Other rese Share of p Subtotal	credits (including income tax reserves, and deferred revenue where it would also d in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013) t, investment, inventory and similar reserves (Int.B. 3012) erves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012) eartnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017) Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012) Deductible R & D expenditures and ONTTI costs deferred for income tax	+ 359 + 360 + 361 + 362 = 370	0.
	if not already deducted for book purposes (Int,B, 3015)	372	0.
	I-up Capital	380	
Subtract:	Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	- 381	0.
	Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	- 382	0,
Net Paid	-up Capital	= 390	0.

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

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

Bonds, lien notes and similar obligations, (s interest coupons, applies to taxation years of			+ 402	0.
Mortgages due from other corporations	//		 + 403	0.
Shares in other corporations (certain restric	tions apply) (Refer to Guide)		 + 404	0.
Loans and advances to unrelated corporation	ons		 + 405	0.
Eligible loans and advances to related corp-	orations (certain restrictions apply) (Refer to	Guide)	 + 406	0.
Share of partnership(s) or joint venture(s) e	ligible investments (Attach schedule)		+ 407	0.
Total Eligible Investments	***************************************		 = 410	0.

NEWBURY POWER INC
Corp. Tax Acct. No.: 6820376
Year Ended: 2001-12-31

amts deducted for tax in excess of amts booked

CCA amortization		0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.0
	Total	0.00

Corporation's Legal I	Name		Ontario Corporations T	ax Account No. (MOF)	Taxation Year En	d CT23	Page 10 of 24
NEWBURY POW	ER INC		6820376		2001-12-3	1	DOLLARS ONLY
Capital Tax	continued fro	om Page 9					5012/1/10 0/12/
Total Assets (Int.B. 3015)						
Total Assets per ba	alance sheet					+ 420	302,849.
Mortgages or other						+ 421	0.
		re(s) total assets (Attac	ch schedule)			+ 422	0.
Subtract: Investme	nt in partnershi	p(s)/joint venture(s)	10.00 F 4.00 B 4.00 B 4.00 B			_ 423	0.
Total Assets as a						= 430	302,849.
		educted from assets)				+ 440	0
Subtract: Amounts			****			- 441	0.
Subtract: Appraisa		71.5			* * * * * * * * * * * * * * *	_ 442	0.
	ther adjustmen	ts (specify on an attach				± 443	302,849
Total Assets						= 450	302,049.
Investment Al	lowance	(410 ÷ 450) x 39	90		lot to exceed 410	= 460	0.
Taxable Capit	al 390 -	460	*********		****	= 470	0.
Grass Bauan	(an adiciated)	Santials the effect of		O D	[40]		207 175
		include the share of ar	ny partnership(s)/joint venture(s)	Gross Revenue)	480		297,175.
Total Assets (as	adjusted)				From 430		302,849.
OR	If the corpor calculations the corporat If the corpor if applicable	in Section B below ar ion. ation IS a member of a , complete Section D o	er of an associated group and/ nd select and complete the one an associated group and/or pa or Section E on page 12. Note: if 03 CT23 guide for additional in	e specific subsection artnership, complete S the corporation is a I	(e.g. B3) that applie Section C on page 1 member of a connec	s to I, and cted	
SECTION A							
Institution (Int.B. 3	3018).	corporation is a family	y farm corporation, a family fis	hing corporation or a	credit union that is	not a Financial	
SECTION B							
	es it the corno	oration is NOT a memb	per of an associated group and	d/or nartnership			
					000 000 less anto	r NIII. in Essa and	40 d
	er year commer e return from th		0, 2001 and 430 and 480 o	n page 10 are both \$3,	UUU,UUU or less, ente	r NIL IN [550] on I	page 12 and
B2. If taxable ca	pital, 470 on	page 10, is \$5,000,000	or less, enter NIL in 550 on	page 12 and complete	the return from that p	ooint.	
	pital, 470 on om that point.	page 10 exceeds \$5,00	00,000, complete the following ca	alculation and transfer	the amount From	23 to 543 on pag	ge 12, and complete
+ From 470 - = 471]	0. 0. 0. X From	30 100.0000 % X Ontario Allocation	.3000% x 555	taxation year 365 365 f leap year)		er to 543 on page 12 and te the return from that point

** If floating taxation year, refer to Guide.

continued on Page 11

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NEWBURY POWER INC

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Capital Tax Calculation	on continued from page	e 10					DOLLA II TO ONE
SECTION C							
This section applies ONLY to a c capital tax) and/or partnership. Y under either Section D or Section	ou must check either 5	er of an associate	ed group (exluding fi mplete this section l	nancial institut before you can	ions and corpora calculate your ca	tions exempt fro pital tax calcula	om ation
C1. 509 (X if applicable)	All corporations that yo	u are associated v	with do not have a pe	ermanent estab	lishment in Cana	da.	
	If taxable capital 470 or	page 10 is \$5,000	,000 or less, enter NII	L in 550 on pag	ge 12 and complete	e the return from	that point.
	If taxable capital 470 or Section D and the return		\$5,000,000 proceed t	o Section D , er	iter \$5,000,000 in	542 Section D,	and complete
C2. X 524 (X if applicable)	One or more of the corp	orations that you	are associated with	<u>maintains</u> a pe	ermanent establis	hment in Canad	ia.
	If the taxation year ends	before January 1,	2003, you must comp	lete the Calcula	ation below.		
	If the taxation year ends allocate the \$5,000,000 t group may file an election used to allocate the taxatifiled, all members of the portion (portion is hencef \$5,000,000 taxable capital corporation's total assets. The total asset amounts from each corporation's for calendar year. In addition, although each apportioned by the total assets and Deduction among the group reallocated amounts does associated group.	axable capital exen on under subsection of capital exemption group will then be reported to as a all exemption, to eat multiplied by its Orand Ontario allocate inancial information the corporation in the asset formula, the goup on what ever be	nption by completing to n 69(2.1) of the Corporal mong the associated group may at the group may at the group may, at the group may, at the group may, at the group sist the corporate group may asis the corporate group group may, at the group asis the corporate group may as the corporate gro	he Calculation I prations Tax Act ted group. Once the state of the sta	pelow. Or, the asso, whereby total asses as s.69(2.1) election and allocal tax effect, relating is of the group. Calculation must be the immediately property of the group of the group of the group of the immediately property of the group's tong as the total of the group's tong as the group's tong as the total of the group's tong as the total of the group's tong as the group's	ociated sets are stion is ate a g to the each taken ecceding at as stotal Net	
Calculation Do NOT complete	this calculation if ss.69(2.1) election is file	ed				
Taxable Capital From 470 on p	page 10				+ F	From 470	0.
Determine aggregate taxable of corporations exempt from cap. Names of associated corporations (e. and corporations exempt form capital having a permanent establishment in (if insufficient space, attach schedule, See attached	ital tax) and/or partnershi cluding financial institutions tax) or related partners Canada	p having a perma		in Canada	n Year End	Taxabi + 531 + 532	le Capital
						+ 533	0
Aggregate Taxable Capital 4	70 + 531 + 532 + 53	3 etc.				540	0.
Enter NII	bove is \$5,000,000 or less in 523 in section D on po bove is greater than \$5,000 order to calculate its Capita	age 12, as applicat	ole.	share of the \$5	,000,000 exemption	n	
From <u>47</u>	0	• ÷ From 540	0.	× 5,0	00,000		o in Section D on page 12
S.s.69(2.1) Election Filed [591] (X if applicable)	Election filed. <i>Attach a co</i>	py of the election	with this CT23 Retu	ırn.			

Proceed to Section E on page 12.

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NEWBURY POWER INC

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Capital Tax Calculation continued from Page 11

ECTION D
is section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGATE kable capital, 540 on page 11, exceeds \$5,000,000.
emplete the following calculation and transfer the amount From 523 to 543, and complete the return from that point.
+ From 470
ECTION E
is section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election
From 470 0. x From 30 100.0000% x .3000% = + 561 0
Capital tax deduction From 995 relating to your corporation's capital tax deduction, on ss.69(2.1) election form 995 0
Days in taxation year Transfer to 543 and complete (366 if leap year) Days in taxation year Transfer to 543 and complete the return from that point
If floating taxation year, refer to Guide.
Capital Tax before application of specified credits Subtract: Specified Tax Credits applied to reduce capital tax payable (Refer to Guide) Capital Tax 543 - 546 (amount cannot be negative) 543 0 Capital Tax 543 - 546 (amount cannot be negative)

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Capital Tax continued from Page 12

Calculation of Capital Tax for Financial Institutions	
I.1. Credit Unions only	
For taxation years commencing after May 4, 1999 enter NIL in 550 on page 12, and complete the return from that point.	
I.2. Other than Credit Unions	
(Retain details of calculations for amounts in boxes 565 and 570. Do not submit with this tax return.)	
Days in taxation year Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1 Days in taxation year S555 O ÷ ** O (366 If leap year) =	₊ 569 0.
570 O x 571 O.00 % X From 30 Days in taxation year Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount Ontario Allocation Ontario Allocation Ontario Allocation	+ 574 0.
Capital Tax for Financial Institutions – other than Credit Unions (before Section II) ** If floating taxation year, refer to Guide.	575 0.
II. Small Business Investment Tax Credit	
(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)	
Allowable Credit for Eligible Investments	- 585 0.
Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (x)	
Capital Tax – Financial Institutions 575 – 585	= 586 0. Transfer to 543 on Page12
Premium Tax (s.74.2 & 74.3) (Refer to Guide)	
(1) Uninsured Benefits Arrangements	<u> 588</u>
(2) Unlicensed Insurance (enter premium tax payable in 588 and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in 588.)	
Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.	
Deduct: Specified Tax Credits applied to reduce premium tax (Refer to Guide)	- 589 0.
Premium Tax 588 - 589	590 O. Transfer to page 17

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

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1		<u>+</u>	600 -5,990 Transfer to Page 15	
Add:				
Federal capital cost allowance	+ 601	8,064		
Federal cumulative eligible capital deduction	+ 602	0.		
Ontario taxable capital gain	+ 603	0.		
Federal non-allowable reserves. Balance beginning of year	+ 604	0.		
Federal allowable reserves. Balance end of year	+ 605	0.		
Ontario non-allowable reserves. Balance end of year	+ 606	0.		
Ontario allowable reserves. Balance beginning of year	+ 607	0.		
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ 608	0.		
Federal resource allowance	+ 609	0.		
Federal depletion allowance	+ 610	0.		
Federal foreign exploration and development expenses	+ 611	0.		
Management fees, rents, royalties and similar payments to non-arms' length non-residents				
Number of Days in Taxation Year				
Days after Sept, 30, 2001 and Total Days				
before Jan. 1, 2004	•			
612 0_{\bullet} X $5 \div 12.5000$ X 33 $92 \div 73$ 365 = + 633	0.			
Days after Dec. 31, 2003 and Total Days				
before Jan. 1, 2005				
612 0. x 5 ÷ 14.0000 x 34 0 + 73 365 = + 634	0.			
	0 []			
Total add-back amount for Management fees, etc. 633 + 634 =	0.+ 613	0.		
Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661	615	0.		
excluding any negative amount in 473 from Ont. CT23 schedule 161	+ [010]	0.		
Add any negative amount in 473 from Ont. CT23 Schedule 161	+ 616	0.		
, ,				
Federal allowable business investment loss	+ 620	0.		
Total College Secretaria Manual Inc. On the Intelligence of College Manual College (Allege College Manual College Manual College Manual College Manual College Manual College (Allege College Manual College Manual College Manual College Manual College (Allege College Manual College Manual College (Allege College Manual College Manual College (Allege College Manual College (Allege College Manual College (Allege College College Manual College (Allege College College (Allege College College (Allege College College College College (Allege College College College (Allege College College College College College College (Allege College College College College College College College College College (Allege College (Allege College Col	+ 614	0.		
Total of other items not allowed by Ontario but allowed federally (Attach schedule)	+ 0.4			
Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614		8,064.	640 8,06	
Deduct:			Transfer to Page 1.	J
Ontario capital cost allowance (excludes amounts deducted under 675)	+ 650	8,064.		
Ontario cumulative eligible capital deduction	. , + 651	0.		
Federal taxable capital gain	+ 652	0.		
Ontario non-allowable reserves. Balance beginning of year	+ 653	0.		
Ontario allowable reserves. Balance end of year		0.		
Federal non-allowable reserves. Balance end of year	655	0.		
Federal allowable reserves. Balance beginning of year	[ocol	0.		
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) (Retain calculations. Do not submit.)	+ 657	0.		
Ontario depletion allowance	+ 658	0.		
Ontario resource allowance	₊ 659	0.		
Ontario current cost adjustment (Attach schedule)		0.		
Incentive for new electricity supply (section 13.6 deduction from income)		THE BUILDING		
(Applies only to electrical generating corporations.)	+ 674	0.		
CCA for investments in qualifying energy-efficient equipment and for assets used to generate electricity from natural gas, alternative or renewable resources.	+ 675	0.		
Subtotal of deductions for this page 650 to 659 + 661 + 674 + 675	681	8,064.		
		Transfer to Page 15		

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

continued from Page 14	
Net Income (loss) for federal income tax purposes, per federal T2 SCH 1	<u>+</u> 600
Total of Additions From	= 640 8,064,
Subtotal of deductions on page 14 From = 681 8,064	<u>L</u>
Ontario New Technology Tax Incentive (ONTTI) Gross-up (Applies only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)	
Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year	
ONTTI Gross-up deduction calculation: From Gross-up of CCA 662	<u>0.</u>
Workplace Child Care Tax Incentive	
Qualifying expenditures: 665	0_
Workplace Accessibility Tax Incentive	_
Qualifying expenditures: From 30 100.0000	0.
Number of Ontario Allocation —	
Ontario School Bus Safety Tax Incentive (OSBSTI): (Applies to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) (Refer to Guide)	
Qualifying expenditures: 670	0.
Educational Technology Tax Incentive: (Applies to qualifying amounts incurred after May 2, 2000.)	_
Qualifying expenditures: 0	0.
Ontario allowable business investment loss	0.
Ontario Scientific Research Expenses claimed in year in from Ont. CT23 Schedule 161	0.
Amount added to income federally for an amount that was negative in line 454 of federal form T661	0-
Total of other deductions allowed by Ontario (Attach schedule) + 664	0.
Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 = 8.06	680 8,064
Net income (loss) for Ontario Purposes 600 + 640 - 680	= 690 -5,990
	Transfer to Page

6820376

Continuity of Losses Carried Forward

	Non-Capital Losses (1)		Total Capital Losses (9) (10)	Capital Losses Farm Losses		Listed Personal Property Losses	Limited Partnership Losses (6)	
Balance at Beginning of Year	700 (2)	224	710 (2)	720 (2)	730	740	750	
		8,794	0	0	0	0		
Add: Current year's losses (7)	701	5,990	711	721	731	741	751	
(1)	[===]	5,990			[]	U	r	
Losses from predecessor corporations (3)	702	0	712	722	732		752	
	703		713	723	733	743	753	
Subtotal		5,990		0	0	0	(799)	
Subtract:	704 (2)	0,000	715 (2) (4)	724 (2)	734 (2) (4)	744 (4)	754 (4)	
Utilized during the year			0	0	0	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \		
to reduce taxable income	Fron	- 0		[705]	[TOS.]	[745]		
Expired during the year	705	0		725	735	745		
	706 (2)	to Page 17	716 (2) to Page 17	726 (2) to Page 17	736 (2) to Page 17	746		
Carried back to prior years to reduce	706 (2)		716 (2)	720 (2)	736 (2)	746		
taxable income (5)	r-1	0	0					
, ,	707		717	727	737	747	757	
Subtotal		0	0	0	0	0		
D-I4 FI -4 V	709 (8)		719	729	739	749	759	
Balance at End of Year		14,784	0	0	l 0	l 0	(

Notes:

- Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- (2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.
- (3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.
- (4) To the extent of applicable gains/income/at-risk amount only.
- (5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.
- (6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

- (7) Include amount form 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.
- (8) Amount in 709 must equal total of 829 + 839
- (9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.
- (10) Commencing in the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

Analysis of Balance at End of Year by Year of Origin

	Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800	9th preceding taxation year				850	870
	1993-01-11				0	0
801	8th preceding taxation year	S THE THE S			851	871
	1994-01-11				0	0
802	7th preceding taxation year			13 1 1 1 1 7 7 7	852	872
	1995-01-11				0	0
803	6th preceding taxation year	820	830	840	853	873
	1996-01-11	0	0	0	0	0
804	5th preceding taxation year	821	831	841	854	874
	1997-01-11	0	0	0	0	0
805	4th preceding taxation year	822	832	842	855	875
	1998-01-11	0	0	0	0	0
806	3rd preceding taxation year	823	833	843	856	876
	1999-01-11	0	0	0	0	0
807	2nd preceding taxation year	824	834	844	857	877
	2000-01-11	0	0	0	0	0
808	1st preceding taxation year	825	835	845	858	878
	2000-12-31	0	0	0	0	0
809	Current taxation year	826	836	846	859	879
	2001-12-31	5,990	0	0	0	0
Total		829	839	849	869	889
TOTAL		5,990	0	0	0	0

Application of Losses

Non-Capital

6820376

Taxation Year End 2001-12-31

CT23 Page 17 of 24 DOLLARS ONLY

Restricted Farm

NEWBURY POWER INC Request for Loss Carry-Back (s.80(16))

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

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

print your Ontario Corporation's Tax Account No. (MOF) on the back of

cheque or money order. (Refer to Guide for other payment methods.)

- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
 - 1) the first day of the taxation year after the loss year,

Total Capital

- the day on which the corporation's return for the loss year is delivered to
- 3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a predecessor corporation, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Farm Losses

Application of Ecocco		Losses	Losses		Losses			
Total amount of loss		910 5,990	920	930	940			
Deduct: Loss to be carried back to preceding taxa and applied to reduce taxable income		3,990						
Predecessor Ontario Corporatio Tax Account No. (MOF)		911	921	931	941			
i) 3rd preceding	901	912	922	932	942			
ii) 2nd preceding	902	0	0		0			
iii) 1st preceding	903	913	923	933	0 (
Total loss to be carried back		From 706 0	From 716	From 726	From 736			
Balance of loss available for carry-forwar	d	9 ₁₉ 5,990	929 O	939	949			
Summary		Certification	on					
Income tax + From 230	or 320 0		zed signing officer of g all schedules and s	•	-			
Corporate Minimum Tax + Fro	om 2800	CT23 return, ha	s been examined by r the information is in a	ne and is a true, cor	rect and complete			
Capital Tax + Fro	om 550 0	reflect the finan	on. I further certify th icial position and ope	rating results of the	corporation as			
Premium Tax + Fro	om 590 0	required under section 75 of the Corporations Tax Act. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.						
Total Tax Payable	= 950 0			disclosed III a statel	ment attached.			
Subtract: Payments	- 960	Name (please print)						
Capital Gains Refund (s.48)	- 965	ROBBIE MCNAU	JGHTON					
Qualifying Environmental Trust Tax Credit (Refer to Guide)	- 985 O	Title						
Specified Tax Credits (Refer to Guide)	- 955 0	PRESIDENT						
Other (specify)	0	E # D 11	Address					
Balance	970							
If payment due Enclosed	* 990 0	4						
If overpayment: Refund (Refer to Guide)	= 975		(4)	E:				
Apply to year month day	980 (Includes credit interest)	Signature		Dat	te			
* Make your cheque (drawn on a Canadian finance order in Canadian funds, payable to the Minist	ial institution) or a money	Motor Section	76 of the Corporation	s Tax Act provides r	negatios for			

Note: Section 76 of the Corporations Tax Act provides penalties for

making false or misleading statements or omissions.

NEWBURY POWER INC
Corp. Tax Acct. No.: 6820376
Year Ended: 2001-12-31

amts deducted for tax in excess of amts booked

CCA amortization		0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.0
	Total	0.00

===========

NEWBURY POWER INC Ont. Sch. 008
Corp. Tax Acct. No. : 6820376 Year Ended: 2001-12-31

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5g)? [Y/N] N

1	2	3	4	5	6	7	8	9	10	11	12	13
Class	Ontario	Cost of	Net	Proceeds	Ontario	50% rule	Reduced	CCA	Recapture	Terminal	Ontario	Ontario
number	unde-	acquisitions	adjustments	of	unde-	(1/2 of	unde-	rate	of	loss	capital	unde-
	preciated	during the	(show	dispositions	preciated	the amount,	preciated	4	capital		cost	preciated
	capital	year (new	negative	during the	capital	if any, by	capital		cost		allowance	capital
	cost at the	property	amounts in	year	cost	which the	cost		allowance		(column 8	cost
	beginning	must be	brackets)	(amount	(column 2	net cost	(column 6				multiplied	at the end
	of the year	available		not to	plus	of	minus				by	of the year
	(unde-	for use)		exceed	column 3	acquisitions	column 7)				column 9;	(column 6
	preciated			the capital	or minus	exceeds					or a lower	minus
	capital			cost)	column 4	column 5)					amount)	column 12)
	cost at the				minus							
	end of the				column 5)							
	prior year's											
	CCA	See note 1				See note 2						
	schedule)	below				below						
					*****					*****	~~~~~	
1	180,481	0	0	0	180,481	0	180,481	4	0	O	7,219	173,262
10	992	3,650	0	0	4,642	1,825	2,817	30	0	0	845	3,797
10												
Total	181,473	3,650	0	0	185,123	1,825	183,298		0	0	8,064	177,059
10001			********	**********		*****	*********		**********	*******	*********	*******
							Enter	in boxes	[650]	[650]	[650] on	the CT23

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3.

List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the "Income Tax Act" (Canada).

CCH Canadian Ltd. - Corporate Taxprep, 2003 CT23, ver. 3-2003

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

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

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



Ministry of Finance Corporations Tax Branch PO Box 620 33 King Street West

Oshawa ON L1H 8E9

Taxable Capital of Associated Corporations

(Applicable to an associated group that has a permanent establishment in Canada)

Schedule CT21

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	
NEWBURY POWER INC	6820376	2001-12-31	

This schedule must be completed in determining the aggregate taxable capital of an associated group and/or partnership that has a permanent establishment (PE) in Canada.

Name of Associated Corporation (Must have a PE in Canada)	Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
THE CORP OF VILLAGE OF NEWBURY			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
	Aggrega	ate of taxable capital	=

Transfer to box 540 of the CT23

Agence des douanes et du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

	200
Codo	0301

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 corporate 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. If you need more information about items on the return, see the corresponding items in 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 taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

055	Do not use this area

Business Number (BN) 001 879744126RC0001	
Corporation's name	
002 NEWBURY POWER INC	
Has the corporation changed its name	If Yes, do you have a copy of
since the last time we were notified? 003 1 Yes 2 No X	the articles of amendment? 004 1 Yes 2 No
Address of head office	To which taxation year does this return apply?
Has the address changed since the last time we were notified?	Taxation year start Taxation year-end
and last line to word holined.	060 2001-01-01 061 2001-12-31
011 22910 HAGERTY ROAD	YYYY/MM/DD YYYY/MM/DD
012	Has there been an acquisition of control to which subsection 249(4) applies
City Province, territory, or state O15 NEWBURY O16 ON	since the previous taxation year? 063 1 Yes 2 No X
Country (other than Canada) Postal code/ZIP code	If Yes, give the date control was
017 018 NOL-1Z0	acquired
Mailing address (if different from head office address)	YYYY/MM/DD
Has the address changed since the last time we were notified?	Is the corporation a professional corporation that is a member of
020 1 Yes 2 No X	a partnership?
021 <u>c/o</u>	
022	Is this the first year of filing after:
023	Incorporation?
City Province, territory, or state	Amalgamation?
025	Has there been a windup of a subsidiary
Country (other than Canada) Postal code/ZIP code	under section 88 during the current taxation year?
027 028	If yes, complete and attach Schedule 24.
Location of books and records	Is this the final taxation year
031 22910 HAGERTY ROAD	before amalgamation?
032	Is this the final return up to
City Province, territory, or state	dissolution?
035 NEWBURY 036 ON	Is the corporation a resident of Canada?
037 038 NOL-1Z0	1 Yes X 2 No If No, give the country of residence.
040 Type of corporation at the end of the taxation year	081
1 Canadian-controlled private corporation (CCPC) 4 Corporation controlled by	Is the non-resident corporation claiming
	an exemption under an income tax treaty?
2 X Other private corporation 5 Other corporation (specify, below)	If yes, complete and attach Schedule 91.
Public	If the corporation is exempt from tax under section 149, tick
3 Corporation	one of the following boxes:
	085 1 Exempt under paragraph 149(1)(e) or (l)
If the type of corporation changed during	2 Exempt under paragraph 149(1)(j)
the taxation year, provide the effective date of the change	3 Exempt under paragraph 149(1)(t)
date of the change YYYY/MM/DD	4 Exempt under other paragraphs of section 149

	* We do not pulse - Answer the following questions. For each Yes response, attach to the T2 return the schedule that applies.	orint th	ese s	schedules.
Guide	item		Yes	Schedule
27	Is the corporation related to any other corporations?	150	X	9
28	Does the corporation have any non-resident shareholders?	151		19
29	Is the corporation an associated Canadian-controlled private corporation?	160		23
30	Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161		49
32	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
33	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
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164	Щ	14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165	Н	15
	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166	\vdash	T5004
	Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167	Ш	T5013
40	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
41	Did the corporation have any foreign affiliates during the year?	169	ш	25
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal <i>Income Tax Regulations</i> ?	170 171		29 T106
43	Has the corporation had any non-arm's length transactions with a non-resident?	172	\vdash	1100
47	Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year?	1/2	Ш	
46	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
	Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
78-81	Has the corporation made any charitable donations, gifts to Canada, a province, or a territory, or gifts of cultural or ecological property?	202		2
82.104	Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
69-76	Is the corporation claiming any type of losses?	204	X	4
132	Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206		6
l	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
57	Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
58	Does the corporation have any property that is eligible capital property?	210		10
59	Does the corporation have any resource-related deductions?	212		12
60	Is the corporation claiming reserves of any kind?	213		13
61	Is the corporation claiming a patronage dividend deduction?	216		16
62	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
150	Is the corporation an investment corporation or a mutual fund corporation?	218		18
131	Was the corporation carrying on business in Canada as a non-resident corporation?	220		20
118	Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
155	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
111	Does the corporation have any Canadian manufacturing and processing profits?	227		27
121	Is the corporation claiming an investment tax credit?	231		31
63	Is the corporation claiming any scientific research and experimental development expenditures?	232		T661
124	Is the corporation subject to gross Part I.3 tax?	233		33/34/35
124	Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236		36
124	Is the corporation claiming a surtax credit?	237		37
128	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
128	Is the corporation claiming a Part I tax credit?	242		42
129	Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	9		43
129	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
125	Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	249		46
128	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? For life insurance corporations: Is the corporation a member of a related group of insurance corporations	1	1=	39
120	with one or more members subject to the additional gross Part VI tax?	251		40
128	For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other than life insurance corporations) with one or more members subject to the additional Part VI tax?	252		41
152	Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131

NEWBURY POWER INC 879744126RC0001 2001-12-31

Attachments – continued from page 2	
Guide item	Yes Schedule
130 Is the corporation subject to Part XIII.1 tax?	92 *
	T1177
44 Did the corporation have any foreign affiliates that are not controlled foreign affiliates	T4404 A
, ,	T1134-B
44 Did the corporation own specified foreign property in the year with a cost amount own	
	T1141
44 Did the corporation receive a distribution from or was it indebted to a non-resident tr	71110
 Has the corporation entered into an agreement to allocate assistance for SR&ED ca 	T1116
Has the corporation entered into an agreement to transfer qualified expenditures income.	
— Has the corporation entered into an agreement with other associated corporations for wages of specified employees for SR&ED?	or salary or T1174
Is the corporation claiming the BC mining exploration tax credit?	421
Is the corporation claiming the BC SR&ED tax credit?	T666
Additional information Is the corporation inactive?	NOVEMBER OF THE PROPERTY OF TH
Has the major business activity changed since the last return was filed? (enter <i>Yes</i> for first-tir What is the corporation's major business activity? (Only complete if <i>Yes</i> was entered at line 281.)	ne mers) 2 NO K
If the major activity involves the resale of goods, indicate whether it is wholesale or retail	283 1 Wholesale 2 Retail
Specify the principal product(s) mined, manufactured, 284 POWFR	1000
sold, constructed, or services provided, giving the	
approximate percentage of the total revenue that each product or service represents.	289 0%
Did the corporation immigrate to Canada during the taxation year?	291 1 Yes 2 No X
Did the corporation emigrate from Canada during the taxation year?	292 1 Yes 2 No X
Taxable income	
Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI	
Podusti. Obs. tishla dagating to a Oshadula O	311 0
Deduct: Charitable donations from Schedule 2 Gifts to Canada, a province, or a territory from Schedule 2	312 0
neove.	313 0
Cultural gifts from Schedule 2 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 taxation years from Schedule 4	331 0
Net-capital losses of preceding taxation years from Schedule 4	332 0
Restricted farm losses of preceding taxation years from Schedule 4	333 0
Farm losses of preceding taxation years from Schedule 4 Limited partnership losses of preceding taxation years from Schedule 4	335 0
Taxable capital gains or taxable dividends allocated from a central credit union	340
Prospector's and grubstaker's shares	350 0
s	0_ B
Subtotal (amount A rr	ninus amount B) (if negative, enter "0") 0 C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions .	
Taxable income (amount C plus amount D)	<u>360</u>
Income exempt under paragraph 149(1)(t)	370
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 the This amount is equal to 3 times the Part VI.1 tax payable at line 724 on page 8.	

EWBURY POWER INC	879744126RC0001 2	2001-12-31
Small business deduction		
Canadian-controlled private corporations (CCPCs) throughout the taxation year		^ .
Income from active business carried on in Canada from Schedule 7		<u>0</u> A
Taxable income from line 360 on page 3, minus 10/3 of the amount at line 632 * on page 7, and minus any amount that, because of federal 16	age 7, minus 3 times aw, is exempt from Part I tax 405	<u>0</u> B
Calculation of the business limit: For all CCPCs, calculate the amount at line 4 below.		
200,000 x Number of days in the taxation year before 2003 365	0 1	
Number of days in the taxation year 0	Secretarias -	
225,000 x Number of days in the taxation year in 2003 0	0_2	
Number of days in the taxation year		
250,000 x Number of days in the taxation year in 2004 0	<u>0</u> 3	
Number of days in the taxation year		
275,000 x Number of days in the taxation year in 2005	<u> </u>	
Number of days in the taxation year		
Add amounts at lines 1, 2, 3	, and 3.10_4	
Business limit (see notes 1 and 2 below)	410	<u>0</u> c
 Notes: 1. For CCPCs that are note associated, enter the amount from line 4 at line taxation year is less than 51 weeks, prorate the amount from line 4 by the divided by 365, and enter the result on line 410. 2. For associated CCPCs, use Schedule 23 to calculate the amount to be en 	number of dyas in the taxation year	
	noted at time 410.	
Business limit reduction:	_	0 -
Amount	D =	<u>0</u> E
\$11,250\$ Reduced business limit (amount C minus amount E) (if negative, enter "0")	425	<u>0</u> F
Small business deduction -16.00% of whichever amount is least: A, B, C, or F (enter amount G on line 9 of page 7)	430	G
* Calculate the amount of foreign non-business income tax credit deductible at line investment income (line 604) and without reference to the corporate tax reduction		
** Calculate the amount of foreign business income tax credit deductible at line 636	without reference to the corporate tax reductions under section 123.4.	
*** Large corporation tax		
 The large corporation tax to be entered at line 415 is the gross Part I.3 tax, whi reflect a full-year tax liability if the taxation year is less than 51 weeks. For the to 0.225% x (taxable capital employed in Canada minus \$10,000,000). 		
 If the corporation is not associated with any corporation in both the current and tax for its preceding taxation year. 	I the preceding taxation years, enter the corporation's gross Part I.3	
 If the corporation is not associated with any corporation in the current taxation current taxation year: starts before December 21, 2002, enter the corporation's gross Part I.3 tax = starts after December 20, 2002, enter the corporation's gross Part I.3 tax for the corporation is gross Part I.3 ta	for its preceding taxation year; or	
For corporations associated in the current taxation year, see Schedule 23 for t		
Accelerated tax reduction ————————————————————————————————————	med the small husiness deduction	

Accelerated tax reduction ————————————————————————————————————
Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction
Reduced business limit (amount from line 425)
Net active business income (amount from line 400) *
Taxable income from line 360 on page 3 minus 3 times the amount at line 636** on page 7, and minus any amount that, because of federal law, is exempt for Part I Tax C Deduct:
Aggregate investment income (amount from line 440 of page 6)
Amount C minus amount D (if negative, enter "0")
Amount A, B, or E above, whichever is less
Amount Z from Part 9 of Schedule 27 x 100/7 = G
Amount QQ from Part 13 of Schedule 27
Taxable resource income from line 435 of page 5
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)
Amount on line 400, 405, 410, or 425 of the small business deduction, whichever is less
Total of amounts G, H, I, J, and K
Amount F minus amount L (if negative, enter "0")
Accelerated tax reduction - 7% of amount M (enter amount N on line 637 of page 7)
* 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.

EWBURY POWER INC			879744126RC0001	2001-12-31
Resource deduction				
Taxable resource income			435	O_A
Amount A	0 •	Number of days in the taxation year in 2003	<u> </u>	О, В
ourit / .	x	Number of days in the taxation year	365	
Amount A	0 ,	Number of days in the taxation year in 2004	<u> </u>	0 c
, mount /	x	Number of days in the taxation year	365	
Amount A	0 x	Number of days in the taxation year in 2005	0 x 3% =	0 C.1
Allount A	x	Number of days in the taxation year	365	
Resource deduction – total of amounts B, C (enter amount D on line 10 of page 7)	, and C.1	***************************************	400	0 D
— General tax reduction for Ca	nadian-contr	olled private corporations —————		
Canadian-controlled private corporations		·		
Taxable income from line 360 on page 3				0 E
Taxable income from line 300 on page 3				
Amount Z from Part 9 of Schedule 27	102010202020101020	<u>0</u> x 100/7	0 F	
Amount QQ from Part 13 of Schedule 27			0.0	
Taxable resource income from line 435 above			О. И	
Amount used to calculate the credit union de			<u> </u>	
Amount on line 400, 405, 410, or 425 on page	ge 4, whichever	is less	<u>0</u> J	
Aggregate investment income from line 440	of page 6		<u>0</u> K	
Amount used to calculate the accelerated ta	их reduction (ап	nount M of page 4)	<u> </u>	
Total of amounts F, G, H, I, J, K, and L			0	О м
Amount E minus amount M (if negative, enter	er "0")	77.17.77.17.47.17.47.47.17.17.47.17.17.17.17.17.17.17.17.17.17.17.17.17		<u>0</u> N
AA NI	0	Number of days in the taxation year in 2001	365 x 1% =	0
Amount N ==	X	Number of days in the taxation year	365	
	0	Number of days in the taxation year in 2002		0 0
Amount N	x	Number of days in the taxation year	<u> </u>	
			303	
Amount N	x	Number of days in the taxation year in 2003 Number of days in the taxation year	<u>0</u> x 5% =	O_P
			365	
Amount N	0x	Number of days in the taxation year after 2003	<u> </u>	<u>0</u> Q
		Number of days in the taxation year	365	
General tax reduction for Canadian-control (enter amount R on line 638 of page 7)	rolled private o	corporations - total of amounts year 2001, O, P, and Q	***************************************	<u>0</u> R
General tax reduction	Avallad avivada	corporation, an investment corporation, a mortgage	investment corneration	
a mutual fund corporation, or a non-resid			investment corporation,	
Tauchia income from line 200 of need 2				0 s
Taxable income from line 360 of page 3				0.0
Amount Z from Part 9 of Schedule 27	*******	<u>0</u> x 100/7	<u> </u>	
Amount QQ from Part 13 of Schedule 27	2000		<u> </u>	
Taxable resource income from line 435 abo	ve		<u> </u>	
Amount used to calculate the credit union d	eduction (amou	nt E in Part 3 of Schedule 17)	<u> </u>	
Total of amounts T, U, V, and W			0	0 x
Amount S minus amount X (if negative, enter	er "0")			
	0	Number of days in the taxation year in 2001	265	0
Arnount Y	<u> </u>	Number of days in the taxation year	365 x 1% =	0
			365	
Amount Y	<u> </u>	Number of days in the taxation year in 2002	<u>0</u> x 3% =	<u> </u>
		Number of days in the taxation year	365	
Amount Y	<u> </u>	Number of days in the taxation year in 2003	O x 5% =	O_ AA
*		Number of days in the taxation year	365	
Amount Y	0 x	Number of days in the taxation year after 2003	<u> </u>	Овв
		Number of days in the taxation year	365	

General tax reduction - total of amounts year 2001, Z, AA, and BB (enter amount CC on line 639 of page 7)

<u>0</u> cc

NEWBURY POWER INC 879744126RC0001 2001-12-31

Refundable portion of Part I tax		
Canadian-controlled private corporations throughout the taxation year		
Aggregate investment income 440 0 x 26 2/3% =		O_A
Foreign non-business income tax credit from line 632 on page 7	0	
Deduct:		
Foreign investment income	<u> </u>	
(amount O from Part 1 of Schedule 7) (if negative, enter "0")		Ов
Amount A minus amount B (if negative, enter "0")	************	<u>0</u> c
Taxable income from line 360 on page 3	0	
Deduct:	 :	
Amount on line 400, 405, 410, or 425 on page 4, whichever is less		
Foreign non-business income tax credit from line 632 of page 7		
ine 632 of page 7 X 25/9 =		
Foreign business income tax credit from line 636		
of page 7 0 x 3 = 0	0	
	0 x 26 2/3% =	О О
	. 23 2/0/0	
Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8)	0	
Deduct: Corporate surtax from line 600 of page 7	0	0 е
Net amount ====		
Refundable portion of Part I tax - Amount C, D, or E, whichever is less	450	
Refundable dividend tax on hand		
	0	
Refundable dividend tax on hand at the end of the preceding taxation year Deduct: Dividend refund for the previous taxation year 460 465	Ö	
	0	O A
	 r	
Add the total of:	0	
Refundable portion of Part I tax from line 450 above	0	
Total Part IV tax payable from line 360 on page 2 of Schedule 3		
Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation 480	0	
	0	<u>0</u> в
Refundable dividend tax on hand at the end of the taxation year – Amount A plus amount B	485]0
Dividend refund		
Private and subject corporations at the time taxable dividends were paid in the taxation year		
Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3	0 x 1/3	0 A
		Ов
Refundable dividend tax on hand at the end of the taxation year from line 485 above	*************	B
Dividend refund – Amount A or B, whichever is less (enter this amount on line 784 of page 8)		0

Part I tax		
Base amount of Part I tax – 38.00% of taxable income (line 360 or amount Z, whichever applies) from page 3	550	<u>O</u> A
Corporate surtax calculation		
Base amount from line A above Deduct: 10% of taxable income (line 360 or amount Z, whichever applies) from page 3 ———————————————————————————————————	<u>0</u> 1	
Investment corporation deduction from line 620 below	<u> </u>	
Federal logging tax credit from line 640 below Federal qualifying environmental trust tax credit from line 648 below ———————————————————————————————————	<u>O</u> 5	
For a mutual fund corporation or an investment corporation throughout the taxation year, enter amount a, b, or c below on line 6, whichever is less:		
28.00% of taxable income from line 360 of page 3	2	
28.00% of taxed capital gains Part I tax otherwise payable 0 c	<u> </u>	
(line A plus lines C and D minus line F) Total of lines 2 to 6	0 7	
Net amount (line 1 minus line 7)	0 8	
Corporate surtax – 4.00% of the amount on line 8	600	0 в
Recapture of investment tax credit from line PPP in Part 21 of Schedule 31		<u>0</u> c
Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment (for a CCPC throughout the taxation year)	income	
Aggregate investment income from line 440 on page 6	<u>0</u> i	
Taxable income from line 360 on page 3 Deduct:		
Amount on line 400, 405, 410, or 425 of page 4, whichever is less Net amount O	<u> </u>	
Refundable tax on CCPC's investment income – 6 2/3% of the lesser of amounts i or ii	COA	0 D
refundable tax on CCPC's investment income – 6 2/3% of the lesser of amounts for il		
Subtotal (add lines A, B, C, and D)	<u>0</u> E
Deduct:	_	
Small business deduction from line 430 of page 4	0 9	
Federal tax abatement Manufacturing and processing profits deduction from amount BB or amount RR	0	
of Schedule 27 616 620	0	
investment corporation deduction	<u> </u>	
(taxed capital gains 624) Additional deduction – credit unions from Schodule 17	0	
Additional deduction – credit unions from Schedule 17 Federal foreign non-business income tax credit from Schedule 21 632 632	0	
Federal foreign business income tax credit from Schedule 21	0	
Accelerated tax reduction from amount N of page 4	0	
Resource deduction from line 438 of page 5	0 10	
General tax reduction for CCPCs from amount R of page 5	0	
General tax reduction from amount CC of page 5	0	
Federal logging tax credit from Schedule 21	0	
Federal political contribution tax credit	0	
Federal political contributions 6460	0	
Federal qualifying environmental trust tax credit 648 — 652	<u> </u>	
investment tax credit from schedule 31	0	0 =
Subtotal =	<u> </u>	
Part I tax payable – Line E minus line F (enter amount G on line 700 of page 8)	KET KERESE ESCHOLEKUR:	<u> </u>

— Summary of tax and credits	
Federal tax	
Part I tax payable from page 7	7000
Part I.3 tax payable from Schedule 33, 34, or 35	704 0
Part II surtax payable from Schedule 46	
Part IV tax payable from Schedule 3	
Part IV.1 tax payable from Schedule 43	716 0
Part VI tax payable from Schedule 38	720 0
Part VI.1 tax payable from Schedule 43	724 0
Part XIII.1 tax payable from Schedule 92	727 0
Part XIV tax payable from Schedule 20	7280
Add provincial and territorial tax:	Total federal tax0
Provincial or territorial jurisdiction (if more than one jurisdiction, enter "multiple" and complete Schedule 5) Net provincial and territorial tax payable (except Quebec, Ontario, and Alberta)	760
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765 0
(acceptance)	0 0
	Total tax payable 770 0 A
Deduct other credits:	Total tax payable
Investment tax credit refund from Schedule 31	780
Dividend refund from page 6	784 0
Federal capital gains refund from Schedule 18	788 0
Federal qualifying environmental trust tax credit refund	792 0
Canadian film or video production tax credit refund from Form T1131	796 0
Film or video production services tax credit refund from Form T1177	797 0
Tax withheld at source	800 0
	0
Total payments on which tax has been withheld	
from Schedule 26	804 0
Provincial and territorial capital gains refund from Schedule 18 Provincial and territorial refundable tax credits from Schedule 5	. 808 O
Royalties deductible under Syncrude Remission Order	0
Tax remitted under Syncrude Remission Order	. 816 0
Tax instalments paid	840 0
Refund code 894 0 Overpayment 0	Balance (line A minus line B)
Direct describes and	L
Direct deposit request —	If the result is negative, you have an overpayment . If the result is positive, you have a balance unpaid .
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:	Enter the amount on whichever line applies. We do not charge or refund a difference of less than \$2.
Start Change information 910	
914 918	Balance unpaid
Institution number Account number	Enclosed payment 898
If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance of tax is due?	896 1 Yes 2 No X
Certification —	
I, 950 MCNAUGHTON 951 ROBBIE	954 PRESIDENT
Last name in block letters First name in block letters	
am an authorized signing officer of the corporation. I certify that I have examined this return, in and that the information given on this return is, to the best of my knowledge, correct and comp	ncluding accompanying schedules and statements, plete. I further certify that the method of calculating
income for this taxation year is consistent with that of the previous year except as specifically	
955]	956
Date (yyyy/mm/dd) Signature of the authorized signing officer of the of	
Is the contact person the same as the authorized signing officer? If No, complete the informat	
958	959
Name in block letters	Telephone number
Language of correspondence - Langue de correspondance -	
990 Indicate the language of your choice. Indiquer la langue de correspondance de votre choix.	1 English/Anglais X 2 Français/French

NEWBURY POWER INC			Sch.	001
Account/Business No.:879744126RC0001	Year Ended:	2001-12-31		

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

- 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.
- 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 an this schedule are from the "Income Tax Act."
- For more information, see the "T2 Corporation Income Tax Guide."

Net income (loss) after taxes and				
extraordinary items per financial statements			-9,388	A
Amortization of tangible assets	104	11,462		
Subtotal of additions		11,462	11,462	
Other Additions:				
Miscellaneous Other Additions:				
Subtotal of Other Additions	199	0	0	
Subtotal of Other Additions.				
Total Additions	500	11,462	11,462	
Deductions:				
Capital cost allowance from Schedule 8	403	8,064		
Subtotal of Deductions		8,064	8,064	
Other Deductions:				
Miscellaneous Other Deductions:				
Subtotal of Other Deductions	499	0	0	
Subtotal of Other Deolicitoris				
Total Deductions	510	8,064	8,064	
Net income (loss) for income tax purposes			-5,990	
(enter on line 300 on the T2 return)				

Sch. 004

2001-12-31

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

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

- For use by a corporation to determine the continuity and use of available losses; to determine
 the current-year non-capital loss, farm loss, restricted farm loss, and limited partnership loss;
 to determine the amount of restricted farm loss and limited partnership loss that may be applied in
 a year; and to request a loss carryback to prior years.
- The corporation can choose whether or not to deduct an available loss from income in a taxation year. It can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- For a detailed description and calculation of these losses, see Interpretation Bulletin IT-232,
 "Losses Their Deductibility in the Loss Year or in Other Years." For information on these losses, see the "T2 Corporation Income Tax Guide."
- File one completed copy of this schedule with the T2 return, or forward 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	-5,990
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)0	0
Subtotal (if positive, enter "0"	-5,990
Deduct: (increase a loss)	
Section 110.5 - Addition for foreign tax deductions	0
Subtota	-5,990
Add: (decrease a loss)	
Current-year farm loss	0
Current-year non-capital loss (if positive, enter "0")	-5,990

— Continuity of non-capital losses and request for a carryback ————			
Non-capital loss at the end of preceding taxation year		8,794	
Deduct: Non-capital loss expired after seven taxation years	100	0	
Non-capital losses at beginning of	r amak		
taxation year	102	8,794	
Add: Non-capital losses transferred on amalgamation or	·		
wind-up of subsidiary corporation	105	0	
Current-year non-capital loss (from calculation above)	110	5,990	14,784

T2 SCH 4 E (01)

(Ce formulaire existe en français.)

Page 1 of (4 or 6)

NEWBURY POWER INC				Sch.	004
Account/Business No.:87974412	6RC0001 Year	Ended:	2001-12-31		
Continuity of non-capital losses and request	for a carryback (cont'd)	n			
Deduct:	ioi a dairy baok (doine a)				
Amount applied against taxable income					
(enter on line 331 of the T2 return)					
Amount applied against taxable dividends subject to Part IV tax					
Section 80 - Adjustments for forgiven amounts					
Subsection 111(10) - Adjustments for fuel tax rebate					
Other adjustments		150	0		
		Subtotal	14,784		
Deduct - Request to carry back non-capital loss to:		Subjutai	11, 101		
First preceding taxation year to reduce taxable income		901			
Second preceding taxation year to reduce taxable income					
Third preceding taxation year to reduce taxable income		C. Control of the con			
First preceding taxation year to reduce taxable dividends					
subject to Part IV tax		911			
Second preceding taxation year to reduce taxable dividends		_			
subject to Part IV tax		912 0			
Third preceding taxation year to reduce taxable dividends					
subject to Part IV tax		913	0		
		180	14.704		
Non-capital losses - Closing balance			14,784		
<u> </u>					
Election under paragraph 88(1.1)(f)					
Paragraph 88(1.1)(f) election indicator		190 Y	'es []		
Loss from a wholly owned subsidiary deemed to be a loss of the	parent from its immediately				
preceding taxation year.					
Bort 9 Conital Income					
Part 2 - Capital losses Continuity of capital losses and request for	a carryback				
Capital losses at end of preceding taxation year	-	200			
Capital losses transferred on amalgamation or wind-up of					
subsidiary corporation		205			
Current-year capital loss (from Schedule 6 calculation)			0		
Add:		_			
Allowable business investment loss expired as non-capital loss		0x 4/3 220	0		
		Subtotal	0		
Deduct:					
Amount applied against current-year capital gain					
(see note 1)					
Section 80 - Adjustments for forgiven amounts.					
Other adjustments		250 0	0		
		0	0		
Dodust - Possest to early heat control loss to (see 3-4-5)		Subtotal	0		
Deduct - Request to carry back capital loss to: (see note 2)		Amount			
Capital gain	1	carried back			
(100%)		(100%)			
First preceding taxation year	0				
Second preceding taxation year	0				
Third preceding taxation year	0		0		
Capital losses - Closing balance		280	0		

NEWBURY POWER INC		Sch.	004
Account/Business No.:879744126RC0001 Year Ended:	2001-12-31		
Part 2 - Capital losses — Continuity of capital losses and request for a carryback (cont'd)			
Capital losses carried back to taxation years ending before February 28, 2000, the inclusion rate is 3/4.			
Capital losses carried back to taxation years starting after October 17, 2000, the inclusion rate is 2/3.			
For taxation years that straddle February 28, 2000 or October 18, 2000, the inclusion rate will be determine			
by dividing the total taxable capital gain by the total capital gain.			
Motor d			
Note 1			
On line 332 of the T2 return, enter the amount from line 225 multiplied by the current year inclusion rate			
(see Schedule 6.) Note 2			
Enter on lines 225, 951, 952, or 953, whichever is applicable, 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 it is applied.			
Part 3 - Farm losses			
— Continuity of farm losses and request for a carryback			
Farm losses at end of preceding taxation year. 0 Deduct: Farm loss expired after 10 taxation years 300			
The state of the s			
Tariff losses at beginning of taxation year			
Add: Farm losses transferred on amalgamation or wind-up of subsidiary corporation			
wind-up of subsidiary corporation	0		
Deduct:	V.		
Amount applied against taxable income			
(enter on line 334 of the T2 return)			
Amount applied against taxable dividends subject to Part IV tax.			
Section 80 - Adjustment forgiven amount			
Other adjustments	0		

Restricted Farm Loss Determination:	
Is the corporation exempt from the restricted farm loss rules?	
(A reply of "NO" triggers the restricted farm loss rules.) [Y/N]	[Y]

Deduct - Request to carry back farm loss to:

First preceding taxation year to reduce taxable dividends

Second preceding taxation year to reduce taxable dividends

Third preceding taxation year to reduce taxable dividends

First preceding taxation year to reduce taxable income.....

Second preceding taxation year to reduce taxable income....

Third preceding taxation year to reduce taxable income.....

subject to Part IV tax......932

Farm losses - Closing balance.....

0

Subtotal

0

0

380

NEWBURY POWER INC Account/Business No.:879744126RC0001 Year Ended:		2001-12-	Sch. 004
Part 4 - Restricted farm losses			
Current-year restricted farm loss			
Total losses for the year from farming business	485	0 A	
Minus the deductible farm loss:			
\$2,500 plus B or C, whichever is less	2,500		
(Amount A above 0 - \$2,500) divided by 2 = 0 B			
6,250 C	0	2,500	
Current-year restricted farm loss (enter this amount on line 410)	•	0	
Operational to the first terms of the first terms o			
— Continuity of restricted farm losses and request for a carryback ————————————————————————————————————			
Restricted farm losses at end of preceding taxation year	0		
	0		
Restricted farm losses at beginning of taxation year	0		
Add: Restricted farm losses transferred on amalgamation or wind-up			
of subsidiary corporation	0		
Current-year restricted farm loss enter on line 233 of Schedule 1) 410	0	0	
Site of the Education o	0	0	
Deduct:			
Amount applied against farming income (enter on line 333 of the T2 return)			
47669 MI 476 VO-CONSTITUTORIO DE CONSTITUTO	0		
Gection 60 - Adjustments for longiven amounts	0		
Other adjustments	0	0	
	0		
No. 1 to 1	Subtotal	0	
Deduct - Request to carry back restricted farm loss to:	0		
First preceding taxation year to reduce farming income	0		
Second preceding taxation year to reduce farming income.	0		
Third preceding taxation year to reduce farming income	0	0	
2	480	0	
Restricted farm losses - Closing balance		0	
Note			
The total losses for the year from all farming businesses are computed without including any			
scientific research expenses.			
scientino research expenses.			
Part 5 - Listed personal property losses			
Continuity of listed personal property loss and request for a carryback ————			
isted personal property losses at end of preceding taxation year		0	
Deduct: Listed personal property loss expired after seven taxation years		0	
isted personal property losses at beginning of taxation year		0	
Add: Current-year listed personal property loss (from Schedule 6)	(310)	0	
	0.1	^	
	Subtotal	0	
Deduct:			
Amount applied against listed personal property gains			
(enter on line 655 of Schedule 6)	0	^	
Other adjustments	0	0	
Deduct Promote complete land as a selection of	Subtotal	0	
Deduct - Request to carry back listed personal property loss to:			
First preceding taxation year to reduce listed	100		
personal property gains961	0		
Second preceding taxation year to reduce listed			
personal property gains	0		
Third preceding taxation year to reduce listed			
personal property gains	0	0	
	[22.2]	********	
Listed personal property losses - Closing balance	580	0	

NEWBURY POWER INC Sch. 004-Non. Account/Business No.:879744126RC0001 Year Ended: 2001-12-31

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

	Balance at	Loss Incurred	Adjustments and	Loss Carried	Applied to Re				
Year of origin	Beginning of year	in Current Year	Transfers <f1> for help</f1>	Back Parts I & 4	Taxable Income	Part IV Tax		Balance at End of Year	
Current	N/A	5,990	0	C	N/A		0	5,990	
2000	8,794	N/A	0	N/A		0	0	8,794	
2000	0	N/A	0	N/A		0	0	0	
1999	0	N/A	0	N/A		0	0	0	
1998	0	N/A	0	N/A		0	0	0	
1997	0	N/A	0	N/A		0	0	0	
1996	0	N/A	0	N/A		0	0	0	
1995	0	N/A	0	N/A		0	0	0 *	
Total	8,794	5,990	0	()	0	0	14,784	

— Farm I	losses	Loss		Adjustments	Loss		Applied to Re	duce		
	Balance at	Incurred		and	Carried					
Year of	Beginning	in Current		Transfers	Back		Taxable	Part IV	Bal	ance at
origin	of year	Year		<f1> for help</f1>	Parts I & 4		Income	Tax	End	d of Year
Current	N/A		0	0		0	N/A		0	0
2000	0	N/A		0	N/A			0	0	0
2000	0	N/A		0	N/A			0	0	0
1999	0	N/A		0	N/A			0	0	0
1998	0	N/A		0	N/A			0	0	0
1997	0	N/A		0	N/A			0	0	0
1996	0	N/A		0	N/A			0	0	0
1995	0	N/A		0	N/A			0	0	0
1994	0	N/A		0	N/A			0	0	0
1993	0	N/A		0	N/A			0	0	0
1992	0	N/A		0	N/A			0	0	0 *
						-			-	
Total	0		0	0		0		0	0	0

Balance at		Loss Incurred	Adjustments and	Loss		Applied to Red	uce		
Year of	Beginning	in Current	Transfers	Carried		Taxable	Part IV	Balance at	
origin	of year	Year	<f1> for help</f1>	Back		Income	Tax	End of Year	
Current	N/A	0	0		0	N/A	N/A	0	
2000	0	N/A	0	N/A		0	N/A	0	
2000	0	N/A	0	N/A		(N/A	0	
1999	0	N/A	0	N/A		(N/A	0	
1998	0	N/A	0	N/A		(N/A	0	
1997	0	N/A	0	N/A		(N/A	0	
1996	0	N/A	0	N/A		(N/A	0	
1995	0	N/A	0	N/A		(N/A	0	
1994	0	N/A	0	N/A		(N/A	0	
1993	0	N/A	0	N/A		(N/A	0	
1992	0	N/A	0	N/A		(N/A	0 *	
	*****	******						was warmed a proper	
Total	0	0	0		0	(N/A	0	

NEWBURY POWER INC Sch. 008 Account/Business No.: 879744126RC0001 Year Ended: 2001-12-31

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5q)? [101] N

Class No. [200]	UCC at Beginning of Year [201]	Cost of Additions During Year [203]	Adjustments [205]	Lesser of Cost or Proceeds [207]	1/2 of [203]-[207] [211]	Rate % {212}	Recapture of Capital Cost Allowance [213]	Terminal Loss (215)	Capital Cost Allowance [217]	Undepreciated Capital Cost end of year [220]
1	180,481	0	0	0	0	4	0	0	7,219	173,262
10	992	3,650	0	0	1,825	30	0	0	845	3,797
	~~~~~~~									Shorocours.
Total	181,473	3,650	0	0	1,825		0	0	8,064	177,059
	========	**********		**********	*********		**********	********	**********	*********

NEWBURY POWER INC Sch. 009

Account/Business No.: 879744126RC0001 Year Ended: RELATED AND ASSOCIATED CORPORATIONS

2001-12-31

This schedule is to be completed by a corporation having one or more of the following:

- related corporation(s)
- associated corporation(s)

				Number		Number	N of	
	Ctry		Rela-	of	% of	of	pre-	Book
	of		tion-	common	common	preferred	ferred	value of
	resi-	Business	ship	shares	shares	shares	shares	capital
Name	dence	Number	Code	owned	owned	owned	owned	stock
		(Note)						
[100]	[200]	[300]	[400]	[500]	[550]	[600]	[650]	[700]
**************************************								
THE CORP OF VILLAGE OF N	NEWBURY		1	165,626	100.00	0	0.00	165,626

Note: Enter "NR" if a corporation is not registered.

#### Relationship code:

1 - Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated

The relationship code represents the relationship that the corporation named has to the filing corporation. For example, if the corporation is the parent corporation of the filing corporation, then the relationship code is "1".

Schedule 9

Sch. 050 NEWBURY POWER INC 2001-12-31 Year Ended:

Account/Business No.:879744126RC0001

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

#### SHAREHOLDER INFORMATION (1998 and later taxation years)

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	Business Number	Social Insurance Number	Percentage common shares	Percentage preferred shares
100	(note 1)	(note 2)	400	500
THE CORPORATION OF THE VILLAGE OF NEWBURY			100.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00

Note 1: If a corporate shareholder does not have a business number, NR must be entered to indicate the corporation is not registered.

Note 2: If an individual shareholder does not have a social insurance number, NA must be entered to indicate the SIN is not available.

Note 3: If a trust holds 10% or more of the corporation's common or preferred shares, enter "NR" for the business number and, if space permits, enter the trust's name and account number. Do not enter anything in the "SIN" column.

T2 SCH 50 (99)

#### Agence des douanes et du revenu du Canada

#### **BUSINESS CONSENT FORM**

Use this form to consent to the release of confidential information about your Business Number (BN) account(s) to the representative named below, or to cancel consent for an existing representative.

- Complete Parts 1, 2, and 5 to name a representative.
- Complete Parts 3, 4, and 5 to cancel consent for an existing representative.
- Complete all parts of this form if you want to both name a new representative and cancel consent for an existing representative.

If you have questions, such as where to send this form, call us at 1-800-959-5525.

Part 1 - Consent to r	elease of information to a re	epresentative						
Client's name: NEWBURY	POWER INC		Business Number:	879744126RC0001				
I consent to the release of crepresentative named below		account(s) by the Canada	Customs and Revenue Agency to the					
COLLINS BARROW,	COLLINS BARROW, CHARTERED ACCOUNTANTS							
Representative's name (If a	Representative's name (If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual.)							
If you named a firm as your	representative, and you want to spec	cify a particular individual	of that firm, enter that individual's first and last	name.				
519-351-2024								
Representative's telephone	number		Representative's fax number					
Part 2 - Details of co	nsent							
A. Which accounts?								
I request that this consent a	apply to all accounts.	OR						
I request that this consent a	apply only to the following accounts.							
	or boxes. If you wish to authorize ac se print the account numbers in the s		count of the same type, for example					
Corporate income tax	RC0001	RC L	RC					
GST/HST	RT0001	RT L	RT					
Payroll deductions	RP0001	RP	RP					
Import/Export	RM0001	RM	RM					
B. Which years?								
I request that this consent	apply to all years.	OR						
I request that this consent	apply only to the following years:							
All year-ends up to:	Year Month Day							
2. All year-ends begin	ning in: Year Month Day	and all years after that						
3. The following year-	ends only: Year Month Day	Year Month Day						
	Year Month Day	Year Month Day						

Part 3 - Cancellation of co	nsent to release of info	ormation to a	representative		
Client's name: NEWBURY POWE	R INC			Business Number:	879744126RC0001
I cancel all previous consents for al	Il representatives.	OR			
I cancel my consent to the release to the representative named below.	of confidential information abou	ut my BN account	(s) by the Canada C	Customs and Revenue Agency	
Representative's name (If a firm, er	nter the name of the firm. If an i	individual, enter th	ne first and last nam	ne of the individual.)	
If you named a firm as your repress that individual's first and last name.	entative, and you want to cance	el the consent for	a particular individu	al of that firm, enter	
Representative's telephone numbe	r		Representative's fax	c number	
Part 4 - Details of cancella	ation of consent				
A. Which accounts?					
I request that this cancellation of co	onsent apply to all accounts.		OR		
I request that this cancellation of co	onsent apply only to the following	ng accounts.			
(Check the appropriate box or boxe RP0002 and RP0003, please print	es. If you wish to cancel access the account numbers in the spa	s to more than one aces provided.)	e account of the sar	ne type, for example	x
Corporate income tax	RC0001	RC		RC	
GST/HST	RT0001	RT		RT	
Payrall doductions	RP0001	RP		RP	
Payroll deductions	RP0001	nr		DF L	
Import/Export	RM0001	RM		ЯМ	
B. Which years?	_	_			
I request that this cancellation of co		OR			
I request that this cancellation of co	onsent apply only to the following	ng years:			
1. All year-ends up to:	Year Month Day				
2. All year-ends beginning in:	Year Month Day	and all years	after that.		
3. The following year-ends on	ly: Year Month Day	Year Mon	th Day		
	Year Month Day	Year Mon	th Day		
Part 5 - Signature					
Print your name ROBBIE MCNAL	JGHTON			Title PRESIDENT	
This form must be signed by an ov	vner, partner, director, trustee,	or officer.		21	
Sign here				Date Year Month Da	y
	WE WILL NOT PROC	ESS THIS FORM	I IF IT IS NOT SIGN	NED	

# MPDC – Newbury

Attachment 2 2002 Supporting Documentation

NEWBURY POWER INC.

AUDITORS' REPORT AND FINANCIAL STATEMENTS

**DECEMBER 31, 2002** 

JUN 17 2003





150 Richmond Street P.O. Box 218 Chatham, Ontario Canada N7M 5K3

T. 519.351.2024

F. 519.351.8831

ernall: chatham@collinsbarrow.com

#### AUDITORS' REPORT

To the Shareholders of Newbury Power Inc.

We have audited the balance sheet of Newbury Power Inc., as at December 31, 2002 and the statements of income, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

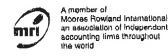
We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts in the financial statements. An audit also includes assessing the accounting principles used and the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2002 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chatham, Ontario February 27, 2003

CHARTERED ACCOUNTANTS

Collin Harrow



among the same and the same and

NEWBURY POWER INC.

FINANCIAL STATEMENTS

**DECEMBER 31, 2002** 

Statement of income	
Statement of retained earnings	1
Balance sheet	2
Statement of cash flows	3
Notes to financial statements	4
- Amadem Statements	5 - 9

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NEWR	IIDV	POWER	INC

### STATEMENT OF INCOME

### YEAR ENDED DECEMBER 31, 2002

		2002		2001
SERVICE REVENUE				
Residential	\$	321,138	\$	279,417
Street lighting		1,529	-	<u> 4.415</u>
		322,667		283,832
COST OF POWER	_	290,238	_	253,804
GROSS PROFIT	7 🖥	32,429		3().028
EXPENSES				
Administration		34,078		18,443
Amortization		12,930		11,462
Billing and collection		~10,118		2,491
Distribution		7,544		16,738
Interest on long-term debt		10.734	-	3.625
		75,404		52,759
INCOME (LOSS) BEFORE OTHER INCOME		(42,975)		(22,731)
OTHER INCOME		17.843		13.344
NET INCOME (LOSS)	\$	(25,132)	\$	( <u>\$</u> .387)



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NEWBURY POWER INC.	
STATEMENT OF RETAINED EARNINGS	

YEAR ENDED DECEMBER 31, 2002

	2002	2001
BALANCE (DEFICIT), BEGINNING	\$ (13,333)	\$ (3,946)
NET INCOME (LOSS)	(25,132)	(9,387)
BALANCE (DEFICIT), ENDING	\$ (38,465)	<u>\$ (13,333</u> )

#### NEWBURY POWER INC.

#### **BALANCE SHEET**

**DECEMBER 31, 2002** 

	2002	2001
ASSETS		
CURRENT ASSETS Cash Accounts receivable (note 3) Deferred charges Prepaid expenses	\$ 43,985 38,663 4,160 1,242 88,050	\$ 60,287 46,217 5,200 3,270 114,974
REGULATED ASSET (note 4) CAPITAL ASSETS (note 5) OTHER ASSETS (note 6)	5,620 179,691 7,044 \$ 280,405	179,934 7,944 \$ 302,852
LIABILITIES		
CURRENT LIABILITIES Accounts payable and accrued charges Current portion of long-term debt	\$ 59,911 5 1,423 61,334	\$ 50,559 - 50,559
LONG-TERM DEBT (note 7)	91,910 153,244	100,000 150,559
SHAREHOLDERS' EQUITY	•	**********
CAPITAL STOCK (note 8) DEFICIT	165,626 (38,465) 127,161	165,626 (13,333) 152,293
	\$ 280,405	302,852

### ON BEHALF OF THE BOARD

Director

Director



### NEWBURY POWER INC.

### STATEMENT OF CASH FLOWS

### YEAR ENDED DECEMBER 31, 2002

TEAR ENDED DOOR NEDERS IN THE		2002	2001
CASH PROVIDED BY (USED IN)			
OPERATIONS Net income (loss)	\$	(25,132) \$	(9,387)
Items not requiring cash: Amortization		12,931 (12,201)	11,462 2,075
Net change in non-cash working capital items affecting operations (note 9)	-	18,934 6,733	(9,321) (7,246)
INVESTING Purchase of capital assets Increase in regulated asset		(10,748) (5,620) (16,368)	(3,650) 
FINANCING Repayment of long-term debt	-	(6,667)	
INCREASE (DECREASE) IN CASH POSITION		(16,302)	(10,896)
CASH POSITION, BEGINNING		60.287	71,183
CASH POSITION, ENDING	\$	43,985 \$	60,287

### NEWBURY POWER INC.

## NOTES TO FINANCIAL STATEMENTS

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**DECEMBER 31, 2002** 

## 1. NATURE OF ACTIVITIES

The company, incorporated January 12, 2000 under the laws of Ontario, operates a hydro electric power distribution company. Pursuant to an agreement dated September 30, 2000, specified assets and liabilities of Newbury Hydro were transferred to the company and the company began the business of distribution of hydro services.

## 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for government organizations. The significant accounting policies are as follows:

#### CASH

Cash may consist of amounts on deposit plus term deposits with maturity dates less than one year.

### CAPITAL ASSETS

Amortization of capital assets is calculated using the straight-line method, based on the estimated useful life of the asset, as follows:

Distribution system - overhead Distribution system - underground Line transformers	25years
	25 years
	25 years
	25 years
Meters	10 years
Office equipment	. 0 ) +

### INCORPORATION COSTS

Amortization is calculated on the straight-line method over 10 years.

#### DEFERRED CHARGES

Amortization is calculated on the straight-line method over five years.



NEWBURY POWER INC.

NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2002** 

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### REVENUE

Revenue is recorded when power is consumed.

### USE OF ESTIMATES

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of certain revenue and expenses during the year. Actual results could differ from these estimates.

3. ACCOUNTS RECEIVABLE	2002	2001
Electrical energy Sundry GST	\$ 36,597 2,443 (377) \$ 38,663	\$ 37,258 7,353 1,606 \$ 46,217
4. REGULATED ASSET	2002	2001
Excess power cost	<u>\$ 5,620</u>	\$ -

This amount represents the excess of the cost of power purchased by the company over the revenue recovered from customers as a result of regulatory restrictions. Current regulations do not define how this amount is to be collected, however the company anticipates that it will be able to recover the variance in the future. The increase in the variance from the prior year has been recorded as a reduction to the cost of power in the current year.



### NEWBURY POWER INC.

## NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2002** 

					2002		2001	
	Cost				Net		Net	
\$	142,936 41,445 56,992 18,413 7,091	\$ 46,455 10,520 20,527 6,366 3,318		\$	\$ 96,481 \$ 30,925 36,465 12,047 3,773		95,105 32,534 35,147 12,783 4,365	
<u> </u>	200,877	\$	87,186	\$	179,691	\$	179,934	
	,		e:		2002		2001	
	\$	\$ 142,936 41,445 56,992 18,413	Cost Am  \$ 142,936 \$ 41,445 56,992 18,413 7,091	Cost       Amortization         \$ 142,936       \$ 46,455         41,445       10,520         56,992       20,527         18,413       6,366         7,091       3,318	\$ 142,936 \$ 46,455 \$ 41,445 10,520 56,992 20,527 18,413 6,366 7,091 3,318	Cost         Accumulated Amortization         Net           \$ 142,936         \$ 46,455         \$ 96,481           41,445         10,520         30,925           56,992         20,527         36,465           18,413         6,366         12,047           7.091         3,318         3,773           \$ 266,877         \$ 87,186         \$ 179,691	Cost         Accumulated Amortization         Net           \$ 142,936         \$ 46,455         \$ 96,481         \$ 41,445         \$ 30,925         \$ 30,925         \$ 56,992         \$ 20,527         \$ 36,465         \$ 12,047         \$ 7.091         \$ 3,318         \$ 3,773         \$ 266,877         \$ 87,186         \$ 179,691         \$ \$	

### NEWBURY POWER INC.

### NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2002** 

7. LONG-TERM DEBT		2002		2001
7.25% note payable in annual instalments of \$11,153 principal and interest, due June 2016	\$	93,333	\$	100,000
Current portion	8	1,423	_	
	\$	91,910	\$	100,000
The instalments required to be paid over the next five years are as follows:				
2003	\$	1,423		
2004 2005		4,490 4,816		
2005		5,165		
2007		5,539		
Total	\$	21,433		
8. CAPITAL STOCK		2002		2001
AUTHORIZED			•	THE STATE OF THE S
Unlimited common shares without par value				
ISSUED				
165,626 common shares	<u>\$</u>	165,626	\$	<u> 16:1,626</u>



NEWBURY POWER INC.

### NOTES TO FINANCIAL STATEMENTS

10. FINANCIAL INSTRUMENTS

**DECEMBER 31, 2002** 

9. STATEMENT OF CASH FLOWS		2002	2001
a) Change in Non-cash Working Capital Balances The net change in non-cash working capital balances related to operations is represented by the following:	***	× //	
Accounts receivable Unbilled revenue Prepaid expenses Accounts payable and accrued charges	\$	7,553 - 2,028 9,353	\$ (29,397) 27,313 (1,430) (5,807)
	\$	18,934	\$ (9,321)
b) Interest Received Interest on short-term investments	\$	882	\$ 1,021

The carrying value of cash, accounts receivable, accounts payable and accrued liabilities approximates fair value due to the relatively short-term maturities of these instruments. The fair value of long-term debt is based on rates currently available to the company for debt with similar terms and maturities and are not significantly different from their carrying values.

The company is exposed to credit risk with respect to its accounts receivable. However, this is minimized by the company's large customer base. The company maintains provisions for potential credit losses, and any such losses to date have been within management's expectations.



#### Ministry of Finance

Corporations Tax Branch PO Box 620 33 King Street West Oshawa ON L1H 8E9

This return is a combination of the Ministry of Finance (MOF) CT23
Corporations Tax Return and the Ministry of Consumer and Business
Services (MCBS) Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the Exempt from Filing (EFF) declaration on page 2 or file the CT23 Return on pages 3-17, together with the applicable schedules on pages 18-21. Corporations that do not meet the EFF criteria but do meet the Short-Form Return (see page 2).

2003

# CT23 Corporations Tax and Annual Return For taxation years commencing after Series

For taxation years commencing after September 30, 2001

Corporations Tax Act - Ministry of Finance (MOF)

Corporations Information Act - Ministry of Consumer and Business Services (MCBS)

(formerly Ministry of Consumer and Commercial Relations)
The Annual Return (common page 1 and MCBS Schedule A on pages 22 and 23, and Schedule K on page 24) contains non-tax information collected under the authority of the Corporations Information Act for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

		e EFF criteria but <u>do</u> meet CT23 Short-Form Return (s			Ministry Use —	
MCBS Annual Return		nt required if already filed or nual Return exempt, Refer t	o Guide) X Yes	Page 1 of 24		
Corporation's Leg	al Name (including	The second secon			Ontario Corporations Tax Account No. (MOF)	
					6820376	
NEWBURY PO	OWER INC				This CT23 Return covers the Taxation Year	
Mailing Address					$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	
****					2002 01 01	
22910 HAGEF	RIYROAD				year month day End 2002-12-31	
NEWBURY					2002 12 01	
ON	CA	NOL-1Z0				
Has the mailing a			1	year month day	Date of Incorporation or Amalgamation	
since last filed CT		Yes	Date of Change		year month day	
Registered/Head	Office Address				2000-01-12	
22910 HAGEF	RTY ROAD					
					Ontario	
NEWBURY					Corporation No. 1394004	
ON	CA	N0L-1Z0			(MCBS)	
Location of Books	and Records					
22910 HAGEF	RTY ROAD				Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.	
					If applicable, enter	
NEWBURY					879744126RC0001	
ON	CA	N0L-1Z0			81914128RC0001	
	o contact regarding	g this CT23 Return	Telephone No.	Fax No.	V	
					Jurisdiction Incorporated ONTARIO	
PETER PAVILON	IS				moorporated ONTANTO	
Address of Princip	oal Office in Ontari	0 (Extra-Provincial Corpora	tions only)	(MCBS)	If not incorporated in Ontario, indicate the	
					date Ontario business activity commenced and ceased:	
					year month day	
					Commenced	
ON	CA	( <del>*</del> (t			year month day	
Former Corporati	on Name (Extra-Pro	vincial Corporations only)	X Not Applica	able (MCBS)	Ceased	
					X Not Applicable	
Information on Direct	torn/Office-c/Ad-i-t-	trators must be completed o	on MCBC	No. of Schedule(s)	Preferred Language/Langue de préférence  Y English French	
II.		rators must be completed to nal space is required for Sc	X anglais French français			
only this schedule m	ay be photocopied. S	state number submitted (MC	BS).	0	Ministry use	
If there is <b>no chang</b> submitted to MCBS,		icers'/Administrators' inform ix. Schedule(s) A and K are				
			Certifica	ation (MCBS)		
I certify that all information set out in the <b>Annual Return</b> is true, correct and complete.						
Name of Authorized Person (Print clearly or type in full)						
PETER PAVILONIS						
11			ndividual having knowled affairs of the Corporation			
Note: Sections 1	3 and 14 of the C	orporations Information	on Act provide penalties	s for making false or misleading s	tatements or omissions.	

Taxation Year End

CT23 Page 3 of 24

NEWBURY POWER INC

6820376

2002-12-31

### **CT23 Corporations Tax Return**

Identification continued (for CT23 filers only)

Type of Corporation – Please "X" box(es) if applical	ole in sections 1 & 2	Ontario Retail Sales Tax Vendor Permit No. (Use Head Office no.)
Canadian-controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))		if applicable, enter  Ontario Employer Health Tax Account No.
2 X Other Private		(Use Head Office no.)
3 Public		if applicable, enter
4 Non-share Capital	Share Capital with full voting rights (nearest percent)	
5 Other (specify)	owned by Canadian Residents	Specify major business activity
2 1 Family Farm Corporation s.1 (2)	14 Bare Trustee Corporation	
2 Family Fishing Corporation s.1 (2)	15 Branch of Non-resident s.63(1)	
3 Mortgage Investment Corporation s.47	16 Financial institution prescribed by Regulation only	
4 Credit Union s.51	17 Investment Dealer	-
5 Bank Mortgage Subsidiary s.61 (4)	Generator of electrical energy for sale or producer of steam for use in the generation	
6 Bank s.1 (2)	of electrical energy for sale	
7 Loan and Trust Corporation s.61 (4)	19 X Hydro successor, Municipal Electrical Utility or subsidiary of either	
8 Non-resident Corporation s.2(2)(a) or (b)	Producer and seller of steam for uses other than for the generation of electricity	
9 Non-resident Corporation s.2(2)(c)	21 Insurance Exchange s.74.4	
10 Mutual Fund Corporation s.48	Farm Feeder Finance Co-operative Corporation	
Non-resident owned investment Corporation s.49	23 Professional Corporation (incorporated professionals only)	
Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)	(into porated professionals only)	
Please "X" box(es) if applicable:		
First Year of Filing	Final Taxation Year up to Dissolution (wind-up) (Note: For discontinued businesses, see Guide.)	Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent
Amended Return	Final Taxation Year before Amalgamation	establishment outside Ontario
Taxation Year End has changed - Canada Customs and Revenue Agency (formerly Revenue Canada) approval required	Floating Fiscal Year End	Acquisition of Control fed s.249(4)  Date Control was acquired  year month day
Was the corporation inactive throughout the taxation year	?	Yes No
Has the corporation's Federal T2 Return been filed with the	ne Canada Customs and Revenue Agency (CCRA)?	x
Are you requesting a refund due to: the Carry-back of a	a Loss?	x
an Overpayment?		<u> </u>
a Specified Refund	dable Tax Credit?	□ x
Are you a Member of a Partnership or Joint Venture?		X

* Note: Ontario Allocation for IDSBC purposes may differ from

continued on Page 5

NEWBURY POWER INC 2002-12-31 6820376 Income Tax DOLLARS ONLY Allocation - If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Int.B. 3008). Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15) -21,883. 690 Subtract: Charitable donations 1 0. Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule 2, 2 0. Subtract: Taxable dividends deductible, per federal T2 SCH 3 3 0. Subtract: Ontario political contributions (Attach schedule 2A) (Int.B. 3002) 0. 4 Subtract: Federal Part Vt.1 tax X 9/4 0. 5 0. Subtract: Prior years' losses applied Non-capital losses 0. 704 From 715 inclusion 0. 714 Net capital losses (page 16) Farm losses 724 0. Restricted farm losses 0. 734 Limited partnership losses 0. 754 Taxable Income (Non-capital loss) 21,883. 10 Addition to taxable income for unused foreign tax deduction for federal purposes 10 + 11 (if 10 is negative, enter Adjusted Taxable Income 20 0. Number of Days in Taxation Year Taxable Income Days after Sept. 30, 2001 Total Days and before Jan. 1, 2004 10 (or 20 if applicable) 100.0000 %x 12.5000 % X 365 365 30 29 33 73 0. Ontario Allocation Days after Dec. 31, 2003 and before Jan. 1, 2005 Total Days 10 (or 20 if applicable) 365 30 100.0000 %× 14.0000 % x 0 32 0.x 73 0. 34 Ontario Allocation = 40 Income Tax Payable (before deduction of tax credits) 29 32 Incentive Deduction for Small Business Corporations (IDSBC) (s.41) (If this section is not completed, the IDSBC will be denied.) Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a)) 50 0. Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b)) 51 Add: Losses of other years deducted for federal purposes (fed.s.111) 52 0. Subtract: Losses of other years deducted for Ontario purposes (s.34) 0. 53 0. 0. 54 Federal Business limit for the year before the application of fed.s.125(5.1) 55 0. (not exceeding \$200.000) Add: Ontario enhancement of federal business limit Number of Days in Taxation Year Days after Sept. 30, 2001 and before Jan. 1, 2003 Total Days 0 365 0 x 28 X From 55 43 0 ÷ 200,000 Days after c. 31, 2002 and ore Jan 1, 2004 Total Days 0 x 31 0 73 365 46 0. 55 0 200,000 ÷ Days after Dec 31, 2003 and before Jan 1, 2005 Total Days 31 0 365 X From 55 47 0 200,000 Ontario enhancement of 0. 44 43 47 + 46 federal business limit 0. 45 44 **Business Limit for Ontario purposes** 55 100.0000% 0. 0. 60 Income eligible for the IDSBC From 30 56 * Ontario Allocation

30 If Taxable Income is allocated to foreign jurisdictions. See special rules (\$.41(4))

or 45

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6820376

2002-12-31

INEAADOUT LOANEU INC		0020376		2002-12-31		DOLLARS ONLY
Income Tax continued from	Page 4					
				Days in Taxation Year	_	
			Days af Sept. 30, 20 before Jan 1	ter 01 and Total Days		
Calculation of IDSBC Rate		6.50%	x 28 365	-	= + 79	6.5000
	8.643 8.643.6.4 <del></del>		Days af Dec. 31, 200 before Jan.		1	
		7 00				
	SCATA SE PLATACIONA	7.00%	x 31 0		_ = + 89	.0000
			Days af Dec. 31, 200 before Jan 1	03 and Total Davs		
	**************************************	8.50%	x 34 0		= + 90	.0000
			· ·			
IDSBC Rate for Taxation Year 79 +	89 + 90	************			, = 78	6.5000
Claim	rom 60	O. X From	78 6.	5000%	. = 70	0.
Corporations claiming the IDSBC must complete	e the Surtax section below if the	e corporation's taxable in	ncome (or if associated, the	ne associated group's taxable in	ncome) is	
greater than the amount in 114 below.						
Surtax on Canadian-cont	=	· · · · · · · · · · · · · · · · · ·	s.41.1)			
Applies if you have claimed the Incentive Dedu			P. H	and the second s		
** Short Taxation Years - Special rules apply w Associated Corporation - The taxable income					oration's	
taxation year end.			- Lac	J. [90]		0
** Taxable Income of the corporation			From 10	(or 20 if applicable)	+ 80	0.
If you are a member of an associated group		) Ontario Corpo	rations Tax			
Name of associated corporation (Canadian & fo (if insufficient space, attach schedule)	reign)	Account No. (f (if applicable)		Taxation Year End	**	Taxable Income (if loss, enter nil)
					+ 82	0.
					+ 83	
					+ 84	
Aggregate Taxable Income 80	+ 82 + 83 + 84 e	etc.		******	e 85	0.
44	of Days in Taxation Year	_				
Days aff Sept. 30, 20 before Jan.	ter 01 and Total Days	1				
Subtract: 0 x 28	0 + 73 365	= + 113	0.			
Days af Dec. 31, 200	ter 02 and Total Days					
before Jan	1,2004 0 + 73 365	_ + [115]	0.			
Days at	ter	= + [113]	0.			
Dec 31, 200 before Jan	1,2005	l —	2			
0 x 34	0 + 73 365	= + 116	0,			
		_	•		222	•
(1)	113 + 115 + 11	16 =	0.		_[114]	0.
(If negative, enter nil)					= 86	0.
				of Days in Taxation Year		
			Days a Sept. 30, 20 before Jan	001 and Total Days		
Calculation of Specified Rate for Surtax		4.3330%	x 28 36	5 + 73 365	= + 95	4.3330
			Days a Dec. 31, 20 before Jan.	ofter Total Days		
		4.6670%	X 31	0 + 73 365	_ + 96	.0000
		1:00/0/%	Days a Dec. 31, 20	fter		.0000
		4 6650	before Jan	1, 2005		
		<u>4.6670</u> %	X 34	0 + 73 365	= + 97	.0000
Specified rate of surtax for Taxation Year	95 + 96 + 97				= 94	.0000
From 86	0.x Fro	om [94]	.0000%		e 87	0.
From 87		om 60	0 + From	114 (	). = 88	0.
		i.			_	
Surtax Lesser of 70 or 88  Continued on Page 6					= 100	0

continued on Page 7

NEWBURY POWER INC	6820376	2002-12-31	DOLLARS ONLY
Income Tax continued from Page 5			
Additional Deduction for Credit Ur	ions (s.51(4)) (Attach schedule 17)		110 0
Manufacturing and Processing Pro	ofits Credit (M&P) (s.43)		
Applies to Eligible Canadian Profits from manufacturing and proce	essing, farming, mining, logging and fishing carried on in	n Canada, as determined by regulations	S.
Eligible Canadian Profits from mining are the "resource profits from and resource allowances but excluding amounts from sale of Canaschedule 27.			
The whole of the active business income qualifies as Eligible Canamining, farming, logging or fishing is 20% or less of the total active			cessing,
Eligible Canadian Profits			120 0.
Subtract: Income eligible for the Incentive Deduction for Small Bu	usiness Corporations (IDSBC)		From 56 0.
Add: Adjustment for Surtax on Canadian-controlled private of	orporations		
From 100 0.÷ From 30 100	0.0000 % ÷ From 78 6.5000	% = 121	0.
Lesser of 56 or 121 *Onta	rio Allocation	+	122 0.
120 - 56 + 122			1300
Taxable Income		+	From 10 -21,883
Subtract: Income eligible for the Incentive Deduction for Small Bo	usiness Corporations (IDSBC)		From 56 0.
Add: Adjustments for Surtax on Canadian-controlled private	corporations	+	From 122 0.
Subtract: Taxable Income $\boxed{10}$ $-21,883.$	Allocation % to jurisdictions outside Canada	.0000%	1400
Subtract: Amount by which Canadian and foreign investment inc	ome exceeds net capital losses		141 0.
10 - 56 + 122 - 140 - 141			142
Claim			
<u> </u>	Numb	er of Days in Taxation Year	
		Days after 30, 2001 and Total Days	
143 0 x From 30 1 0	before	e Jan 1, 2004	= + 154
	O . 0 0 0 0 % X1.5000 % X33	0 + 73 365	- + [134] 0
<del></del>		Pays after 31, 2003 and Total Days	
	before	81, 2003 and Total Days e Jan 1, 2005	
Lesser of 130 or 142 X From 30 100	2.0000 % X 2.0000 % X 34	0 + 73 365	= + [156]0
M&P claim for taxalion year 154 + 156	************		= 160 0
* Note: Ontario Allocation for M&P Credit purposes may differ from	m 30 if Taxable Income is allocated to foreign jur	isdictions. See special rules (s.43(1))	
Manufacturing and Processing Profits Credit fo	r Flectrical Generating Cornorations		= [161] 0
			= [101] 0
Manufacturing and Processing Profits Credit for and Sell Steam for uses other than the Generat		ur, e se secreta con la enciacación de laterativa (esculptura)	= 162 0
	(0000 000000000000000000000000000000000		
Credit for Foreign Taxes Paid (s.40	 D)		
Applies if you paid tax to a jurisdiction outside Canada o	•	ch schedule).	170
Paparios II you paid tax to a junioristich outside outside o	Thorough invocation mooned (initial cool) ( Final	a detail	
Credit for Investment in Small Bus	siness Development Corpora	tions (SBDC)	
Applies if you have an unapplied, previously approved c	redit from prior years' investments in new issues	s of equity shares in Small Busine	ss Development Corporations.
Any unused portion may be carried forward indefinitely at Corporations Act)	na applied to reduce subsequent years' income	taxes. (Heter to the former Small	business Development
	Eligible Credit 175	0. Credit Claimed	180
Subtotal of Income Tax 40 - 70	+ 100 - 110 - 160 - 161 - 162 -	- 170 - 180	190

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NEWBURY POWER INC

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NEWBORT FOWER INC	0020370	2002-12-31		DOLLARS UNLT
Income Tax continued from Page 6 Specified Tax Credits (Refer to Guide)				
Ontario Innovation Tay Credit (OITC) (e.43.2) Applies	to receive and development in Optorio			
Ontario Innovation Tax Credit (OITC) (s.43.3) Applies  Eligible Credit From 5620 OITC Claim Form (Attach original	·		+ 191	0.
Co-operative Education Tax Credit (CETC) (s.43.4) Ap	<b>polies</b> to employment of eligible students	i.		
Eligible Credit From 5798 Summary Schedule F			192	0.
Ontario Film & Television Tax Credit (OFTTC) (s.43.5)  Applies to qualifying Ontario labour expenditures for eligible C  Eligible Credit From 5899 either Claim Form from Ontario Me  or Ministry of Finance (MOF) CT Schedule 193/199, as applica	anadian content film and television produ dia Development Corporation (OMDC)	uctions.		
(Attach the original Certification/Claim Form received from the received from the OMDC along with a completed MOF CT Sch	OMDC or the original Certification Form	**************	+ 193	0.
Graduate Transitions Tax Credit (GTTC) (s.43.6)		No. of Graduates From 6596		
Applies to employment of eligible unemployed post secondary	graduate.	194 0		
Eligible Credit From 6598 Summary Schedule G			+ 195	0.
Ontario Book Publishing Tax Credit (OBPTC) (s 43.7)	)			
Applies to qualifying expenditures in respect of eligible literary				
Eligible Credit From 6900 OBPTC Claim Form (Attach both	the original Claim Form and the Certifica	tion Form)	+ 196	0.
Ontario Computer Animation and Special Effects Ta	x Credit (OCASE) (s.43.8)			
Applies to labour relating to computer animation and special e	ffects on an eligible production.			
Eligible Credit From 6700 Claim Form Certified by Ontario M	edia Development Corporation			
(Attach the original Claim/Certification Form with the CT23 Tax	Return.)		+ 197	0.
Ontario Business-Research Institute Tax Credit (OB	RITC) (s.43.9)			
Applies to qualifying R&D expenditures under an eligible rese.				
Eligible Credit From 7100 OBRITC Claim Form (Attach origin	nal Claim Form)		+ 198	0.
Ontario Production Services Tax Credit (OPSTC) (s.	43.10)			
Applies to qualifying Ontario labour expenditures for eligible p	•	en claimed.		
Eligible Credit From 7300 either Claim Form from Ontario M				
or Ministry of Finance (MOF) CT Schedule 193/199, as applica				
(Attach the original Certification/Claim Form received from the received from the OMDC along with a completed MOF CT Sch		*****	+ 199	0.
Ontario Interactive Digital Media Tax Credit (OIDMT	C) (s.43.11)			
Applies to qualifying labour expenditures of eligible products f	or the taxation year.			
Eligible Credit From 7400 Claim Form certified by Ontario M	edia Development Corporation			
(Attach original Claim/Certification Form.)			+ 200	0.
Ontario Sound Recording Tax Credit (OSRTC) (s.43.	12)			
Applies to qualifying expenditures in respect of eligible Canad				
Eligible Credit From 7500 OSRTC Claim Form (Attach both	the original Claim Form and the Certifica	ation Form)	+ 201	0.
Other (specify)	**********	Charles and Anna Anna Anna Anna Anna Anna Anna	+ 201.1	0.
			-	
Total Specified Tax Credits 191 + 192 + 193	+ 195 + 196 + 197 + 198 +	199 + 200 + 201 + 201.1	= 220	0.
Specified Tax Credits Applied to reduce Income Tax			= 225	0.
Income Tay Iso	on Conital Large Community	antivo)	= 230	nii - Ea - 11 - 25 - 0:
	on-Capital Loss (amount cannot be neg			0.
To determine if the Corporate Minimum Tax (CMT) is app CMT on <b>Page 8</b> . If CMT is not applicable, transfer amoun <b>OR</b>			ule	
If CMT is not applicable for the current taxation year but y	our corporation has CMT Credit Carryov	ers that you want to apply to reduc	е	
income tax otherwise payable, then proceed to and comp	lete the Application of CMT Credit Car	rryovers section part B, on Page 8		

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### **Corporate Minimum Tax (CMT)**

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

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

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

* To	otal Assets of the corporation	(x) [242] (Yes)		240 280.40	05. . + 241	340.510.
Nam	ou are a member of an associated group  le of associated corporation (Canadian & foreign) sufficient space, attach schedule)	(x) 242 (Yes)  Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	* Total Assets	* Tota	al Revenue
			+	243	_ + 244	
			+	245	246	
			+	247	+ 248	JO#Y
-		245 + 247 , etc. 246 + 248 , etc.		249 280.40	250	340.510.
	MT is applicable to current taxation year, comple <b>Pages 18, 19 and 20 of CT23.</b>	ete section Calculation: CMT	below and Corporate Minim	um Tax Schedules A throu	ıgh E	
Ca	Iculation: CMT (Attach Schedule A: Calculation	on of CMT Base on Page 18.)				
Gro	oss CMT PayableCMT Base From 2	135 0	X From 30 100	.0000 % x 4.0000	276	0.
Sub	otract: Foreign Tax Credit for CMT purposes (Atta				277	0.
Sub	otract: Income Tax				om 190	0.
Ne	t CMT Payable (If negative, enter Nil on Page				280	0.
_		,				
lf [	is less than zero and you do not have a CM	IT credit carryover, transfer	230 from <b>Page 7</b> to <b>Incom</b>	ne tax Summary, on Page	17.	
If [	280 is less than zero and you have a CMT credi	it carryover, complete A & B b	elow.			
If [	is greater than or equal to zero, transfer	to <i>Page 17</i> and transfer	280 to <b>Page 17</b> , and to <b>Sc</b>	hedule D: Continuity of CN	#T Credit Carryo	vers, on Page 20.
CN	IT Credit Carryover available			Fro	om 2307	0.
Αp	plication of CMT Credit Carryovers					
A.	Income Tax (before deduction of specified cred Gross CMT Payable	its)	+ From 276	0.	om 190	0.
	Subtract: Foreign Tax Credit for CMT purposes  If 276 - 277 is negative, enter NIL in 29		= From 277	0. 0.	290	0.
	Income Tax eligible for CMT Credit	000000000000000000000000000000000000000	1,000,000,000,000,000,000,000,000,000,0	=	300	0.
В.	Income tax (after deduction of specified credits; Subtract: CMT credit used to reduce income tax Income Tax			+ Fro	230 310 320	0. 0.
	<u></u>	and an expression restriction of a Secret	<ul> <li>(a) The contract of the contract</li></ul>	europeant en Statistation (Statister) (S		Transfer to page 17
If A	& B apply, 310 cannot exceed the lesser of	of 230, 300 and your 0	CMT credit carryover availa	ble 2307.		
If o	only B applies, 310 cannot exceed the lesse	er of 230 and your CMT	credit carryover available	2307.		

^{*} These amounts include the corporation's and associated corporations' share of any partnership(s)/joint venture(s) total assets and total revenue.

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

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

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both \$1,500,000 or less and the taxation year ends on or after January 1, 2001, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both \$3,000,000 or less and the taxation year commences after September 30, 2001, your corporation is exempt from Capital tax for the taxation year. A Corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in 550 on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

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

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

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

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

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

Paid-up Capital		
Paid-up capital stock (Int.B. 3012 and 3015)	+ 350	165,626.
Retained earnings (if deficit, deduct) (Int.B. 3012)	± 351	-38,465.
Capital and other surpluses, excluding appraisal surplus (Inf.B.3012)	+ 352	0.
Loans and advances (Attach schedule) (Int.B. 3013)	+ 353	93,333.
Bank loans (Int.B. 3013)	+ 354	0.
Bankers acceptances (Int.B. 3013)	+ 355	0.
Bonds and debentures payable (Int.B, 3013)	+ 356	0.
Mortgages payable (Int.B. 3013)	+ 357	0.
Lien notes payable (Int.B. 3013)	+ 358	0.
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013)	+ 359	0.
Contingent, investment, inventory and similar reserves (Int.B. 3012)	+ 360	0.
Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012)	+ 361	0.
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017)	+ 362	0.
Subtotal	= 370	220,494.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012)	= 371	0.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	_ 372	0.
Total Paid-up Capital	= 380	220,494.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	381	0.
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electicity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	_ 382	0.
Net Paid-up Capital	= 390	220,494.
Net Faid-up Capital	= [530]	2207 15 1
Eligible Investments (Refer to Guide and Int.B. 3015)		
Attach computations and list of corporations' names and investment amounts. Short-term investments (bankers acceptances, commercial allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.	al paper, etc.) ar	e eligible for the
Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+ 402	0.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)  Mortgages due from other corporations	+ 402	0.
Part in Contraction (Contraction of Contraction of	+ [100]	
Shares in other corporations (certain restrictions apply) (Refer to Guide)	+ 404	0.
Loans and advances to unrelated corporations	405	0.
Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)	+ 406	0.
Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)	+ 407	0.
Total Eligible Investments	= 410	0.

Attached Sch. NEWBURY POWER INC Corp. Tax Acct. No.: 6820376 Year Ended: 2002-12-31

amts deducted for tax in excess of amts booked

CCA amortization		0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.0
	Total	0.00

Corporation's Legal Name	1	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 10 of 24
NEWBURY POWER IN	IC	6820376	2002-12-31	DOLLARS ONLY
Capital Tax cor	ntinued from Page 9			2011
Total Assets (Int.B.	. 3015)			
Total Assets per balanc				
·	ilities deducted from assets			+ 421 0.
	/joint venture(s) total assets (A			+ 422 0.
	partnership(s)/joint venture(s			_ 423 0.
Total Assets as adjust	ted			= <b>430 280, 405.</b>
Amounts in 360 and	361 (if deducted from asset	s)	*****	+ 440
Subtract: Amounts in [	371 , 372 and 381			- <del>441</del> O.
Subtract: Appraisal surp	olus if booked			_ 442
Add or Subtract: Other	adjustments (specify on an at	tached schedule)		± 443 0.
Total Assets				= 450 280, 405.
Investment Allow	ance (410 ÷ 450)	( 390 No.	at to exceed 410	= 460 O.
Taxable Capital	390 - 460	11000	A to exoced	220, 494.
			4	
Gross Revenue (as	adjusted to include the share	of any partnership(s)/joint venture(s) Gross Revenue)	480	340,510.
Total Assets (as adju	usted)		From 430	280,405.
				alter all said by succession
Calculation of	Capital Tay for al	I corporations except Financial Insti	tutione	
	_			
Note: This version (20	003) of the CT23 may only b	e used for a taxation year that commenced after Septemb	per 30, 2001.	
(Financial Institutions	use calculations on page 1	3.)		
Important:	the corporation is a family fa	arm corporation, family fishing corporation or a credit un	ion that is not a	
Fir	nancial Institution, complete	e only Section A below.		
cal	_ ·	mber of an associated group and/or partnership, review w and select and complete the one specific subsection (	•	0
if a	applicable, complete Section	r of an associated group and/or partnership, complete Sen D or Section E on page 12. Note: if the corporation is a me 2003 CT23 guide for additional instructions before com	ember of a connected	d
SECTION A		78		
		amily farm corporation, a family fishing corporation or a	credit union that is no	ot a Financial
Enter NIL in 550 on	page 12 and complete the re	turn from that point.		
SECTION B	THE PARTY OF THE			
This section applies if	f the corporation is NOT a n	nember of an associated group and/or partnership.		
	ear commences after Septemb urn from that point.	per 30, 2001 and 430 and 480 on page 10 are both \$3,0	00,000 or less, enter N	IIL in 550 on page 12 and
		,000 or less, enter NIL in 550 on page 12 and complete t	he return from that poi	nt.
B3. If taxable capital the return from the		55,000,000, complete the following calculation and transfer the	ne amount From 523	to 543 on page 12, and complete
+ From 470	0.			
	0.	Days in ta	axation year	
= 471	0.x	Ontario Allocation **	365 365 leap year)	= + 523 0.  Transfer to 543 on page 12 and complete the return from that point
** If floating taxation	year, refer to Guide.	·		
continued on Page	11			

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	Y POWER INC			6820376	2002-12-31	☐ DOLLARS ONLY
Capita	I Tax Calc	ulation of	continued from page 10			
SECTION	С		Charles Trees			
apital tax		rship. You m	ation that is a member of an assoc ust check either 509 or 524 and			
C1.	509 (X if app	licable) All	corporations that you are associat	ed with do not have a perm	anent establishment in Cana	ada.
		If ta	xable capital 470 on page 10 is \$5	,000,000 or less, enter NIL in	550 on page 12 and complet	e the return from that point.
			xable capital 470 on page 10 excertion D and the return from that point.		ection D, enter \$5,000,000 in	542 Section D, and complete
2. X	524 (X if app	olicable) One	or more of the corporations that	you are associated with ma	intains a permanent establis	shment in Canada.
		If th	e taxation year <b>ends before Januar</b>	y 1, 2003, you must complete	e the Calculation below.	
		allo gro- use filed por \$5, corp The fror cale	e taxation year ends after December the \$5,000,000 taxable capital of up may file an election under subset to allocate the taxable capital exert, all members of the group will then ion (portion is henceforth referred to 100,000 taxable capital exemption, to poration's total assets multiplied by it total asset amounts and Ontario allone each corporation's financial information, although each corporation in	exemption by completing the ection 69(2.1) of the Corporation among the associated be required to file in accordance as <b>Net Deduction</b> ) of the \$1 to each corporation in the grous Contario allocation is to the tocation percentages to be usuation from its last taxation year.	Calculation below. Or, the assions Tax Act, whereby total assignoup. Once a ss.69(2.1) electrice with the election and alloc 5,000 capital tax effect, relating on the basis of the ratio that total assets of the group.  ed for this calculation must be ar ending in the immediately properties.	sociated sets are ction is cate a ang to the steach staken receding
Calculat	tion Do NOT c	Dec rea ass	ortioned by the total asset formula, to duction among the group on what evolucated amounts does not exceed the ociated group.  Calculation if ss.69(2.1) election is	er basis the corporate group ne group's total Net Deduction	wishes, as long as the total of	the for the
Taxable	Capital From	470 on page	0		+ I	From 470 220, 494.
Names of and corpor having a p	itions exempt for associated corporations exempt for permanent establistient space, attach	rom capital ta rations (excludin rm capital tax) or shment in Canad	of an associated group (excludin x) and/or partnership having a per g financial institutions related partners a	=		Taxable Capital + 531 0
-				3. 0		+ 533 = 540 220, 494
Aggreg	ate Taxable Ca	oital [470] +	531 + 532 + 533, etc.	******	*******	= 540 220, 494
	ı	Enter NIL in	is \$5,000,000 or less, the corporatio 23 in section D on page 12, as app is greater than \$5,000,000, the corp to calculate its Capital Tax for the ta	licable. oration must compute its sha	re of the \$5,000,000 exemptio	on .
		From 470	220,494,÷From 540	220,494.×	5,000,000	Transfer to 542 in Section D on page 12
S.s.69(	(2.1) Election F	iled				
	591 (X if applica		on filed. Attach a copy of the elec ed to Section E on page 12.	tion with this CT23 Return.		

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# Capital Tax Calculation continued from Page 11

SECTION D		
This section applies if the corporation IS a member of an associated group and/or partnership taxable capital, 540 on page 11, exceeds \$5,000,000.	whose total AGGREGATE	
Complete the following calculation and transfer the amount From 523 to 543, and complete the re	return from that point.	
+ From 470 220,494 542 5,000,000. = 471 0, x From 30 100.0000 % x .3000 % x Ontario Allocation	Days in taxation year  x 555 365  365  (366 if leap year)  Total Capital Tax for the taxation year  = + 523  Transfer to 543 and complete the return from that point	
SECTION E		
This section applies if a corporation is a member of an associated group and the associated gr	group has filed a ss.69(2.1) election	
+ From 470 0. x From 30 100.0000 x .3000% Ontario Allocation	= + 561	0.
- Capital tax deduction From 995 relating to your corporation's capital tax deduction, on		0. 0.
Capital Tax	Days in taxation year  555 365  ** 365  (366 if leap year)  Transfer to 543 and complete the return from that points.	
* If floating taxation year, refer to Guide.		_
		_
Capital Tax before application of specified credits  Subtract: Specified Tax Credits applied to reduce capital tax payable (Refer to Guide)  Capital Tax 543 - 546 (amount cannot be negative)	_ 546	0. 0. 0.

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Taxation Year End

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NEWBURY POWER INC

Capital Tax continued from Page 12	
Calculation of Capital Tax for Financial Institutions	
I.1. Credit Unions only	
For taxation years commencing after May 4, 1999 enter NIL in 550 on page 12, and complete the return from that point,	
I.2. Other than Credit Unions	
(Retain details of calculations for amounts in boxes 565 and 570. Do not submit with this tax return.)	£1
Days in taxation year  Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1  Days in taxation year  S55 O + ** O (366 if leap year) =  Ontario Allocation	+ 569 0.
570 O x 571 O.00 x From 30 Days in taxation year  Adjusted TPUC in accordance with Division B,1 in excess of Basic Capital Amount  Capital Tax Rate (Refer to Guide)  Ontario Allocation  Ontario Allocation	+ 574 0.
Capital Tax for Financial Institutions – other than Credit Unions (before Section II)	₌ 575 <b>0.</b>
** If floating taxation year, refer to Guide.	
II. Small Business Investment Tax Credit	
(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)	
Allowable Credit for Eligible Investments	- 585 0.
Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (x)	
Capital Tax – Financial Institutions 575 – 585	Transfer to 543 on Page 12
Premium Tax (s.74.2 & 74.3) (Refer to Guide)	
(1) Uninsured Benefits Arrangements	= 588 0.
(2) Unlicensed Insurance (enter premium tax payable in 588 and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in 588.)	
<b>Applies</b> to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.	
Deduct: Specified Tax Credits applied to reduce premium tax (Refer to Guide)	<b>-</b> 589 <b>0.</b>
Premium Tax 588 - 589	Transfer to page 17

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

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1		<u>+</u> 600	-21,883. Transfer to Page 15
Add:			•
Federal capital cost allowance	+ 601	9,681	
Federal cumulative eligible capital deduction	. + 602	0.	
Ontario taxable capital gain	+ 603	0.	
Federal non-allowable reserves. Balance beginning of year	+ 604	0.	
Federal allowable reserves. Balance end of year	+ 605	0.	
Ontario non-allowable reserves. Balance end of year	+ 606	0.	
Ontario allowable reserves. Balance beginning of year	+ 607	0.	
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ 608	0.	
Federal resource allowance	+ 609 _	0.	
Federal depletion allowance	+ 610	0.	
Federal foreign exploration and development expenses	+ 611 _	0.	
Management fees, rents, royalties and similar payments to non-arms' length non-residents			
Number of Days in Taxation Year			
Days after Sept. 30, 2001 and Total Days			
before Jan. 1, 2004	0.		
0. \ 3 ÷ 12.3000 \ 33 3 6 5 ÷ 73 3 6 5	<u> </u>		
Days after Dec. 31, 2003 and Total Days			
before Jan, 1, 2005			
612 0. x 5 ÷ 14.0000 x 34 0 ÷ 73 365 = + 634	0.		
Total add-back amount for Management fees, etc. 633 + 634	0. + 613	0.	
Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661			
excluding any negative amount in 473 from Ont. CT23 schedule 161	, + 615	0.	
A. I	+ 616	0.	
Add any negative amount in 473 from Ont. CT23 Schedule 161	. +[010]		
Federal allowable business investment loss	. + 620	0.	
	+ 614	0.	
Total of other items not allowed by Ontario but allowed federally (Attach schedule)	+ [014] _		+acrap4cv/
Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614		9,681.	9,681. Transfer to Page 15
Deduct:			
Ontario capital cost allowance (excludes amounts deducted under 675)	+ 650	9,681.	
Ontario cumulative eligible capital deduction	+ 651	0.	
Federal taxable capital gain	+ 652	0.	
Ontario non-allowable reserves. Balance beginning of year	==-	0.	
Ontario allowable reserves. Balance end of year	+ 654	0.	
Federal non-allowable reserves. Balance end of year	+ 655	0.	
Federal allowable reserves. Balance beginning of year	+ 656	0.	
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) (Retain calculations. Do not submit.)	+ 657	0.	
Ontario depletion allowance		0.	
Ontario resource allowance		0.	
Ontario current cost adjustment (Attach schedule)	+ 661	0.	
Incentive for new electricity supply (section 13.6 deduction from income) (Applies only to electrical generating corporations.)	+ 674	0.	
CCA for investments in qualifying energy-efficient equipment and for assets used to generate electricity from natural gas, alternative or renewable resources.	+ 675	0.	
Subtotal of deductions for this page 650 to 659 + 661 + 674 + 675	681	9,681. Transfer to Page 15	
		a	

DOLLARS ONLY

# 6820376

NEWBURY POWER INC

for Ontario purpose continued from Page 14	ne (loss) for federal income es if amounts differ	tax purposes wit	ii iici iiicoiiic (ic	33)		
	come tax purposes, per federal T2 SCH 1			From ±	600	-21,883,
	icome tax purposes, per leuerar 12 30m i	(0.000000000000000000000000000000000000	*****	FIUIII 2		600000
Total of Additions			*****	From =	640	9,681,
Subtotal of deductions on pag	e 14	From	æ <b>681</b>	9,681.		
(Applies only to those corporate Capital Cost Allowance (Ont intellectual property deducte ONTTI Gross-up deduction Gross-	up of CCA  X 100  Ontario Allocation  100  From 662	]	[663]	0,		
Qualifying expenditures:	From [	* ^	E 666	<u> </u>		
Workplace Accessibility Ta	x Incentive	Official Allocation =				
Qualifying expenditures:  Number of Employees accommodate	0 x 100.009	100	<b>=</b> 668	0.		
Ontario School Bus Safety	Tax Incentive (OSBSTI): (Applies to the elig 4, 1999 and before January 1, 2006.) (Refer to	ible acquisition of school				
Qualifying expenditures:	670 0 x 30.00	% X 100	= 671	0,		
Educational Technology T	ax Incentive: (Applies to qualifying amounts i	ncurred after May 2, 2000.)				
Qualifying expenditures:	672 0. x 15.00 From	% X 100 30 100.000 Ontario Allocation	673	0.		
Ontario allowable busines	s investment loss		+ 678	0.		
Ontario Scientific Researce from Ont. CT23 Schedule	h Expenses claimed in year in 477		+ 679	0.		
Amount added to income in line 454 of federal form	ederally for an amount that was negative T661		+ 677	0.		
Total of other deductions	allowed by Ontario (Attach schedule)	**************	+ 664	0.		
Total of Deductions 68	+ 663 + 666 + 668 + 671 + 673 + 678	8 + 679 + 677 + 664	. =	9.681.	680	9,681,
Net income (loss) f	or Ontario Purposes 600	+ 640 - 680			e 690	-21,883. Transfer to Page 4

6820376

Continuity of Losses (	Carried Forward	t		2000		DOLLARS ONL
	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	700 (2) 14,784	710 (2)	720 (2)	730	740	750
Add: Current year's losses (7)	⁷⁰¹ 21,883	711	721 0	731	741 0	751
Losses from predecessor corporations (3)	702	712	722	732		752
Subtotal	⁷⁰³ 21,883	713	723 0	733	743	753
Subtract: Utilized during the year to reduce taxable income	704 (2) 0	715 (2) (4)	724 (2) 0	734 (2) (4) 0	744 (4) 0	754 (4)
Expired during the year	0	of the latest states	0	0	0	
Carried back to prior years to reduce	706 (2) to Page 17	716 (2) to Page 17	726 (2) to Page 17	736 (2) to Page 17	746	
taxable income (5)  Subtotal	707	717	727	737	747	757
- Judiciai	0			0		
Balance at End of Year	709 (8) 36,667	719	729 0	739	749	759

### Notes:

- (1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- (2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.
- (3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.
- (4) To the extent of applicable gains/income/at-risk amount only.
- (5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.
- (6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

- (7) Include amount form 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.
- (8) Amount in 709 must equal total of 829 + 839
- (9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.
- (10) Commencing in the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

Analysis of Balance at End of Year by Year of Origin

	Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800	9th preceding taxation year				850	870
NZ1E	1994-01-11			Color The Color of	0	0
801	8th preceding taxation year			STATE OF THE STATE OF	851	871
	1995-01-11		Section 2015		0	0
802	7th preceding taxation year				852	872
	1996-01-11			DIMIT I	0	0
803	6th preceding taxation year	820	830	840	853	873
	1997-01-11	0	0	0	0	0
804	5th preceding taxation year	821	831	841	854	874
	1998-01-11	0	0	0	0	0
805	4th preceding taxation year	822	832	842	855	875
	1999-01-11	0	0	0	0	0
806	3rd preceding taxation year	823	833	843	856	876
(ALC)	2000-01-11	0	0	0	0	0
807	2nd preceding taxation year	824	834	844	857	877
	2000-12-31	0	0	0	0	0
808	1st preceding taxation year	825	835	845	858	878
	2001-12-31	5,990	0	0	0	0
809	Current taxation year	826	836	846	859	879
	2002-12-31	21,883	0		0	0
Total		829	839	849	869	889
TOTAL		27.873	0	0	0	0

Non-Capital

Losses

Taxation Year End 2002-12-31

CT23 Page 17 of 24 DOLLARS ONLY

**Restricted Farm** 

Losses

NEWBURY POWER INC

**Application of Losses** 

6820376

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

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

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

- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  - 1) the first day of the taxation year after the loss year,

**Total Capital** 

Losses

- the day on which the corporation's return for the loss year is delivered to the Minister, or
- the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a predecessor corporation, enter the
  predecessor corporation's account number and taxation year end in the spaces
  provided under Application of Losses below.

Farm Losses

Total amount of loss	21,883 0 0 0 0
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income	
Predecessor Ontario Corporation's Taxation Year Ending Tax Account No. (MOF) year month day	
i) 3rd preceding	911 921 931 941 0 0
ii) 2nd preceding 902	912 932 942 0 0
iii) 1st preceding	913 923 933 943
Total loss to be carried back	From 706 From 716 From 726 From 736 0 0 0
Balance of loss available for carry-forward	919 929 939 949 21,883 0 0 0 0
Summary	Certification
Income tax + From 230 or 320 0.	I am an authorized signing officer of the corporation. I certify that this CT23
Corporate Minimum Tax + From 280 0.	return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records
Capital Tax + From 550	of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as
Premium Tax + From 590 0.	required under section 75 of the Corporations Tax Act. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.
Total Tax Payable = 950	
Subtract: Payments	Name (please print)
Capital Gains Refund (s.48)	PETER PAVILONIS
Qualifying Environmental  Trust Tax Credit (Refer to Guide) _ 9850.	Title
Specified Tax Credits (Refer to Guide)	CHAIR
Other (specify) =	Full Residence Address
Balance = 970 0.	
If payment due Enclosed * 990	
If overpayment: Refund (Refer to Guide) = 975	
Apply to 980 0.	Signature
* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, payable to the Minister of Finance and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order. (Refer to Guide for other payment methods.)	Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

Attached Sch. NEWBURY POWER INC Corp. Tax Acct. No.: 6820376 Year Ended: 2002-12-31 amts deducted for tax in excess of amts booked 0.00 0.00 CCA 0.00 amortization 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00

0.00

0.00

_____

Total



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

# Paid-Up Capital: Loans and Advances

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
NEWBURY POWER INC	6820376	2002-12-31

Loans or Advances Credited or Advanced to Corporation (includes accounts payable to related parties outstanding at the taxation year end for 120 days or more, and accounts payable to non-related parties outstanding for 365 days or more at the taxation year end)	
	+ 0
	+ 0
	+ 0
	⁺ 0
	+ 0
	+ 0
	+ 0
	⁺ 0
	⁺ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
Total Transfer to 353 of the CT23	
transier to 333 of the C123	30,000

NEWBURY POWER INC Ont. Sch. 008
Corp. Tax Acct. No.: 6820376 Year Ended: 2002-12-31

### Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5g)? [Y/N] N

1	2	3	4	5	6	7	8	9	10	11	12	13
Class	Ontario	Cost of	Net	Proceeds	Ontario	50% rule	Reduced	CCA	Recapture	Terminal	Ontario	Ontario
number	unde-	acquisitions	adjustments	of	unde-	(1/2 of	unde-	rate	of	loss	capital	unde-
	preciated	during the	(show	dispositions	preciated	the amount,	preciated	*	capital		cost	preciated
	capital	year (new	negative	during the	capital	if any, by	capital		cost		allowance	capital
	cost at the	property	amounts in	year	cost	which the	cost		allowance		(column 8	cost
	beginning	must be	brackets)	(amount	(column 2	net cost	(column 6				multiplied	at the end
	of the year	available		not to	plus	of	minus				by	of the year
	(unde-	for use)		exceed	column 3	acquisitions	column 7)				column 9;	(column 6
	preciated			the capital	or minus	exceeds					or a lower	minus
	capital			cost)	column 4	column 5)					amount)	column 12)
	cost at the				minus							
	end of the				column 5)							
	prior year's											
	CCA	See note 1				See note 2						
	schedule)	below				below						
								· WHEN MAN				
1	173,262	0	0	0	173,262	0	173,262	4	0	0	6,930	166,332
10	3,797	10,746	0	0	14,543	5,373	9,170	30	0	0	2,751	11,792
	(25.05.) (25.05.)				***************************************	/						
Total	177,059	10,746	0	0	187,805	5,373	182,432		0	0	9,681	178,124
			*******		==========	********			=========	********	200 200 200 200 200 200 200 200 200 200	**********
							Enter	in boxes	[650]	[650]	[650] on	the CT23

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

CCH Canadian Ltd. - Corporate Taxprep, 2003 CT23, Ver. 3-2003

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

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

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



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

## **Taxable Capital of Associated Corporations**

(Applicable to an associated group that has a permanent establishment in Canada)

Schedule CT21

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
NEWBURY POWER INC	6820376	2002-12-31

This schedule must be completed in determining the aggregate taxable capital of an associated group and/or partnership that has a permanent establishment (PE) in Canada.

Name of Associated Corporation (Must have a PE in Canada)	Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
THE CORP OF VILLAGE OF NEWBURY			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			·t-
			+
			+
			+
			+
			+
	Aggreg	ate of taxable capital	<b>=</b>

Transfer to box 540 of the CT23

*	Canada Customs
<b>T</b>	and Revenue Agency

Agence des douanes et du revenu du Canada

### **T2 CORPORATION INCOME TAX RETURN**

	Code 03
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 corporate 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. If you need more information about items on the return, see the corresponding items in 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 taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

Identification —	
Business Number (BN)	
Corporation's name	
002 NEWBURY POWER INC	
Has the corporation changed its name since the last time we were notified? 003 1 Yes 2 No X	If Yes, do you have a copy of the articles of amendment? 004 1 Yes 2 No
Address of head office	To which taxation year does this return apply?
Has the address changed since the last time we were notified? 010 1 Yes 2 No X	Taxation year start Taxation year-end
	060 2002-01-01 061 2002-12-31
011 22910 HAGERTY ROAD	YYYY/MM/DD YYYY/MM/DD
012	Has there been an acquisition of control to which subsection 249(4) applies
City Province, territory, or state  O15 NEWBURY  O16 ON	since the previous taxation year? 063 1 Yes 2 No X
Country (other than Canada) Postal code/ZIP code	If Yes, give the date control was
017 018 NOL-1Z0	acquired
Mailing address (if different from head office address)	YYYY/MM/DD
Has the address changed since the last time we were notified?	Is the corporation a professional corporation that is a member of
020 1 Yes 2 No X	a partnership?
021 <u>c/o</u>	
022	Is this the first year of filing after:
023	Incorporation?
City Province, territory, or state	Amalgamation?
025	Has there been a windup of a subsidiary
Country (other than Canada) Postal code/ZIP code	under section 88 during the current taxation year?
027 028	If yes, complete and attach Schedule 24.
Location of books and records	Is this the final taxation year
031 22910 HAGERTY ROAD	before amalgamation?
032	Is this the final return up to
City Province, territory, or state	dissolution? 078   1 Yes   2 No   X
035   NEWBURY   036   ON	le the correction a resident of Canada?
037 038 NOL-1Z0	Is the corporation a resident of Canada?
040 Type of corporation at the end of the taxation year	1 Yes X 2 No If No, give the country of residence.
	081
1 Canadian-controlled by private corporation (CCPC)  4 Corporation controlled by a public corporation	Is the non-resident corporation claiming
	an exemption under an income tax treaty?
2 X Other private corporation (specify, below)	If yes, complete and attach Schedule 91.
Public	If the corporation is exempt from tax under section 149, tick
3 Corporation	one of the following boxes:
	085 1 Exempt under paragraph 149(1)(e) or (I)
If the type of corporation changed during	2 Exempt under paragraph 149(1)(j)
the taxation year, provide the effective date of the change	3 Exempt under paragraph 149(1)(t)
date of the change	4 Exempt under other paragraphs of section 149

	Attachments			
	cial statement information: For taxation years ending in 2000 and later, use GIFI schedules 100, 125, and 141.  * We do not lules – Answer the following questions. For each Yes response, attach to the T2 return the schedule that applies.	orint th	iese s	schedules.
Guide	item	0= 15	Yes	Schedule
27	Is the corporation related to any other corporations?	150	X	9
28	Does the corporation have any non-resident shareholders?	151		19
29	Is the corporation an associated Canadian-controlled private corporation?	160		23
30	Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161		49
32	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
33	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
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164	Ш	14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165	Ш	15
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166	Ц	T5004
38	Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167	Ш	T5013
40	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
41	Did the corporation have any foreign affiliates during the year?	169	Ш	25
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal <i>Income Tax Regulations</i> ?	170		29
43	Has the corporation had any non-arm's length transactions with a non-resident?	171	Н	T106
47 46	Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year?  For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	172	L X	50
55	Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	Y	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
122	Is the corporation claiming any type of losses?	204	X	4
132	Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205	Ш	5
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206		6
103	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			
	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
57	Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
58	Does the corporation have any property that is eligible capital property?	210		10
59	Does the corporation have any resource-related deductions?	212		12
60	Is the corporation claiming reserves of any kind?	213	П	13
61	Is the corporation claiming a patronage dividend deduction?	216		16
62	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
150	Is the corporation an investment corporation or a mutual fund corporation?	218		18
131	Was the corporation carrying on business in Canada as a non-resident corporation?	220		20
118	Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
155	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
111	Does the corporation have any Canadian manufacturing and processing profits?	227		27
121	Is the corporation claiming an investment tax credit?	231		31
63	Is the corporation claiming any scientific research and experimental development expenditures?	232	П	T661
124	Is the corporation subject to gross Part I.3 tax?	233		33/34/35
124	Is the corporation a member of a related group with one or more members subject to gross Part 1,3 tax?	236		36
124	Is the corporation claiming a surtax credit?	237	П	37
128	Is the corporation subject to gross Part VI tax on capital of financial institutions?	-		38
128	Is the corporation claiming a Part I tax credit?	242	П	42
129	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	Н	43
129	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244	Н	45
125	Is the corporation subject to Part II - Tobacco Manufacturers' surtax?			46
128	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?	-	H	
128	with one or more members subject to gross Part VI tax?  For life insurance corporations: Is the corporation a member of a related group of insurance corporations with one or more members subject to the additional gross Part VI tax?	251	H	39 40
128	For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other than	252	H	41
152	life insurance corporations) with one or more members subject to the additional Part VI tax?  Is the corporation claiming a Canadian film or video production tax credit refund?	253	Н	T1131
102	to the corporation draining a canadian min or video production tax credit returns:	_00		11101

NEWBURY POWER INC 879744126RC0001 2002-12-31

Attachments – continued from page 2		
Guide item	Yes Sch	nedule
130 Is the corporation subject to Part XIII.1 tax?		92 *
153 Is the corporation claiming a film or video production services tax credit refund?		Γ1177
44 Did the corporation have any foreign affiliates that are not controlled foreign affiliates		1134-A
, , , , , , , , , , , , , , , , , , , ,		1134-B
44 Did the corporation own specified foreign property in the year with a cost amount over	W.1574/992	T1135
3 1 3 3 3	οι φτου,σου:	T1141
44 Did the corporation receive a distribution from or was it indebted to a non-resident tri		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED ca		T1145
Has the corporation entered into an agreement to transfer qualified expenditures inc.		T1146
Has the corporation entered into an agreement with other associated corporations for the second of applications for SDR-DR.	or salary or	T1174
wages of specified employees for SR&ED?		
Is the corporation claiming the BC mining exploration tax credit?		421
Is the corporation claiming the BC SR&ED tax credit?		T666
—— Additional information		
Additional information		
Is the corporation inactive?  Has the major business activity changed since the last return was filed? (enter Yes for first-tin		
What is the corporation's major business activity? (Only complete if Yes was entered at line 281.)		_
If the major activity involves the resale of goods, indicate whether it is wholesale or 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.  284 286 288	285 1 C 287 289	0% 0% 0%
Did the corporation immigrate to Canada during the taxation year?	291 1 Yes 2 No	x
COMO 2333 01792 2020 CQARE NO		X
Taxable income		
	300 -21.8	0.2.4
Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI	300	8 <u>3</u> A
Deduct: Charitable donations from Schedule 2	311 0	
Gifts to Canada, a province, or a territory from Schedule 2	312 0	
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 taxation years from Schedule 4	331 0	
Net-capital losses of preceding taxation years from Schedule 4	332 0	
Restricted farm losses of preceding taxation years from Schedule 4	333	
Farm losses of preceding taxation years from Schedule 4 Limited partnership losses of preceding taxation years from Schedule 4	334 335 O	
Taxable capital gains or taxable dividends allocated from	340	
a central credit union	350 0	
Prospector's and grubstaker's shares Si	ubtotal ()	0 в
	inus amount B) (if negative, enter "0")	0 c
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions	355	0 D
Taxable income (amount C plus amount D)	360	0
Income exempt under paragraph 149(1)(t)		
		0
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 new This amount is equal to 3 times the Part VI 1 tax payable at line 724 on page 8	minus line 370)	<u>0</u> z

NEWBURY POWER INC	879744126RC0001	2002-12-3		
Small business deduction ————————————————————————————————————	ar			
Income from active business carried on in Canada from Schedule 7		O_A		
Taxable income from line 360 on page 3, <b>minus</b> 10/3 of the amount at line 632 * or the amount at line 636 ** on page 7, and <b>minus</b> any amount that, because of federal forms and the following that the following the following that the following the following the following the following that the following	page 7, minus 3 times al law, is exempt from Part I tax 405	0_в		
Calculation of the business limit: For all CCPCs, calculate the amount at line 4 below.				
200,000 x Number of days in the taxation year before 2003 365  Number of days in the taxation year 0				
225,000 x Number of days in the taxation year in 2003 0  Number of days in the taxation year 0	= 0 2			
250,000 x Number of days in the taxation year in 2004 0  Number of days in the taxation year 0	<u>0</u> 3			
275,000 x Number of days in the taxation year in 2005 O Number of days in the taxation year O				
Add amounts at lines 1, 2	2, 3, and 3.1 0 4	() C		
Business limit (see notes 1 and 2 below)				
Notes: 1. For CCPCs that are note associated, enter the amount from line 4 at line taxation year is less than 51 weeks, prorate the amount from line 4 by divided by 365, and enter the result on line 410.	the number of dyas in the taxation year			
2. For associated CCPCs, use Schedule 23 to calculate the amount to be	e entered at line 410.			
Business limit reduction:				
Amount C 0 x 415 ***	<u>D</u> = ***********************************	<u> </u>		
\$11,250\$ Reduced business limit (amount C minus amount E) (if negative, enter "0")	425	<u>0</u> F		
Small business deduction - 16.00% of whichever amount is least: A, B, C, or F (enter amount G on line 9 of page 7)	430	0		
<ul> <li>Calculate the amount of foreign non-business income tax credit deductible at investment income (line 604) and without reference to the corporate tax reductions.</li> </ul>				
** Calculate the amount of foreign business income tax credit deductible at line (	636 without reference to the corporate tax reductions under sec	ction 123.4.		
*** Large corporation tax				
<ul> <li>The large corporation tax to be entered at line 415 is the gross Part I.3 tax, reflect a full-year tax liability if the taxation year is less than 51 weeks. For the to 0.225% x (taxable capital employed in Canada minus \$10,000,000).</li> </ul>				
<ul> <li>If the corporation is not associated with any corporation in both the current a tax for its preceding taxation year.</li> </ul>	and the preceding taxation years, enter the corporation's gross	Part I.3		
<ul> <li>If the corporation is not associated with any corporation in the current taxation year, but was associated in the preceding taxation year, and its current taxation year:</li> </ul>				
<ul> <li>starts before December 21, 2002, enter the corporation's gross Part I.3</li> <li>starts after December 20, 2002, enter the corporation's gross Part I.3 ta</li> </ul>				
• For corporations associated in the current taxation year, see Schedule 23 for				

Accelerated tax reduction	
Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction	
Reduced business limit (amount from line 425)	0 A
Net active business income (amount from line 400) *	0 в
Taxable income from line 360 on page 3 <b>minus</b> 3 times the amount at line 636** on page 7, and <b>minus</b> any amount that, because of federal law, is exempt for Part I Tax	
Aggregate investment income (amount from line 440 of page 6)	
Amount C minus amount D (if negative, enter "0")	0_E
Amount A, B, or E above, whichever is less	0 F
Amount Z from Part 9 of Schedule 27	
Amount QQ from Part 13 of Schedule 27	
Taxable resource income from line 435 of page 5	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)	
Amount on line 400, 405, 410, or 425 of the small business deduction, whichever is less	
Total of amounts G, H, I, J, and K	0 L
Amount F minus amount L (if negative, enter "0")	O M
Accelerated tax reduction - 7% of amount M (enter amount N on line 637 of page 7)	0 N
* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active busin ** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions	

Taxable resource income	0500080808080808080808	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	435	O_A
Amount A	0	Number of days in the taxation year in 2003	0 x 1% =	0 в
AIIIOUIILA	x	Number of days in the taxation year	365	
Amount A	0	Number of days in the taxation year in 2004	0 x 2% =	0 c
Amount A	x	Number of days in the taxation year	365	
Amount A	0	Number of days in the taxation year in 2005	0 × 3% =	0 C.1
Amount	<u>U</u> x	Number of days in the taxation year	$\frac{0}{365}$ x 3% = $\frac{1}{365}$	<u> </u>
Resource deduction - total			438	<u>0</u> D
(enter amount D on line 10 o	f page 7)			
		ntrolled private corporations		-
Canadian-controlled priva	te corporations throughout	the taxation year		
Taxable income from line 36	60 on page 3	***************		<u>0</u> E
Amount Z from Part 9 of Sci	hedule 27	<u> </u>	0 F	
Amount QQ from Part 13 of	75050		<u>0</u> G	
Taxable resource income from		***********************	O_ H	
	,	ount E in Part 3 of Schedule 17)	<u> </u>	
	10, or 425 on page 4, whicher	9	0 к	
Aggregate investment incor	ne from line 440 of page 6 ne accelerated tax reduction (	amount M of page 4)		
			0	0
Total of amounts F, G, H, I,	J, K, and L			О м
Amount E minus amount M	(if negative, enter "0")			0 N
	(2)	Number of days in the toy discovering 0004	•	
Amount N	x	Number of days in the taxation year in 2001	<u>()</u> x 1% =	0
		Number of days in the taxation year	365	
Amount N	0x	Number of days in the taxation year in 2002	$365 \times 3\% =$	<u> </u>
		Number of days in the taxation year	365	
Amount N	0	Number of days in the taxation year in 2003	<u> </u>	0 P
Amount	×	Number of days in the taxation year	365	- W
A many and MI	0	Number of days in the taxation year after 2003	0	0 Q
Amount N	x	Number of days in the taxation year	x 7% = 365	0.0
Goneral tax reduction for	Canadian controlled private		303	0 R
(enter amount R on line 638		e corporations - total of amounts year 2001, O, P, and Q	******	
General tax redu				
	i Canadian-controlled privat 1, or a non-resident-owned i	te corporation, an investment corporation, a mortgage investment corporation	investment corporation,	
-		·		0.0
Taxable income from line 3	60 of page 3			<u>0</u> s
Amount Z from Part 9 of Sc	hedule 27	<u> </u>	<u>0</u> T	
Amount QQ from Part 13 of	Schedule 27		<u>0</u> U	
Taxable resource income from	om line 435 above		0 V	
		ount E in Part 3 of Schedule 17)	<u>0</u> w	
Total of amounts T, U, V, ar			0	0 x
Amount S minus amount X	(if negative, enter "0")			<u>0</u> Y
	0	Number of days in the taxation year in 2001	0	
Amount Y		Number of days in the taxation year	<u>U</u> x 1% =	<u> </u>
			365	1740
Amount Y			$\frac{365}{365}$ x 3% =	<u>0</u> z
		Number of days in the taxation year	365	
Amount Y			0 x 5% =	0_AA
		Number of days in the taxation year	365	
Amount Y			0 x 7% =	<u>0</u> BB
Ganaral tay radication	atal of amounts uses 0004. 3	Number of days in the taxation year	365	<u>0</u> cc
(enter amount CC on line 6	otal of amounts year 2001, Z, 39 of page 7)	AA, and BB		
	5.0.7			ma P

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NEWBURY POWER INC

- Resource deduction -

Refundable portion of Part I tax		
Canadian-controlled private corporations throughout the taxation year		
Aggregate investment income 440 0 x 26 2/3% =		<u> </u>
Foreign non-business income tax credit from line 632 on page 7	0	
Deduct:		
Foreign investment income 445 0 x 9 1/3% =	0	
(amount O from Part 1 of Schedule 7) (if negative, enter "0")		О в
Amount A minus amount B (if negative, enter "0")		<u>0</u> c
Taxable income from line 360 on page 3	0	
Deduct:		
Amount on line 400, 405, 410, or 425 on page 4, whichever is less		
Foreign non-business income tax credit from		
line 632 of page 7		
Foreign business income		
tax credit from line 636 of page 7		
0	0	
	<u>0</u> x 26 2/3% =	0 р
		:
Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8)	0	
Deduct: Corporate surtax from line 600 of page 7	0	0
Net amount	0	0 E
Refundable portion of Part I tax – Amount C, D, or E, whichever is less		0 F
Refundable dividend tax on hand		
Refundable dividend tax on hand at the end of the preceding taxation year 460	<u> </u>	
Deduct: Dividend refund for the previous taxation year 465	0	
=	<u> </u>	0 A
Add the total of:	0	
Refundable portion of Part I tax from line 450 above  Total Part IV tax payable from line 360 on page 2 of Schedule 3	0	
the sermence region of the		
Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation	0	
	0	Ов
Refundable dividend tax on hand at the end of the taxation year - Amount A plus amount B		0
— Dividend refund		
Private and subject corporations at the time taxable dividends were paid in the taxation year		
<del>-</del> 11 831 1 111 11 1 1 1 1 1 1 1 1 1 1 1 1	0 × 1/3	O 4
Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3	<u> </u>	0 A
Refundable dividend tax on hand at the end of the taxation year from line 485 above		0 в
		•
Dividend refund – Amount A or B, whichever is less (enter this amount on line 784 of page 8)		0

Part I tax		
Base amount of Part I tax - 38.00% of taxable income (line 360 or amount Z, whichever applies) from page 3	550	<u> </u>
Corporate surtax calculation		
Base amount from line A above  Deduct:  10% of taxable income (line 360 or amount Z, whichever applies) from page 3  Investment corporation deduction from line 620 below  Federal logging tax credit from line 640 below  Federal qualifying environmental trust tax credit from line 648 below	0 2 0 3 0 4 0 5	
For a mutual fund corporation or an investment corporation throughout the taxation year, enter amount a, b, or c below on line 6, whichever is less:		
28.00% of taxable income from line 360 of page 3	<u> </u>	
(line A <b>plus</b> lines C and D <b>minus</b> line F)  Total of lines 2 to 6	0 7	
Net amount (line 1 minus line 7)	0 8	
Corporate surtax – 4.00% of the amount on line 8		<u>О</u> в
Recapture of investment tax credit from line PPP in Part 21 of Schedule 31		<u> </u>
Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment inco (for a CCPC throughout the taxation year)	ome	
Aggregate investment income from line 440 on page 6  Taxable income from line 360 on page 3  Deduct:	<u>0</u> i	
Amount on line 400, 405, 410, or 425 of page 4, whichever is less  Net amount  O	<u>O</u> ii	
Refundable tax on CCPC's investment income – 6 2/3% of the lesser of amounts i or ii		<u>0</u> D
Subtotal (add li	ines A, B, C, and D)	<u>0</u> E
Deduct:	0.0	
Small business deduction from line 430 of page 4	0	
Federal tax abatement 608	<u> </u>	
Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27	0	
COO.		
Investment corporation deduction	0	
(taxed capital gains 6240)	0	
Additional deduction – credit unions from Schedule 17	<u> </u>	
Federal foreign non-business income tax credit from Schedule 21	0	
Federal foreign business income tax credit from Schedule 21	0	
Accelerated tax reduction from amount N of page 4	0	
Resource deduction from line 438 of page 5	<u> </u>	
General tax reduction for CCPCs from amount R of page 5	0	
General tax reduction from amount CC of page 5	<u> </u>	
Federal logging tax credit from Schedule 21 640	0	
Federal political contribution tax credit	0_	
Federal political contributions 646		
Federal qualifying environmental trust tax credit	0_=	
Investment tax credit from Schedule 31	0	
Subtotal	0	0_F
	<del></del>	0
Part I tax payable – Line E minus line F (enter amount G on line 700 of page 8)		0_

— Summary of tax and credits	
Federal tax	
Part I tax payable from page 7	700
Part I.3 tax payable from Schedule 33, 34, or 35	704
Part II surtax payable from Schedule 46	700
Part IV tax payable from Schedule 3	712
	716
	720
Part VI tax payable from Schedule 38	724 0
Part VI.1 tax payable from Schedule 43	727 0
Part XIII.1 tax payable from Schedule 92	728
Part XIV tax payable from Schedule 20	Total federal tax 0
Add provincial and territorial tax:  Provincial or territorial jurisdiction  (if more than one jurisdiction, enter "multiple" and complete Schedule 5)  Net provincial and territorial tax payable (except Quebec, Ontario, and Alberta)  Provincial tax on large corporations (New Brunswick and Nova Scotia)	. 760 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
Deduct other credits:	
Investment tax credit refund from Schedule 31	. 780
Dividend refund from page 6	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 from Form T1131	796 0
Film or video production services tax credit refund from Form T1177	797 0
Tax withheld at source	800
	0
Allowable refund for non-resident-owned investment corporations from Schedule 26	. 804
Hoyanios deductible direct Cyristate Fichilisator Crash	. 808 O . 812 O
Tax remitted under Syncrude Remission Order  Tax instalments paid  Total credits	. <b>840</b> 0 0 B
Refund code 894 0 Overpayment 0	Balance (line A minus line B)
Direct deposit request	If the result is negative, you have an overpayment.
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:	If the result is positive, you have a <b>balance unpaid</b> .  Enter the amount on whichever line applies.  We do not charge or refund a difference of less than \$2.
Start Change information 910 Branch number	Balance unpaid
914 918	
Institution number Account number	Enclosed payment 898
If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance of tax is due?	896 1 Yes 2 No X
Certification —	
I, 950 PAVILONIS 951 PETER	954 CHAIR
Last name in block letters First name in block letters	Position, office or rank
am an authorized signing officer of the corporation. I certify that I have examined this return, in and that the information given on this return is, to the best of my knowledge, correct and comp income for this taxation year is consistent with that of the previous year except as specifically of the previous year except as specifically of the previous year.	lete. I further certify that the method of calculating
955	956
Date (yyyy/mm/dd) Signature of the authorized signing officer of the contact person the same as the authorized signing officer? If No, complete the information	
050	959
958 Name is block letters	
Name in block letters	Telephone number
Language of correspondence - Langue de correspondance	
Indicate the language of your choice.	1 English/Anglais X 2 Français/French

NEWBURY POWER INC Sch. 001 Account/Business No.:879744126RC0001 Year Ended: 2002-12-31

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

### **NET INCOME (LOSS) FOR INCOME TAX PURPOSES**

- 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.
- 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 an this schedule are from the "Income Tax Act."
- For more information, see the "T2 Corporation Income Tax Guide."

Net income (loss) after taxes and extraordinary items per financial statements.  Additions:  Amortization of tangible assets		12,930	-25,132	A
Subtotal of additions		12,930	12,930	
Other Additions:				
Miscellaneous Other Additions:				
Subtotal of Other Additions	199	0	0	
Total Additions	500	12,930	12,930	
Deductions: Capital cost allowance from Schedule 8	403	9,681 9,681	9,681	
Other Deductions:				
Miscellaneous Other Deductions:				
Subtotal of Other Deductions	499	0	0	
Total Deductions	510	9,681	9,681	
Net income (loss) for income tax purposes (enter on line 300 on the T2 return)			-21,883	

2002-12-31

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

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

- For use by a corporation to determine the continuity and use of available losses; to determine the current-year non-capital loss, farm loss, restricted farm loss, and limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that may be applied in a year; and to request a loss carryback to prior years.
- The corporation can choose whether or not to deduct an available loss from income in a taxation year. It can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- For a detailed description and calculation of these losses, see Interpretation Bulletin IT-232,
   "Losses Their Deductibility in the Loss Year or in Other Years." For information on these losses, see the "T2 Corporation Income Tax Guide."
- File one completed copy of this schedule with the T2 return, or forward 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	-21,883	
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)0	0	
Subtotal (if positive, enter "0"	) -21,883	
Deduct: (increase a loss)		
Section 110.5 - Addition for foreign tax deductions	0	
Subtota	-21,883	
Add: (decrease a loss)		
Current-year farm loss	0	
Current-year non-capital loss (if positive, enter "0")	-21,883	
	*********	

Continuity of non-capital losses and request for a carryback			
Non-capital loss at the end of preceding taxation year	14,784		
Deduct: Non-capital loss expired after seven taxation years	0		
Non-capital losses at beginning of			
taxation year	14,784		
Add: Non-capital losses transferred on amalgamation or			
wind-up of subsidiary corporation	0		
Current-year non-capital loss (from calculation above)	21,883	36,667	

T2 SCH 4 E (01)

(Ce formulaire existe en français.)

Page 1 of (4 or 6)

NEWBURY POWER INC	44106760001		,	0000 10 01	Sch.	004
Account/Business No.:8797	44126RC0001	Year End	ea:	2002-12-31		
— Continuity of non-capital losses and re	equest for a carrybac	k (cont'd) —				
Deduct:		, ,				
Amount applied against taxable income						
(enter on line 331 of the T2 return)			0			
Amount applied against taxable dividends subject to Pa			0			
Section 80 - Adjustments for forgiven amounts		- N. B. O. O. S.	0			
Subsection 111(10) - Adjustments for fuel tax rebate  Other adjustments			0	0		
Other adjustments			U			
			Subtotal	36,667		
Deduct - Request to carry back non-capital loss to:				·		
First preceding taxation year to reduce taxable income		901	0			
Second preceding taxation year to reduce taxable inco		040404040144044444444	0			
Third preceding taxation year to reduce taxable income		903	0			
First preceding taxation year to reduce taxable dividend		Det l				
subject to Part IV tax		911	0			
Second preceding taxation year to reduce taxable divided subject to Part IV tax		912	0			
Third preceding taxation year to reduce taxable divider			o o			
subject to Part IV tax		913	0	0		
Non-capital losses - Closing balance			180	36,667		
— Election under paragraph 88(1.1)(f)						
Paragraph 88(1.1)(f) election indicator				es [ ]		
Loss from a wholly owned subsidiary deemed to be a los						
preceding taxation year.						
Part 2 - Capital losses						
— Continuity of capital losses and reque	est for a carryback —					
Capital losses at end of preceding taxation year	<del>-</del>		0			
Capital losses transferred on amalgamation or wind-up						
subsidiary corporation		205	0			
Current-year capital loss (from Schedule 6 calculation) .		210	0	0		
Add:			Texas I			
Allowable business investment loss expired as non-cap	pital loss	0x	4/3 220	0		
			0	0		
Deduct:			Subtotal	0		
Amount applied against current-year capital gain						
(see note 1)		225	0			
Section 80 - Adjustments for forgiven amounts			0			
Other adjustments		250	0	0		
			Subtotal	0		
Deduct - Request to carry back capital loss to: (see	note 2)					
^-	unital ania		Amount			
	ıpital gain 0%)		carried back (100%)			
First preceding taxation year	0	951	(100%)			
Second preceding taxation year	0	(	0			
Third preceding taxation year	0	953	0	0		

Capital losses - Closing balance.

0

NEWBURY POWER INC			Sch.	004
Account/Business No.:879744126RC0001	Year Ended:	2002-12-31		

## Part 2 - Capital losses

<ul> <li>Continuity</li> </ul>	y of capital	losses and	request for a	carryback (	(cont'd
--------------------------------	--------------	------------	---------------	-------------	---------

Capital losses carried back to taxation years ending before February 28, 2000, the inclusion rate is 3/4. Capital losses carried back to taxation years starting after October 17, 2000, the inclusion rate is 2/3. For taxation years that straddle February 28, 2000 or October 18, 2000, the inclusion rate will be determine by dividing the total taxable capital gain by the total capital gain.

### Note 1

On line 332 of the T2 return, enter the amount from line 225 multiplied by the current year inclusion rate (see Schedule 6.)

### Note 2

Enter on lines 225, 951, 952, or 953, whichever is applicable, 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 it is applied.

Part 3 - Farm losses

— Continuity of farm losses and request for a carryback ———————			
Farm losses at end of preceding taxation year	0		
Deduct: Farm loss expired after 10 taxation years	0		
Farm losses at beginning of taxation year			
Add: Farm losses transferred on amalgamation or			
wind-up of subsidiary corporation	0		
Current-year farm loss	0	0	
Deduct:			
Amount applied against taxable income	_		
(enter on line 334 of the T2 return)	-		
Amount applied against taxable dividends subject to Part IV tax			
Section 80 - Adjustment forgiven amount			
Other adjustments	0	0	
	Subtotal	0	
Deduct - Request to carry back farm loss to:	-	0	
First preceding taxation year to reduce taxable income	] 0	0	
First preceding taxation year to reduce taxable income	0	0	
First preceding taxation year to reduce taxable income	0	0	
First preceding taxation year to reduce taxable income	0 0	0	
First preceding taxation year to reduce taxable income	0 0	0	
First preceding taxation year to reduce taxable income		0	
First preceding taxation year to reduce taxable income.  Second preceding taxation year to reduce taxable income.  Third preceding taxation year to reduce taxable income.  First preceding taxation year to reduce taxable dividends subject to Part IV tax.  Second preceding taxation year to reduce taxable dividends subject to Part IV tax.  931  Second preceding taxation year to reduce taxable dividends subject to Part IV tax.  932		0	
First preceding taxation year to reduce taxable income.  Second preceding taxation year to reduce taxable income.  Third preceding taxation year to reduce taxable income.  First preceding taxation year to reduce taxable dividends subject to Part IV tax.  Second preceding taxation year to reduce taxable dividends subject to Part IV tax.  Second preceding taxation year to reduce taxable dividends subject to Part IV tax.  Satisfactorial preceding taxation year to reduce taxable dividends		0	
First preceding taxation year to reduce taxable income.  Second preceding taxation year to reduce taxable income.  Third preceding taxation year to reduce taxable income.  First preceding taxation year to reduce taxable dividends subject to Part IV tax.  Second preceding taxation year to reduce taxable dividends subject to Part IV tax.  931  Second preceding taxation year to reduce taxable dividends subject to Part IV tax.  932		0	
First preceding taxation year to reduce taxable income.  Second preceding taxation year to reduce taxable income.  Third preceding taxation year to reduce taxable income.  First preceding taxation year to reduce taxable dividends subject to Part IV tax.  Second preceding taxation year to reduce taxable dividends subject to Part IV tax.  Third preceding taxation year to reduce taxable dividends subject to Part IV tax.  Third preceding taxation year to reduce taxable dividends subject to Part IV tax.  933		0	
First preceding taxation year to reduce taxable income.  Second preceding taxation year to reduce taxable income.  Third preceding taxation year to reduce taxable income.  First preceding taxation year to reduce taxable dividends subject to Part IV tax.  Second preceding taxation year to reduce taxable dividends subject to Part IV tax.  Second preceding taxation year to reduce taxable dividends subject to Part IV tax.  Satisfactorial preceding taxation year to reduce taxable dividends		0	

Restricted Farm Loss Determination:	
Is the corporation exempt from the restricted farm loss rules?	
(A reply of "NO" triggers the restricted farm loss rules.)	

NEWBURY POWER INC Account/Business No.:879744126RC0001 Year Ended:		2002-12		. 004
Teal Ended.		2002 12		
art 4 - Restricted farm losses  — Current-year restricted farm loss ——————————————————————————————————				
otal losses for the year from farming business	485	0	Δ	
linus the deductible farm loss:	· —	3	~	
\$2,500 plus B or C, whichever is less	2,500			
(Amount A above 0 - \$2,500) divided by 2 = 0 B				
6,250 <b>C</b>	0	2,500		
urrent-year restricted farm loss (enter this amount on line 410)		0		
		**********		
Continuity of restricted farm losses and request for a carryback				
estricted farm losses at end of preceding taxation year	0			
educt: Restricted farm loss expired after 10 taxation years	0			
estricted farm losses at beginning of taxation year.	0			
dd: Restricted farm losses transferred on amalgamation or wind-up	o			
f subsidiary corporation	0			
urrent-year restricted farm loss	· ·			
enter on line 233 of Schedule 1).	0	0		
educt:	_			
Amount applied against farming income				
(enter on line 333 of the T2 return).	0			
Section 80 - Adjustments for forgiven amounts	0			
Other adjustments	0	0		
	Subtotal	0		
educt - Request to carry back restricted farm loss to:				
First preceding taxation year to reduce farming income	0			
Second preceding taxation year to reduce farming income	0			
Third preceding taxation year to reduce farming income	0	0		
lastificated forms langua. Clastics halouse	480	0		
estricted farm losses - Closing balance		0		
lote				
he total losses for the year from all farming businesses are computed without including any				
cientific research expenses.				
art 5 - Listed personal property losses — Continuity of listed personal property loss and request for a carryback —————				
sted personal property losses at end of preceding taxation year	548	0		
educt: Listed personal property loss expired after seven taxation years		0		
isted personal property losses at beginning of taxation year		0		
dd: Current-year listed personal property loss (from Schedule 6)		0		
	Subtota	0		
educt:				
Amount applied against listed personal property gains				
(enter on line 655 of Schedule 6)	0			
Other adjustments	0	0		
		-		
adust Dequest to serve heat listed personal property less to	Subtota	0		
reduct - Request to carry back listed personal property loss to:				
First preceding taxation year to reduce listed personal property gains	0			
	U			
Second preceding taxation year to reduce listed personal property gains962	0			
Third preceding taxation year to reduce listed	U			
personal property gains	0	0		
personal property gains	Ü	U		

NEWBURY POWER INC Sch. 004-Non. Account/Business No.:879744126RC0001 Year Ended: 2002-12-31

### Part 6 - Analysis of balance of losses by year of origin

	Balance at	Loss Incurred	Adjustments and	Loss Carried		Applied to Reduce			
Year of origin	Beginning of year	in Current Year	Transfers <f1> for help</f1>	Back Parts I & 4		Taxable Income	Part IV Tax		Balance at End of Year
Current	N/A	21,883	0		0	N/A		0	21,883
2001	5,990	N/A	0	N/A			0	0	5,990
2000	8,794	N/A	0	N/A			0	0	8,794
2000	0	N/A	0	N/A			0	0	0
999	0	N/A	0	N/A			0	0	0
.998	0	N/A	0	N/A			0	0	0
1997	0	N/A	0	N/A			0	0	0
1996	0	N/A	0	N/A			0	0	0
				*********	-				
Total	14,784	21,883	0		0		0	0	36,667

	Balance at	Loss Incurred		Adjustments and	Loss Carried		Applied to Reduce				
Year of	Beginning	in Current		Transfers	Back		Taxable	Part IV		Balance at	
origin	of year	Year		<f1> for help</f1>	Parts I & 4		Income	Tax		End of Year	
Current	N/A		0	0		0	N/A		0		0
2001	0	N/A		0	N/A		0		0		0
2000	0	N/A		0	N/A		0		0		0
2000	0	N/A		0	N/A		0		0		0
1999	0	N/A		0	N/A		0		0		0
1998	0	N/A		0	N/A		0		0		0
1997	0	N/A		0	N/A		0		0		0
1996	0	N/A		0	N/A		0		0		0
1995	0.	N/A		0	N/A		0		0		0
1994	0	N/A		0	N/A		0		0		0
1993	0	N/A		0	N/A		C		0		0 *
	*********										
Total	0		0	0		0	C		0		0

ted farm losses	Loss	Adjuct	monto			Applied to D	oduc		
Balance at Beginning of year	Incurred in Current Year	and Transi	ers	Loss Carried Back					Balance at End of Year
N/A		0	0		0	N/A		N/A	0
0	N/A		0	N/A			0	N/A	0
0	N/A		0	N/A			0	N/A	0
0	N/A		0	N/A			0	N/A	0
0	N/A		0	N/A			0	N/A	0
0	N/A		0	N/A			0	N/A	0
0	N/A		0	N/A			0	N/A	0
0	N/A		0	N/A			0	N/A	0
0	N/A		0	N/A			0	N/A	0
0	N/A		0	N/A			0	N/A	0
0	N/A		0	N/A			0	N/A	0 *
0	nementen.	0	0		0		0	N/A	0
	Balance at Beginning of year  N/A  0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Balance at Beginning of year  N/A  N/A  N/A  N/A  N/A  N/A  N/A  N/	Balance at Incurred and Beginning in Current Transf of year Year <f1> in Current Transf of year Year N/A</f1></f1></f1></f1></f1></f1></f1></f1>	Balance at Incurred and Beginning in Current Transfers F1> for help  N/A  0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A 0 N/A	Balance at Beginning of year         Incurred in Current Year         Adjustments and Loss Transfers Carried Seck           N/A         0         0           N/A         0         N/A           0         N/A         0         N/A           0         N/A         0         N/A           0         N/A         0         N/A           0         N/A         0         N/A           0         N/A         0         N/A           0         N/A         0         N/A           0         N/A         0         N/A           0         N/A         0         N/A           0         N/A         0         N/A           0         N/A         0         N/A           0         N/A         0         N/A           0         N/A         0         N/A           0         N/A         0         N/A           0         N/A         0         N/A           0         N/A         0         N/A           0         N/A         0         N/A           0         N/A         0         N/A           0	Loss   Adjustments   Balance at   Incurred   and   Loss   Carried   of year   Year   Year   <f1> for help   Back   Shape   S</f1>	Loss	Loss   Adjustments   Applied to Reduct	Balance at   Incurred   and   Loss   Taxable   Part IV

NEWBURY POWER INC Sch. 008 2002-12-31

## Account/Business No.: 879744126RC0001 Year Ended:

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5q)? [101] N  $\,$ 

Class No. [200]	UCC at Beginning of Year [201]	Cost of Additions During Year [203]	Adjustments [205]	Lesser of Cost or Proceeds [207]	1/2 of [203]-[207] [211]	Rate % [212]	Recapture of Capital Cost Allowance [213]	Terminal (Loss [215]	Capital Cost Allowance [217]	Undepreciated Capital Cost end of year [220]
1.	173,262	0	0	0	0	4	0	0	6,930	166,332
10	3,797	10,746	0	0	5,373	30	0	0	2,751	11,792
	*********		******				***	~~~~~~	****	
Total	177,059	10,746	0	0	5,373		0	0	9,681	178,124
	*******	******	********	******	******		**********	**********	**********	**********

NEWBURY POWER INC

Account/Business No.: 879744126RC0001 Year Ended:

RELATED AND ASSOCIATED CORPORATIONS

2002-12-31

Sch. 009

This schedule is to be completed by a corporation having one or more of the following:

- related corporation(s)
- associated corporation(s)

				Number		Number	of	
	Ctry		Rela-	of	% of	of	pre-	Book
	of		tion-	common	common	preferred	ferred	value of
	resi-	Business	ship	shares	shares	shares	shares	capital
Name	dence	Number	Code	owned	owned	owned	owned	stock
		(Note)						
[100]	[200]	[300]	[400]	[500]	[550]	[600]	[650]	[700]
		7.000000 <del>1.000000</del>						
THE CORP OF VILLAGE OF	NEWBURY		1	165,626	100.00	C	0.00	165,626

Note: Enter "NR" if a corporation is not registered.

### Relationship code:

1 - Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated

The relationship code represents the relationship that the corporation named has to the filing corporation. For example, if the corporation is the parent corporation of the filing corporation, then the relationship code is "1".

Schedule 9

NEWBURY POWER INC
Account/Business No.:879744126RC0001 Year Ended: 2002-12-31

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

# SHAREHOLDER INFORMATION (1998 and later taxation years)

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	Business Number	Social Insurance Number	Percentage common shares	Percentage preferred shares
100	(note 1) 200	(note 2)	400	500
THE CORPORATION OF THE VILLAGE OF NEWBURY			100.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00

Note 1: If a corporate shareholder does not have a business number, NR must be entered to indicate the corporation is not registered.

**Note 2:** If an individual shareholder does not have a social insurance number, NA must be entered to indicate the SIN is not available.

Note 3: If a trust holds 10% or more of the corporation's common or preferred shares, enter "NR" for the business number and, if space permits, enter the trust's name and account number. Do not enter anything in the "SIN" column.

T2 SCH 50 (99)



## MPDC – Newbury

Attachment 3 2003 Supporting Documentation

APR 2 0 2004

NEWBURY POWER INC.

AUDITORS' REPORT AND FINANCIAL STATEMENTS

**DECEMBER 31, 2003** 

APR 2 0 2004





150 Richmond Street P.O. Box 218 Chatham, Ontario Canada N7M 5K3

T. 519.351.2024 F. 519.351.8831

email: chatham@collinsbarrow.cor

#### **AUDITORS' REPORT**

To the Shareholders of Newbury Power Inc.

We have audited the balance sheet of Newbury Power Inc., as at December 31, 2003 and the statements of income, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

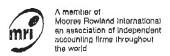
We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts in the financial statements. An audit also includes assessing the accounting principles used and the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2003 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chatham, Ontario March 2, 2004

CHARTERED ACCOUNTANTS

Callino Karron



### FINANCIAL STATEMENTS

**DECEMBER 31, 2003** 

Statement of income	1
Statement of retained earnings	2
Balance sheet	3
Statement of cash flows	4
Notes to financial statements	5 - 10

1

## NEWBURY POWER INC.

### STATEMENT OF INCOME

## YEAR ENDED DECEMBER 31, 2003

		2003	2002
SERVICE REVENUE			
Residential	\$	116,848	\$ 135,032
Industrial		155,529	184,485
Street lighting and other	-	6.989	 3,150
		279,366	322,667
COST OF POWER	\d	238,678	 290,238
GROSS PROFIT	_	40,688	 32,429
EXPENSES			
Administration		25,368	34,078
Amortization		12,930	12,930
Billing and collection		8,690	10,118
Distribution		5,961	7,544
Interest on long-term debt		6.865	 0.734
		59.814	 75,404
INCOME (LOSS) BEFORE OTHER INCOME		(19,126)	(42,975)
OTHER INCOME		13,568	7.843
NET INCOME (LOSS)	<u>\$</u>	(5,558)	\$ (25,132)



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NEWBURY POWER INC.

STATEMENT OF RETAINED EARNINGS

YEAR ENDED DECEMBER 31, 2003

	2003	2002
BALANCE (DEFICIT), BEGINNING		
As previously reported Correction of an error (note 3)	\$ (18,989) \$	(13,333) 19,476
As restated	(18,989)	6,143
NET INCOME (LOSS)	(5,558)	(25,132)
BALANCE (DEFICIT), ENDING	<u>\$ (24,547)</u> \$	(18,989)

	•	1

### **BALANCE SHEET**

**DECEMBER 31, 2003** 

	2003	2002
ASSETS		41
CURRENT ASSETS Cash Accounts receivable (note 4) Deferred charges Prepaid expenses	\$ 43,210 62,310 3,120 2,742 111,382	\$ 43.985 58,142 4,160 1,242 107,529
REGULATED ASSET (note 5) CAPITAL ASSETS (note 6) OTHER ASSETS (note 7)	5,620 168,700 6,144 \$	5,620 179,688 7,044 \$ 299,881
LIABILITIES		
CURRENT LIABILITIES Accounts payable and accrued charges Current portion of long-term debt	\$ 61,620 1,727 63,347	\$ 59,911 1,423 61,334
LONG-TERM DEBT (note 8)	<u>87,420</u> <u>150,767</u>	91,910
SHAREHOLDERS' EQUITY	130,707	153,244
CAPITAL STOCK (note 9) DEFICIT	165,626 (24,547) 141,079	165,526 (18,989) 146,537
	\$ 291.846	\$ 299,381

## ON BEHALF OF THE BOARD

Director

Director



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### STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2003	YEAR	<b>ENDED</b>	<b>DECEMBER</b>	31, 2003
------------------------------	------	--------------	-----------------	----------

YEAR ENDED DECEMBER 31, 2003	2003	2002
CASH PROVIDED BY (USED IN)		
OPERATIONS		
Net income (loss)	\$ (5,558)	\$ (25,132)
Items not requiring cash:		
Amortization	12,930 7,372	12,931
Net change in non-cash working	7,372	(12,201)
capital items affecting operations (note 10)	(3,959)	18.934
	3,413	6,733
INVESTING		/ · · · · · · · · · · · · · · · · · · ·
Purchase of capital assets Increase in regulated asset	S.	(10,748) (5,620)
		(16,368)
FINANCING		
Repayment of long-term debt	(4,188)	(6.667)
INCREASE (DECREASE) IN CASH POSITION	(775)	(16,302)
CASH POSITION, BEGINNING	43,985	60,287
CASH BOSTION ENDING	f 40.242	1900
CASH POSITION, ENDING	<u>\$ 43,210</u>	<u>\$43,985</u>



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## NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2003** 

## I. NATURE OF ACTIVITIES

The company, incorporated January 12, 2000 under the laws of Ontario, operates a hydro electric power distribution company. Pursuant to an agreement dated September 30, 2000, specified assets and liabilities of Newbury Hydro were transferred to the company and the company began the business of distribution of hydro services.

## 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for government organizations. The significant accounting policies are as follows:

#### CASH

Cash may consist of amounts on deposit plus term deposits with maturity dates less than one year.

#### CAPITAL ASSETS

Amortization of capital assets is calculated using the straight-line method, based on the estimated useful life of the asset, as follows:

Distribution system - overhead Distribution system - underground Line transformers Meters Office equipment	25 years 25 years 25 years 25 years 10 years
------------------------------------------------------------------------------------------------------------	----------------------------------------------------------

## INCORPORATION COSTS

Amortization is calculated on the straight-line method over 10 years.

## DEFERRED CHARGES

Amortization is calculated on the straight-line method over five years.



#### NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2003** 

#### 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### REVENUE

Revenue is recorded when power is consumed.

#### **USE OF ESTIMATES**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of certain revenue and expenses during the year. Actual results could differ from these estimates.

#### 3. CORRECTION OF AN ERROR

This adjustment is a result of failure to record accounts receivables for amounts that are collectable on behalf of another organization but should be included within the company receivables.

4. ACCOUNTS RECEIVABLE	2003	2002
Electrical energy Water and sewer Sundry GST	\$ 41,231 17,667 3,551 (139)	\$ 26,597 19,479 2,443 (377)
	\$ 62,310	\$ 58,142



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#### NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2003** 

#### 5. REGULATED ASSET

2003

2002

Excess power cost

5,620 \$ 5,620

This amount represents the excess of the cost of power purchased by the company over the revenue recovered from customers as a result of regulatory restrictions. On January 15, 2004 final filing guidelines were established for the recovery of regulated assets, the company anticipates that it will be able to recover the variance..

#### 6. CAPITAL ASSETS

2003

2002

	 Cost	umulated ortization	Net	 Net
Distribution system - overhead Distribution system - underground Line transformers Meters Office equipment	\$ 142,936 41,445 56,992 18,413 7,091	\$ 52,227 12,130 22,807 7,103 3,910	\$ 90,709 29,315 34,185 11,310 3,181	\$ 96,480 30,924 36,465 12,047 3,772
	\$ 266,877	\$ 98,177	\$ 168,700	\$ 179.688

#### 7. OTHER ASSETS

2003

2002

Incorporation costs, net of accumulated amortization

6,144

7,044



## NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2003** 

8. LONG-TERM DEBT		2003	2002
7.25% note payable to sharcholder, in annual instalments of \$11,153 principal and interest, due June 2016	.\$	89,147	\$ 93,33
Current portion	_	1.727	
	\$_	87,420	\$ 91,910
The instalments required to be paid over the next five years are as follows:			
2004 2005 2006 2007 2008	\$	1,727 4,816 5,165 5,539 5,940	
Total	\$	23,187	
CAPITAL STOCK			· **
O. CAPITAL STOCK		2003	2002
UTHORIZED			
Inlimited common shares without par value			
SSUED			
55,626 common shares	\$	1 <u>65,626</u>	\$ 165,626



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NEWBURY POWER INC.

## NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2003** 

10. STATEMENT OF CASH FLOWS	2003	2002
a) Change in Non-cash Working Capital Balances		
The net change in non-cash working capital balances related to operations is represented by the following:		
Accounts receivable Prepaid expenses Accounts payable and accrued charges	\$ (4,168) (1,500) 1,709 \$ (3,959)	\$ 7,553 2,028 9,353 \$ 18,934
b) Interest Received/Paid	/	10,774
Interest on short-term investments	\$ 1,273	\$ 882
Interest paid	\$ 6.967	\$ 7,250

## 11. COMPARATIVE FIGURES

The presentation of certain accounts of the previous year has been changed to conform with the presentation adopted for the current year.



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NEWBURY POWER INC.

NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2003** 

## 12. FINANCIAL INSTRUMENTS

The carrying value of cash, accounts receivable, accounts payable and accrued charges approximates fair value due to the relatively short-term maturities of these instruments. The fair value of long-term debt is based on rates currently available to the company for debt with similar terms and maturities and are not significantly different from their carrying values.

The company is exposed to credit risk with respect to its accounts receivable. However, this is minimized by the company's large customer base. The company maintains provisions for potential credit losses, and any such losses to date have been within management's expectations.





#### Ministry of Finance

Corporations Tax Branch PO Box 620 33 King Street West Oshawa ON L1H 8E9

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the Exempt from Filing (EFF) declaration on page 2 or file the CT23 Return on pages 3-17, together with the applicable schedules on pages 2003

# CT23 Corporations Tax and Annual Return For taxation years commencing after Sent

For taxation years commencing after September 30, 2001

Corporations Tax Act - Ministry of Finance (MOF)

Corporations Information Act - Ministry of Consumer and Business Services (MCBS)

(formerly Ministry of Consumer and Commercial Relations)
The Annual Return (common page 1 and MCBS Schedule A on pages 22 and 23, and Schedule K on page 24) contains non-tax information collected under the authority of the Corporations Information Act for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

Form criteria, may request and file the CT23 Short-Form Return (see page 2).	willistry ose
MCBS Annual Return Required? (Not required if already filed or Annual Return exempt, Refer to Guide)  X Yes No Page 1 of 24	
Corporation's Legal Name (including punctuation)	Ontario Corporations Tax Account No. (MOF)
ALEMBURY BOWER W.C.	6820376
NEWBURY POWER INC Mailing Address	This CT23 Return covers the Taxation Year year month day
Maining Address	Start 2003-01-01
22910 HAGERTY ROAD	year month day
	End 2003-12-31
NEWBURY	
ON CA NOL-1Z0	
Has the mailing address changed since last filed CT23 Return?  Yes Date of Change year month day	Date of Incorporation or Amalgamation  year month day
Registered/Head Office Address	2000-01-12
22910 HAGERTY ROAD	
	Ontario
NEWBURY	Corporation No. 1394004
ON CA N0L-1Z0	(MCBS)
Location of Books and Records	
22910 HAGERTY ROAD	Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.
NEW DUDY	If applicable, enter
NEWBURY	879744126RC0001
ON CA NOL-1ZO	
Name of person to contact regarding this CT23 Return  Telephone No.  Fax No.	Jurisdiction
PETER PAVILONIS	Incorporated ONTARIO
Address of Principal Office in Ontario (Extra-Provincial Corporations only) (MCBS)	If not incorporated in Ontario, indicate the
	date Ontario business activity commenced and ceased:
	year month day
	Commenced
ON CA -	year month day
Former Corporation Name (Extra-Provincial Corporations only)  Not Applicable (MCBS)	Ceased
	X Not Applicable
	Preferred Language/Langue de préférence
Information on Directors/Officers/Administrators must be completed on MCBS  No. of Schedule(s)	English French
Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS).	Anglais français Ministry use
If there is <b>no change</b> to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please X this box. Schedule(s) A and K are not required (MCBS).	
Certification (MCBS)	'
I certify that all information set out in the <b>Annual Return</b> is true, correct and complete.	
Name of Authorized Person (Print clearly or type in full)	
PETER PAVILONIS	
Title: Director X Officer Other individual having knowledge of the affairs of the Corporation	
Note: Sections 13 and 14 of the Corporations Information Act provide penalties for making false or misleading s	tatements or omissions.
Treater escapence to and 14 of the corporations information not provide penalties for making laise of misicading s	Catalitation of Offications

6820376

2003-12-31

## **CT23 Corporations Tax Return**

Identification continued (for CT23 filers only)

Type of Corporation – Please "X" box(es) if applicab	le in sections 1 & 2	Ontario Retail Sales Tax Vendor Permit No. (Use Head Office no.)
Canadian-controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))		if applicable, enter Ontario Employer Health Tax Account No.
2 X Other Private		(Use Head Office no.) if applicable, enter
3 Public		ii applicable, etitel
4 Non-share Capital	Share Capital with full voting rights (nearest percent)	
5 Other (specify)	owned by Canadian Residents	Specify major business activity
Eamily Farm Corporation s.1 (2)	14 Bare Trustee Corporation	
2 Family Fishing Corporation s.1 (2)	15 Branch of Non-resident s.63(1)	
3 Mortgage Investment Corporation s.47	Financial institution prescribed by Regulation only	
4 Credit Union s.51	17 Investment Dealer	
5 Bank Mortgage Subsidiary s.61 (4)	Generator of electrical energy for sale or producer of steam for use in the generation	
6 Bank s.1 (2) 7 Loan and Trust Corporation s.61 (4)	of electrical energy for sale  19 Y Hydro successor, Municipal Electrical Utility	
Non-resident Corporation	or subsidiary of either	
s.2(2)(a) or (b)  9 Non-resident Corporation s.2(2)(c)	than for the generation of electricity	
10 Mutual Fund Corporation s.48	21 Insurance Exchange s.74.4 22 Farm Feeder Finance Co-operative	4
Non-resident owned investment Corporation s.49	Corporation	
Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)	23 Professional Corporation (incorporated professionals only)	
Please "X" box(es) if applicable:		
First Year of Filing  Amended Return	Final Taxation Year up to Dissolution (wind-up) (Note: For discontinued businesses, see Guide.) Final Taxation Year before Amalgamation	Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
Taxation Year End has changed - Canada Customs and Revenue Agency (formerly Revenue Canada) approval required	Floating Fiscal Year End	Acquisition of Control fed s.249(4)  Date Control was acquired  year month day
Was the corporation inactive throughout the taxation year?	?	Yes No
Has the corporation's Federal T2 Return been filed with th	e Canada Customs and Revenue Agency (CCRA)?	x $\square$
Are you requesting a refund due to: the Carry-back of a	Loss?	X
an Overpayment?		<u> </u>
a Specified Refund	able Tax Credit?	
Are you a Member of a Partnership or Joint Venture?		X

* Note: Ontario Allocation for IDSBC purposes may differ from

continued on Page 5

Taxation Year End

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NEWBURY POWER INC 2003-12-31 Income Tax DOLLARS ONLY Allocation - If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Int.B. 3008). 16,657. Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15) 690 0. Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule 2) 2 0. Subtract: Taxable dividends deductible, per federal T2 SCH 3 3 0. Subtract: Ontario political contributions (Attach schedule 2A) (Int.B. 3002) 0. Subtract: Federal Part VI.1 tax 0. 5 0. Subtract: Prior years' losses applied -Non-capital losses 16.657. 704 From 715 714 0. X rate 50.000000% Net capital losses (page 16) Farm losses 724 0. Restricted farm losses 734 0. Limited partnership losses 0. 754 Taxable Income (Non-capital loss) 0. 10 Addition to taxable income for unused foreign tax deduction for federal purposes 10 + 11 (if 10 is negative, enter 0. 11 1) Adjusted Taxable Income 20 Number of Days in Taxation Year Days after Sept. 30, 2001 Taxable Income Total Days and before Jan. 1, 2004 0.x 30 365 365 100.00<u>00</u>%x 12.5000% X 73 29 Ontario Allocation Days after Dec. 31, 2003 and before Jan. 1, 2005 Total Days 10 (or 20 if applicable) 30 100.0000 %x 14.0000 % 0 365 32 0. 0.×1 Ontario Allocation 40 29 32 Income Tax Payable (before deduction of tax credits) Incentive Deduction for Small Business Corporations (IDSBC) (s.41) (If this section is not completed, the IDSBC will be denied.) Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a)) 50 Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b)) 51 0. Add: Losses of other years deducted for federal purposes (fed.s.111) 52 0. 0. Subtract: Losses of other years deducted for Ontario purposes (s.34) 53 0. 54 Federal Business limit for the year before the application of fed.s.125(5.1) 55 0. (not exceeding \$200,000) Add: Ontario enhancement of federal business limit Number of Days in Taxation Year Days after Sept. 30, 2001 and before Jan. 1, 2003 Total Days 0 x 365 28 73 X From 55 43 0. 0 200,000 Days after c. 31, 2002 and Total Days 0 x 73 365 X From 0 200,000 Days after Dec 31, 2003 and before Jan 1, 2005 Total Days n x 31 73 365 47 200,000 0 Ontario enhancement o 0. 43 47 46 federal business limit 0. 45 **Business Limit for Ontario purposes** 55 44 100.0000% 0. 30 56 60 χI Income eligible for the IDSBC From

* Ontario Allocation

30 If Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).

Least of 50

From 86

From 87

70 or 88

Surtax Lesser of 70 Continued on Page 6

0 X From 94

From 60

0000%

From 114

87

88

100

0.

0.

0

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NEWBURY POWER INC

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Income Tax continued from Page 5

Additional Deduction for Credit Unions (s.51(4)) (Attach schedule 17)	110 0.
Manufacturing and Processing Profits Credit (M&P) (s.43)  Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations	Šį:
Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletic and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontschedule 27.	
The whole of the active business income qualifies as Eligible Canadian Profits if: a) your active business income from sources other than manufacturing and proc mining, farming, logging or fishing is 20% or less of the total active business income and b) the total active business income is \$250,000 or less.	cessing,
Eligible Canadian Profits +	120 0.
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	rom 56 0.
Add: Adjustment for Surtax on Canadian-controlled private corporations	
From 100 ÷ From 30 100.000 % ÷ From 78 7.0000 % = 121	0.
Lesser of 56 or 121	122 0.
120 - 56 + 122	130 0.
West Control	From 10 0.
and a substitution of the	From 56 0.
	From 122 0.
Subtract: Taxable Income 10 0. X Allocation % to jurisdictions outside Canada 0.0000%	140 0.
Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses	141 0.
10 - 56 + 122 - 140 - 141	142 0.
Claim	
Number of Days in Taxation Year	
Days after Sept 30, 2001 and Total Days	
143] 0 X From [30] 1 0 0 0 0 0 0 x 4 F0000 X 4 F0000 X	= + [154] 0.
Lesser of 130 or 142 *Ontario Allocation X = 1.5000 % X 33 0 ÷ 73 365	
Days after	
Dec 31, 2003 and Total Days before Jan 1, 2005	
143	= + 156 0,
M&P claim for taxation year 154 + 156	= 160 0.
*Note: Ontario Allocation for M&P Credit purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))	
Manufacturing and Processing Profits Credit for Electrical Generating Corporations	= [161] 0.
Manufacturing and Processing Profits Credit for Corporations that Produce	
and Sell Steam for uses other than the Generation of Electricity	<u> </u>
Credit for Foreign Taxes Paid (s.40)	
Applies if you had book a divisal stice a strike Consels on faccing in patrons income (let D. 2004) (Attack askedyle)	170 0.
Applies if you haid tax to a jurisdiction outside Canada on foreign investment income (int.o. 3001) (Attach schedule).	[170]
Credit for Investment in Small Business Development Corporations (SBDC)	
	es Development Corporations
Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Busines Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small E	
Corporations Act)	
Eligible Credit 175 Credit Claimed	180 0.
<b>Subtotal of Income Tax</b> 40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180 = continued on Page 7	190

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Specified Tax Credits (Refer to Guide)			
Ontario Innovation Tax Credit (OITC) (s.43.3) Applies to research and development in Ontario.			
Eligible Credit From 5620 OITC Claim Form (Attach original Claim Form)		+ 191	0.
Co-operative Education Tax Credit (CETC) (s.43.4) Applies to employment of eligible students.			
Eligible Credit From 5798 Surnmary Schedule F		+ 192	0.
Ontario Film & Television Tax Credit (OFTTC) (s.43.5)			
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television produ	ctions,		
Eligible Credit From 5899 either Claim Form from Ontario Media Development Corporation (OMDC) or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.			
(Attach the original Certification/Claim Form received from the OMDC or the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)	****	+ 193	0.
Graduate Transitions Tax Credit (GTTC) (s.43.6)	No. of Graduates From 6596		
Applies to employment of eligible unemployed post secondary graduate.	194		
Eligible Credit From 6598 Summary Schedule G	******	+ 195	0.
Ontario Book Publishing Tax Credit (OBPTC) (s 43.7)			
Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.			
Eligible Credit From 6900 OBPTC Claim Form (Attach both the original Claim Form and the Certificat	ion Form)	+ 196	0.
Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)			
Applies to labour relating to computer animation and special effects on an eligible production.			
Eligible Credit From 6700 Claim Form Certified by Ontario Media Development Corporation			
		+ 197	0.
Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)			
Applies to qualifying R&D expenditures under an eligible research institute contract,			
Eligible Credit From 7100 OBRITC Claim Form (Attach original Claim Form)	*********	+ 198	0.
Ontario Production Services Tax Credit (OPSTC) (s.43.10)			
Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not bee	en claimed.		
Eligible Credit From 7300 either Claim Form from Ontario Media Development Corporation (OMDC)			
or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.			
(Attach the original Certification/Claim Form received from the OMDC or the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)		+ 199	0.
Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)			
Applies to qualifying labour expenditures of eligible products for the taxation year.			
Eligible Credit From 7400 Claim Form certified by Ontario Media Development Corporation			
(Attach original Claim/Certification Form.)		+ 200	0.
Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)			
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.			
Eligible Credit From 7500 OSRTC Claim Form (Attach both the original Claim Form and the Certifical	tion Form)	+ 201	0.
Other (specify)		+ 201.1	0.
Total Specified Tax Credits	99 + 200 + 201 + 201.1	220	0.
Specified Tax Credits Applied to reduce Income Tax	· · · · · · · · · · · · · · · · · · ·	225	0.
Income Tax 190 – 225 OR Enter NIL if reporting Non-Capital Loss (amount cannot be neg	ative)	= 230	0.
To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see <i>Determine</i> CMT on <i>Page 8</i> . If CMT is not applicable, transfer amount in 230 to Income Tax in <i>Summary</i> see		or the	
OR  If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryove	ers that you want to apply to redu	ce	

income tax otherwise payable, then proceed to and complete the Application of CMT Credit Carryovers section part B, on Page 8.

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NEWBURY POWER INC

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#### **Corporate Minimum Tax (CMT)**

#### **Determination of Applicability**

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

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

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

* Total Assets of the corporation		v.I	291.846	L	
* Total Revenue of the corporation			201.040	+ 241 279.36	66.
If you are a member of an associated group (x	(Yes)		The analysis of the section of the s		222
Name of associated corporation (Canadian & foreign) (if insufficient space, attach schedule)	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	* Total Assets	* Total Revenue	
		+	243	•+ 244	
		+	245	<u>+</u> 246	
		+	247	.+ 248	
Aggregate Total Assets 240 + 243 + 24	45 + 247 , etc.		249 291.846		
Aggregate Total Revenue 241 + 244 + 24	46 + 248 , etc.			= 250 279.30	<u>66.</u>
If CMT is applicable to current taxation year, complete on Pages 18, 19 and 20 of CT23.	e section <i>Calculation: CMT</i> b	elow and <i>Corporate Minim</i>	um Tax Schedules A throug	h E	
Calculation: CMT (Attach Schedule A: Calculation	of CMT Base on Page 18.)				
Gross CMT PayableCMT Base From 213			777	276	0.
Subtract: Foreign Tax Credit for CMT purposes (Attac	If negative, enter zero	Ontario Allo	ocation	277	0.
	,			Loo	0.
			reaction and a reaction — Clum	280	0.
Net CMT Payable (If negative, enter Nil on Page 1	/.)		=	200	0.
If 280 is less than zero and you do not have a CMT	credit carryover, transfer	230 from Page 7 to Incom	ne tax Summary, on Page 17		
	•		ic tax cammary, or rage tr		
If 280 is less than zero and you have a CMT credit	carryover, complete A & B be	low.			
If 280 is greater than or equal to zero, transfer 23	to <b>Page 17</b> and transfer	280 to <i>Page 17</i> , and to <i>Sci</i>	hedule D: Continuity of CMT	Credit Carryovers, on Page 2	20.
CMT Credit Carryover available			From	2307	0.
Application of CMT Credit Carryovers					
Income Tax (before deduction of specified credits     Gross CMT Payable		+ From 276	+ From	190	0.
Subtract: Foreign Tax Credit for CMT purposes		- From 277	0.		
If 276 - 277 is negative, enter NIL in 290		4:4	0	290	0.
Income Tax eligible for CMT Credit			**************************************	300	0.
income tax engine for our orealt	**********				
B. Income tax (after deduction of specified credits)			+ From	230	0.
Subtract: CMT credit used to reduce income taxe	OS			310	0.
Income Tax				320	0.
If A & B apply, 310 cannot exceed the lesser of	230 , 300 and your C	MT credit carryover availa	ble 2307.	Transfer to page	e 17
		credit carryover available	2307.		
If only B applies, 310 cannot exceed the lesser	or [200] and your CMT (	neun carryover available	2007		

^{*} These amounts include the corporation's and associated corporations' share of any partnership(s)/joint venture(s) total assets and total revenue.

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

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

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both \$1,500,000 or less and the taxation year ends on or after January 1, 2001, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both \$3,000,000 or less and the taxation year commences after September 30, 2001, your corporation is exempt from Capital tax for the taxation year. A Corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in 550 on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

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

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

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

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

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

Paid-up Capital		
Paid-up capital stock (Int.B. 3012 and 3015)	+ 350	165,626.
Retained earnings (if deficit, deduct) (Int,B. 3012)	± 351	-24,547.
Capital and other surpluses, excluding appraisal surplus (Inf.B.3012)	+ 352	0.
Loans and advances (Attach schedule) (Int.B. 3013)	+ 353	89,147.
Bank loans (Int.B. 3013)	+ 354	0.
Bankers acceptances (Int.B. 3013)	+ 355	0.
Bonds and debentures payable (Int.B. 3013)	+ 356	0.
Mortgages payable (Int.B. 3013)	+ 357	0.
Lien notes payable (Int.B. 3013)	+ 358	0.
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013)  Contingent, investment, inventory and similar reserves (Int.B. 3012)	+ 359	<u>0.</u>
Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012)	+ 361	0.
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017)	+ 362	0.
Subtotal	= 370	230,226.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012)		767.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	_ 372	0.
Total Paid-up Capital	= 380	229,459.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	- 381	0.
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the		
assets are used both in generating electicity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	_ 382	167,933.
Net Paid-up Capital	C1	61,526.
Eligible Investments (Refer to Guide and Int.B. 3015)		
Attach computations and list of corporations' names and investment amounts. Short-term investments (bankers acceptances, comme allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.	rcial paper, etc.) ar	e eligible for the

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped		
interest coupons, applies to taxation years ending after October 30, 1998)	+ 402	0.
Mortgages due from other corporations	+ 403	0.
Shares in other corporations (certain restrictions apply) (Refer to Guide)	+ 404	0.
Loans and advances to unrelated corporations	+ 405	0.
Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)	+ 406	0.
Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)	+ 407	0.
Total Eligible Investments	= 410	0.

NEWBURY POWER INC
Corp. Tax Acct. No.: 6820376
Year Ended: 2003-12-31

amts deducted for tax in excess of amts booked

	0.00
CCA	-167,933.00
amortization	168,700.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00

Total

767.00

_____

Corporation's Legal N	Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23	Page 10 of 24
NEWBURY POWE	ER INC	6820376	2003-12-31	1	DOLLARS ONLY
<b>Capital Tax</b>	continued from Page 9				
Total Assets (	nt.B. 3015)				
Total Assets per ba	alance sheet			+ 420	291,846.
Mortgages or other	liabilities deducted from a	ssets	******	+ 421	0.
·	ip(s)/joint venture(s) total a	Proprieta de la composição de la composi	4.30.40.40.40.40.40.40.40.40.40.40	+ 422	0.
	nt in partnership(s)/joint ve	nture(s)	(0.4.3.4.4.4.4.4.4.4.4.4.4.4)	423	291,846.
Total Assets as ac	and 361 (if deducted fro			+ 440	291,840.
Subtract: Amounts				+ 440 - 441	767.
Subtract: Appraisal				_ 442	0.
	ther adjustments (specify			<u>+</u> 443	0.
Total Assets				= 450	291,079.
Investment Al	lowance (410	450 ) X 390 Not	to exceed 410	a 460	0.
Taxable Capita	······································	450 ) X [390] Not	to exceed [410]	470	61,526.
		****************		* [470]	01,320.
			,		
<b>Gross Revenue</b>	(as adjusted to include the	share of any partnership(s)/joint venture(s) Gross Revenue)	480		279,366.
Total Assets (as	adjusted) .		From 430		291,846.
	-	or all corporations except Financial Institu			
		only be used for a taxation year that commenced after Septembe	er 30, 200 r.		
(Financial Institut	ions use calculations or				
Important:	•	amily farm corporation, family fishing corporation or a credit union multiple only Section A below.	on that is not a		
OR	If the corporation is NO	T a member of an associated group and/or partnership, review on B below and select and complete the one specific subsection (e		0	
OR	if applicable, complete	nember of an associated group and/or partnership, complete Sec Section D or Section E on page 12. Note: if the corporation is a me er to the 2003 CT23 guide for additional instructions before comp	ember of a connected	i	
SECTION A					
This section appli Institution (Int.B. 3		n is a family farm corporation, a family fishing corporation or a c	redit union that is no	t a Financial	
Enter NIL in 550	on page 12 and complet	the return from that point.			
SECTION B			e e grant e en	a Bute	
This section appli	es if the corporation is N	OT a member of an associated group and/or partnership.			
	n year commences after Se return from that point.	eptember 30, 2001 and 430 and 480 on page 10 are both \$3,00	0,000 or less, enter N	IL in 550 on p	page 12 and
		\$5,000,000 or less, enter NIL in 550 on page 12 and complete th	e return from that poi	nt.	
	pital, [470] on page 10 exom that point.	ceeds <b>\$5,000,000</b> , complete the following calculation and transfer the	amount From <u>[523</u>	]to <u>  543  </u> on pag	ge 12, and complete
+ From 470	1	0.			
- = 471	]		65	= + 523	0.
		Ontario Allocation ** 3	65 eap year)		er to 543 on page 12 and the the return from that point
** If floating taxat	ion year, refer to Guide.	(000)			
continued on Pa	ge 11				

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NEWBURY POWER INC		6820376	2003-12-31	DOLLARS ONLY
Capital Tax Calculation	on continued from page 10			
SECTION C				
This section applies ONLY to a co capital tax) and/or partnership. Younder either Section D or Section	orporation that is a member of an associou must check either 509 or 524 and E.	iated group (exluding financ I complete this section befor	ial institutions and corporat e you can calculate your ca	ions exempt from pital tax calculation
C1. 509 (X if applicable)	All corporations that you are associate	ed with <u>do not have a</u> perma	nent establishment in Canad	da.
	If taxable capital 470 on page 10 is \$5,0	_		
	If taxable capital 470 on page 10 excee Section D and the return from that point.	eds \$5,000,000 proceed to <b>Sec</b>	ction <b>D</b> , enter \$5,000,000 in	542 Section D, and complete
C2. X 524 (X if applicable)	One or more of the corporations that y	you are associated with mair	<u>ntains a permanent establis</u>	hment in Canada.
	If the taxation year ends before January	<b>1, 2003</b> , you must complete t	the Calculation below.	
	If the taxation year ends after Decembe allocate the \$5,000,000 taxable capital e group may file an election under subsequed to allocate the taxable capital exemfiled, all members of the group will then be portion (portion is henceforth referred to \$5,000,000 taxable capital exemption, to corporation's total assets multiplied by its	exemption by completing the Cotion 69(2.1) of the Corporation among the associated goe required to file in accordance as <b>Net Deduction</b> ) of the \$15 peach corporation in the groups Ontario allocation is to the to	alculation below. Or, the assons Tax Act, whereby total asson. Once a ss.69(2.1) elective with the election and alloca ,000 capital tax effect, relating on the basis of the ratio that tal assets of the group.	ciated ets are ion is te a g to the each
	The total asset amounts and Ontario allo from each corporation's financial informa calendar year.			
	In addition, although each corporation in apportioned by the total asset formula, the Deduction among the group on what ever reallocated amounts does not exceed the associated group.	he group may, at the group's o er basis the corporate group w	ption, reallocate the group's t ishes, as long as the total of t	otal Net he
Calculation Do NOT complete	this calculation if ss.69(2.1) election is	filed		
Taxable Capital From 470 on p	page 10		+ F	rom 470 61,526.
	tax) or related partners Canada		<b>nada</b> Taxation Year End	Taxable Capital
See attached			÷ :(	+ 531 0
				+ 532
Aggregate Taxable Capital 4	70 + 531 + 532 + 533, etc.			. = 540 61,526
	bove is \$5,000,000 or less, the corporation in 523 in section D on page 12, as appli	•	year, is NIL.	
If 540 a below in	bove is greater than \$5,000,000, the corporder to calculate its Capital Tax for the tax	oration must compute its share xation year under Section D or	e of the \$5,000,000 exemption n page 12.	1
From 47	0 61,526.÷From 540	61,526.×	5,000,000	= 541 5,000,000.

S.s.69(2.1) Election Filed

591 (X if applicable)

Election filed. Attach a copy of the election with this CT23 Return. Proceed to Section E on page 12.

Transfer to 542 in Section D on page 12

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NEWBURY POWER INC

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#### Capital Tax Calculation continued from Page 11

SECTION D
This section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGATE taxable capital, 540 on page 11, exceeds \$5,000,000.
Complete the following calculation and transfer the amount From 523 to 543, and complete the return from that point.
+ From 470 61,526 -
SECTION E
This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election
+ From 470 0. x From 30 100.0000 x .3000 = + 561 0.
- Capital tax deduction From 995 relating to your corporation's capital tax deduction, on ss.69(2.1) election form 995 0
Capital Tax  Days in taxation year  555 365  ** 365  Transfer to 543 and complete (366 if leap year)  The return from that point.
** If floating taxation year, refer to Guide.
Capital Tax before application of specified credits  Subtract: Specified Tax Credits applied to reduce capital tax payable (Refer to Guide)  543  0

Capital Tax 543 _ 546

(amount cannot be negative)

= 550

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### Capital Tax continued from Page 12

Calculation of Capital Tax for Financial Institutions	
I.1. Credit Unions only	
For taxation years commencing after May 4, 1999 enter NIL in 550 on page 12, and complete the return from that point.	
I.2. Other than Credit Unions	
(Retain details of calculations for amounts in boxes 565 and 570. Do not submit with this tax return.)	
Days in taxation year  Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1  Days in taxation year  S55 0 + ** 0 (366 if leap year) =	+ 569 0.
Days in taxation year  Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount  Days in taxation year  State Ontario Allocation  Ontario Allocation  Ontario Allocation	+ 574 <u>0.</u>
Capital Tax for Financial Institutions – other than Credit Unions (before Section II)  ** If floating taxation year, refer to Guide.	575 0.
II. Small Business Investment Tax Credit	
(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)	
Allowable Credit for Eligible Investments	- 585 <b>0.</b>
Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (x)	
Capital Tax – Financial Institutions 575 – 585	= 586 0.  Transfer to 543 on Page 12
Premium Tax (s.74.2 & 74.3) (Refer to Guide)	
(1) Uninsured Benefits Arrangements	= 588 <b>0.</b>
(2) Unlicensed Insurance (enter premium tax payable in 588 and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in 588.)	
Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.	
Deduct: Specified Tax Credits applied to reduce premium tax (Refer to Guide)	- 589 0.
Premium Tax 588 - 589	= 590

6820376

2003-12-31

## DOLLARS ONLY Reconcile net income (loss) for federal income tax purposes with net income (loss)

for Ontario purposes if amounts differ Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 ± 600 16.657 Transfer to Page 15 Add: 10,191 + 601 Federal capital cost allowance 0. Federal cumulative eligible capital deduction 602 + 603 0. Ontario taxable capital gain + 604 0. Federal non-allowable reserves. Balance beginning of year + 605 0. Federal allowable reserves. Balance end of year 0. + 606 Ontario non-allowable reserves. Balance end of year 0_ + 607 Ontario allowable reserves. Balance beginning of year 0. Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE) 608 + 609 0. Federal resource allowance 0. + 610 Federal depletion allowance + 611 0. Federal foreign exploration and development expenses Management fees, rents, royalties and similar payments to non-arms' length non-residents Number of Days in Taxation Year Days after Sept. 30, 2001 and before Jan. 1, 2004 633 612 5 ÷ 12.5000 X 33 365 Days after Dec. 31, 2003 and before Jan. 1, 2005 634 612 5 ÷ 14.0000 X 0.+ 613 0. 633 + 634 Total add-back amount for Management fees, etc. Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661 + 615 0. excluding any negative amount in 473 from Ont. CT23 schedule 161 + 616 0. Add any negative amount in 473 from Ont. CT23 Schedule 161 + 620 0. Federal allowable business investment loss + 614 0. Total of other items not allowed by Ontario but allowed federally (Attach schedule) 10,191. 640 **Total of Additions** 601 to 611 + 613 + 615 + 616 + 620 + 614 Transfer to Page 15 Deduct: + 650 10.191. Ontario capital cost allowance (excludes amounts deducted under 675 ) Ontario cumulative eligible capital deduction 651 0. 0. Federal taxable capital gain 652 0. Ontario non-allowable reserves. Balance beginning of year 653 654 0. Ontario allowable reserves. Balance end of year 0. 655 Federal non-allowable reserves. Balance end of year 656 0. Federal allowable reserves. Balance beginning of year 657 0. Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) (Retain calculations. Do not submit.) 658 0. Ontario depletion allowance 0. 659 Ontario resource allowance + 661 0. Ontario current cost adjustment (Attach schedule) Incentive for new electricity supply (section 13.6 deduction from income) + 674 0. (Applies only to electrical generating corporations.) CCA for investments in qualifying energy-efficient equipment and for assets + 675 0. used to generate electricity from natural gas, alternative or renewable resources.

Subtotal of deductions for this page

650 to 659 + 661 + 674 +

Transfer to Page 15

681

CT23 Page 15 of 24

**DOLLARS ONLY** 

6820376

2003-12-31

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

continued from Page 14				
Net Income (loss) for federal in	come tax purposes, per federal T2 SCH 1	From ±	600	16,657.
Total of Additions		From =	640	10,191,
Subtotal of deductions on page	e 14 From = 681	10,191.		
(Applies only to those corpor Capital Cost Allowance (Ontaintellectual property deducted ONTTI Gross-up deduction	calculation: up of CCA			
	X	0,		
Workplace Child Care Tax				
Qualifying expenditures:	665	0.		
Workplace Accessibility Ta	IX Incentive			
Qualifying expenditures:  Number of  Employees accommodated	667 0 x 100.00% x 100 = 668 Ontario Allocation	0.		
Ontario School Bus Safety	Tax Incentive (OSBSTI): (Applies to the eligible acquisition of school			
Qualifying expenditures:	4, 1999 and before January 1, 2006.) (Refer to Guide)  670	0.		
Educational Technology Ta	ax Incentive: (Applies to qualifying amounts incurred after May 2, 2000.)			
Qualifying expenditures:	672 0. x 15.00% x 100 From 30 100.0000 Ontario Allocation	0,		
Ontario allowable business	s investment loss	0.		
Ontario Scientific Researc from Ont. CT23 Schedule 1	h Expenses claimed in year in 477   679	0.		
Amount added to income f in line 454 of federal form	rederally for an amount that was negative	0.		
Total of other deductions a	allowed by Ontario (Attach schedule)	0.		
Total of Deductions 681	1 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664	10,191.	680	10,191
Net income (loss) for	or Ontario Purposes 600 + 640 - 680	3 - 7 - 7 - 7 - 7	= 690	16,657 Transfer to Page 4

6820376

NEWBURY POWER INC

Continuity of Losses (	Sarried Forward					
	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	700 (2)	710 (2)	720 (2)	730	740	750
	36,667	0	0	0	0	0
Add:	701	711	721	731	741	751
Current year's losses (7)	0	0	0	0	0	0
Losses from predecessor	702	712	722	732		752
corporations (3)	0	0	0	0		0
Outhorn	703	713	723	733	743	753
Subtotal	0	0	0	0	0	0
Subtract:	704 (2)	715 (2) (4)	724 (2)	734 (2) (4)	744 (4)	754 (4)
Utilized during the year to reduce taxable income	16,657	0	0	0	0	0
	705		725	735	745	
Expired during the year	0		0	0	0	
Carried back to prior	706 (2) to Page 17	716 (2) to Page 17	726 (2) to Page 17	736 (2) to Page 17	746	
years to reduce	0	0	.0	0	0	
taxable income (5)	707	717	727	737	747	757
Subtotal	16,657	0	0	0	0	0
	709 (8)	719	729	739	749	759
Balance at End of Year	20,010		J 0	J 0	0	c

#### Notes:

- (1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- (2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.
- (3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.
- (4) To the extent of applicable gains/income/at-risk amount only.
- (5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.
- (6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

- (7) Include amount form 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.
- (8) Amount in 709 must equal total of 829 + 839
- (9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.
- (10) Commencing in the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

Analysis of Balance at End of Year by Year of Origin

	Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800	9th preceding taxation year 1995-01-11	v F hi i k s	A STATE OF THE STA		850	870
801	8th preceding taxation year				851	871
802	1996-01-11 7th preceding taxation year				852	872
803	1997-01-11 6th preceding taxation year	820	830	840	853	873
804	1998-01-11 5th preceding taxation year	821	831	841	854	874
805	1999-01-11 4th preceding taxation year	822	832	842	855	875
806	2000-01-11 3rd preceding taxation year	823	833	<u>0</u>	856	876
807	2000-12-31 2nd preceding taxation year	0	0	0	0	877
	2001-12-31 1st preceding taxation year	0	0	0	0	0
808	2002-12-31	20,010	835	845	858	878 0
809	Current taxation year 2003-12-31	826	836	846	859	879
Total		829 20.010	839	849	869	889

Non-Capital

Losses

6820376

Taxation Year End 2003-12-31

CT23 Page 17 of 24 DOLLARS ONLY

**Restricted Farm** 

Losses

Application of Losses

NEWBURY POWER INC

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

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

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

print your Ontario Corporation's Tax Account No. (MOF) on the back of

cheque or money order. (Refer to Guide for other payment methods.)

- · Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  - 1) the first day of the taxation year after the loss year,

**Total Capital** 

Losses

- the day on which the corporation's return for the loss year is delivered to the Minister, or
- the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- . If a loss is being carried back to a predecessor corporation, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Farm Losses

Total amount of loss	010	[920]	[930]	0 940 0
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income  Predecessor Ontario Corporation's Taxation Year Ending				
Tax Account No. (MOF) year month day	911	921	931	941
i) 3rd preceding 901	0			
ii) 2nd preceding902	912	922	932	0 942 0
iii) 1st preceding	913	923	933	0 943 0
Total loss to be carried back	From 706 0	From 716	From 726	From 736
Balance of loss available for carry-forward	919	929	939	0 949
Summary	Certification	on		
Income tax + From 230 or 320 0	**	zed signing officer of q all schedules and s	•	•
Corporate Minimum Tax + From 280	CT23 return, ha return and that	is been examined by the information is in	me and is a true, cor agreement with the	rect and complete books and records
Capital Tax + From 550 0	reflect the finan	ion. I further certify the	rating results of the	corporation as
<b>Premium Tax</b> + From 590 0	computing inco	section 75 of the Cor ome for this taxation y except as specifically	ear is consistent w	ith that of the
Total Tax Payable 950 0				
Subtract: Payments 960 0	Name (please p	rint)		
Capital Gains Refund (s.48)	PETER PAVILO	NIS		
Qualifying Environmental Trust Tax Credit (Refer to Guide)	Title			
Specified Tax Credits (Refer to Guide)	CHAIR			
Other (specify) =	E II D all dames	Address		
Balance = 970 O	<u>.</u>			
If payment due Enclosed * 990 0				
If overpayment: Refund (Refer to Guide) = 975				
Apply to 980 (Includes credit interest)	Signature		Da	ate
* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, <i>payable to the Minister of Finance</i> and	Note: Section	76 of the Corporation	s Tax Act provides	penalties for

making false or misleading statements or omissions.

NEWBURY POWER INC Attached Sch. Corp. Tax Acct. No.: 6820376 Year Ended: 2003-12-31

amts deducted for tax in excess of amts booked

0.00 -167,933.00 168,700.00 0.00 0.00 CCA amortization 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00

767.00

_____

Total



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

## Paid-Up Capital: Loans and Advances

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
	0000070	0000 40 04
NEWBURY POWER INC	6820376	2003-12-31

Loans or Advances Credited or Advanced to Corporation (includes accounts payable to related parties outstanding at the taxation year end for 120 days or more, and accounts payable to non-related parties outstanding for 365 days or more at the taxation year end)	
_ong term debt	⁺ 89,147
	+ 0
	+ 0
	+ 0
	⁺ 0
	+ 0
	+ o
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
Total Transfer to 353 of the CT23	
	991111

NEWBURY POWER INC Ont. Sch. 008
Corp. Tax Acct. No.: 6820376 Year Ended: 2003-12-31

#### Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5g)? [Y/N] N

1	2	3	4	5	6	7	8	9	10	11	12	13
Class	Ontario	Cost of	Net	Proceeds	Ontario	50% rule	Reduced	CCA	Recapture	Terminal	Ontario	Ontario
number	unde-	acquisitions	adjustments	of	unde-	(1/2 of	unde-	rate	of	loss	capital	unde-
	preciated	during the	(show	dispositions	preciated	the amount,	preciated	4	capital		cost	preciated
	capital	year (new	negative	during the	capital	if any, by	capital		cost		allowance	capital
	cost at the	property	amounts in	year	cost	which the	cost		allowance		(column 8	cost
	beginning	must be	brackets)	(amount	(column 2	net cost	(column 6				multiplied	at the end
	of the year	available		not to	plus	of	minus				by	of the year
	(unde-	for use)		exceed	column 3	acquisitions	column 7)				column 9;	(column 6
	preciated			the capital	or minus	exceeds					or a lower	minus
	capital			cost)	column 4	column 5)					amount)	column 12)
	cost at the				minus							
	end of the				column 5)							
	prior year's											
	CCA	See note 1				See note 2						
	schedule)	below				below						
				******								**********
1	166,332	0	0	0	166,332	0	166,332	4	0	0	6,653	159,679
10	11,792	0	0	0	11,792	0	11,792	30	0	0	3,538	8,254
40				:								
Total	178,124	0	0	0	178,124	0	178,124		D	0	10,191	167,933
		********	*********	*********		********	-		*******	********	*********	******
							Enter	in boxe	s [650]	[650]	[650] on	the CT23

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3.

List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the "Income Tax Act" (Canada).

CCH Canadian Ltd. - Corporate Taxprep, 2003 CT23, ver. 3-2003

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

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

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



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

## **Taxable Capital of Associated Corporations**

(Applicable to an associated group that has a permanent establishment in Canada)

Schedule CT21

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
NEWBURY POWER INC	6820376	2003-12-31

This schedule must be completed in determining the aggregate taxable capital of an associated group and/or partnership that has a permanent establishment (PE) in Canada.

Name of Associated Corporation (Must have a PE in Canada)	Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
Village of Newbury			+
			+
			+
			+
			+
			+
			+
			+
			÷ <del>1</del>
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
	Aggreg	ate of taxable capital	=

Transfer to box 540 of the CT23

Agence des douanes et du revenu du Canada

#### **T2 CORPORATION INCOME TAX RETURN**

YIX	200
	Code 030
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 corporate 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. If you need more information about items on the return, see the corresponding items in 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 taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

	* We do not lules – Answer the following questions. For each Yes response, attach to the T2 return the schedule that applies.	orint th	ese s	schedules.
Guide	item		Yes	Schedule
27	Is the corporation related to any other corporations?	150	X	9
28	Does the corporation have any non-resident shareholders?	151		19
29	Is the corporation an associated Canadian-controlled private corporation?	160		23
30	Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161		49
32	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
33	If you answered <i>Yes</i> 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
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166	Щ	T5004
38	Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167	Ш	T5013
40	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
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal <i>Income Tax Regulations</i> ?	170		29
43	Has the corporation had any non-arm's length transactions with a non-resident?	171	Н	T106
47 46	Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year?  For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	172		50
55	the corporation's common and/or preferred shares?  Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	H	1
	Has the corporation made any charitable donations, gifts to Canada, a province, or a territory, or gifts of cultural or ecological property?	202	Â	2
82,104	Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
69-76 132	Is the corporation claiming any type of losses?  Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in	204 205	x	4 5
	more than one jurisdiction?	206	$\vdash$	6
	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	200	ш	O
103	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
57	Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
58	Does the corporation have any property that is eligible capital property?	210		10
59	Does the corporation have any resource-related deductions?	212		12
60	Is the corporation claiming reserves of any kind?	213		13
61	Is the corporation claiming a patronage dividend deduction?	216		16
62	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
150	Is the corporation an investment corporation or a mutual fund corporation?	218		18
131	Was the corporation carrying on business in Canada as a non-resident corporation?	220		20
118	Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
155	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
111	Does the corporation have any Canadian manufacturing and processing profits?	227		27
121	Is the corporation claiming an investment tax credit?	231		31
63	Is the corporation claiming any scientific research and experimental development expenditures?	232		T661
124	Is the corporation subject to gross Part I.3 tax?			33/34/35
124	Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?			36
124	Is the corporation claiming a surtax credit?			37
128	Is the corporation subject to gross Part VI tax on capital of financial institutions?			38
128	Is the corporation claiming a Part I tax credit?	-		42
129	Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?			43
129	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
125	Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	249		46
128	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?			39
128	For life insurance corporations: Is the corporation a member of a related group of insurance corporations with one or more members subject to the additional gross Part VI tax?			40
128	For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other than life insurance corporations) with one or more members subject to the additional Part VI tax?	252		41
152	Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131

Attachments – continued from page 2					
Guide item	Yes Sched	lule			
130 Is the corporation subject to Part XIII.1 tax?		*			
. = = .	T11	177			
44 Did the corporation have any foreign affiliates that are not controlled foreign affiliates'		34-A			
		34-B			
44 Did the corporation own specified foreign property in the year with a cost amount ove		135			
	T11	141			
44 Did the corporation receive a distribution from or was it indebted to a non-resident tru	AND CONTROL TAIL	142			
Has the corporation entered into an agreement to allocate assistance for SR&ED car	T14	145			
Has the corporation entered into an agreement to transfer qualified expenditures incu		146			
<ul> <li>Has the corporation entered into an agreement with other associated corporations for wages of specified employees for SR&amp;ED?</li> </ul>	salary or T11	174			
3.1	42				
Is the corporation claiming the BC SR&ED tax credit?	T60	66			
Is the corporation inactive? Has the major business activity changed since the last return was filed? (enter Yes for first-time)		X X			
What is the corporation's major business activity?	- India, - India				
(Only complete if Yes was entered at line 281,)	OSO 1 Wholesele O Date!	_			
If the major activity involves the resale of goods, indicate whether it is wholesale or 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   286   287   287   287   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289   289					
Did the corporation immigrate to Canada during the taxation year?		x			
Did the corporation emigrate from Canada during the taxation year?	292 1 Yes 2 No	_			
Tauahla inaana					
Taxable income	10.055	7 .			
Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI	300 16,65	<u>/</u> A			
Deduct: Charitable donations from Schedule 2	311 0				
Gifts to Canada, a province, or a territory from Schedule 2	312 0				
Cultural gifts from Schedule 2	<u>0</u>				
Ecological gifts from Schedule 2	314				
Taxable dividends deductible under section 112 or 113, or subsection 138(6)	320				
from Schedule 3 Part VI.1 tax deduction from Schedule 43	325 0				
Non-capital losses of preceding taxation years from Schedule 4	331 16,657				
Net-capital losses of preceding taxation years from Schedule 4	332 0				
Restricted farm losses of preceding taxation years from Schedule 4	333 0				
Farm losses of preceding taxation years from Schedule 4  Limited partnership losses of preceding taxation years from Schedule 4	334 <u>0</u>				
Taxable capital gains or taxable dividends allocated from a central credit union	340 0				
Prospector's and grubstaker's shares	350 0				
J	btotal 16,657 16,655	<u>7</u> в			
Subtotal (amount A mi	nus amount B) (if negative, enter "0")	_ c			
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions	355	D 0			
Taxable income (amount C plus amount D)	360	0			
Income exempt under paragraph 149(1)(t)		<b>=</b> :			
		0			
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 me * This amount is equal to 3 times the Part VI 1 tax payable at line 724 on page 8.	inus line 370)	<u>0</u> z			

NEWBURY POWER INC		9744126RC0001	2003-12-3				
Small busines Canadian-controlled p	ss deduction ————————————————————————————————————						
Income from active bus	siness carried on in Canada from Schedule 7		O_A				
	ine 360 on page 3 <b>, minus</b> 10/3 of the amount at line 632* on page 7, <b>minus</b> 3 tim ** on page 7, and <b>minus</b> any amount that, because of federal law, is exempt from		0 в				
Calculation of the bus For all CCPCs, calculat	siness limit: te the amount at line 4 below.						
200,000 x Nu	lumber of days in the taxation year before 2003 0	0_1					
77	Number of days in the taxation year						
225,000 x	Number of days in the taxation year in 2003 365 =	0 2					
250,000 x	Number of days in the taxation year in 2004	О з					
200,000	Number of days in the taxation year						
275,000 x	Number of days in the taxation year in 2005	0 3.1					
-	Number of days in the taxation year						
	Add amounts at lines 1, 2, 3, and 3.1	<u> </u>					
Business limit (see note	les 1 and 2 below)	410	0 c				
taxation yea divided by 3	Notes: 1. For CCPCs that are note associated, enter the amount from line 4 at line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of dyas in the taxation 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 at line 410.						
Business limit reducti	tion:						
Amount C	O x 415 *** O D =		0_E				
	11,250		_				
Reduced business limit	it (amount C minus amount E) (if negative, enter "0")	425	0 F				
Small business deduction (enter amount G on line	ection - 0.00% of whichever amount is least: A, B, C, or F		<u>0</u> G				
	ount of foreign non-business income tax credit deductible at line 632 without refer e (line 604) and without reference to the corporate tax reductions under section 1						
	ount of foreign business income tax credit deductible at line 636 without reference	to the corporate tax reductions under secti	on 123.4.				
*** Large corporation							
reflect a full-year	pration tax to be entered at line 415 is the gross Part I.3 tax, which is the amount but tax liability if the taxation year is less than 51 weeks. For the purpose of the bus able capital employed in Canada minus \$10,000,000).	before deducting the surtax credits, increase iness limit reduction, the gross Part I.3 tax	ed to is equal				
<ul> <li>If the corporation is not associated with any corporation in both the current and the preceding taxation years, enter the corporation's gross Part I.3 tax for its preceding taxation year.</li> </ul>							
<ul> <li>If the corporation is not associated with any corporation in the current taxation year, but was associated in the preceding taxation year, and its current taxation year:</li> </ul>							
	e December 21, 2002, enter the corporation's gross Part I.3 tax for its <b>preceding</b> December 20, 2002, enter the corporation's gross Part I.3 tax for its <b>current</b> taxat	•					
<ul> <li>For corporations</li> </ul>	s associated in the current taxation year, see Schedule 23 for the special rules th	at apply.					

For corporations associated in the	current taxation year, see Schedule 25 for the special rules that apply.	
Accelerated tax reduction		

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction
Reduced business limit (amount from line 425)
Net active business income (amount from line 400) *
Taxable income from line 360 on page 3 <b>minus</b> 3 times the amount at line 636** on page 7, and <b>minus</b> any amount that, because of federal law, is exempt for Part I Tax
Aggregate investment income (amount from line 440 of page 6)
Amount C minus amount D (if negative, enter "0")
Amount A, B, or E above, whichever is less
Amount Z from Part 9 of Schedule 27 0 x 100/7 = 0 G
Amount QQ from Part 13 of Schedule 27
Taxable resource income from line 435 of page 5
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)
Amount on line 400, 405, 410, or 425 of the small business deduction, whichever is less
Total of amounts G, H, I, J, and K
Amount F minus amount L (if negative, enter "0")
Accelerated tax reduction - 7% of amount M (enter amount N on line 637 of page 7)

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

Taxable resource income				O_A
Amount A	0	Number of days in the taxation year in 2003	365_ x 1% =	О в
Amount A		Number of days in the taxation year	365	
Amount A	0	Number of days in the taxation year in 2004	0 x 2% =	0 с
Amount A	<u> </u>	Number of days in the taxation year	365	
Δ	0	Number of days in the taxation year in 2005	^	O C.1
Amount A	0	Number of days in the taxation year	$\frac{0}{365}$ x 3% = $\frac{1}{365}$	0 0.1
Resource deduction – total of a	mounts B. C. and C.1		120	0 D
(enter amount D on line 10 of pa				
— General tay reduct	tion for Canadian-co	ntrolled private corporations —————		
Canadian-controlled private of		· · · · · · · · · · · · · · · · · · ·		
		•		0.5
Taxable income from line 360 o	n page 3			<u> </u>
A	J- 07	0 x 100/7	0 F	
Amount Z from Part 9 of Schedi Amount QQ from Part 13 of Sch	5,0,0,0,0,0,0		0 0	
Taxable resource income from			<u>о</u> ц	
		nount E in Part 3 of Schedule 17)	0 1	
Amount on line 400, 405, 410, o				
Aggregate investment income for			0 K	
Amount used to calculate the a		(amount M of page 4)	0 L	
Total of amounts F, G, H, I, J, K	K, and L		0	0 м
		Constitution of the second of		0
Amount E minus amount M (if n	legative, enter "u")			<u>U</u> N
A	0	Number of days in the taxation year in 2001	<u> </u>	0
Amount N —	<u> </u>	Number of days in the taxation year	365	
	0	Number of days in the taxation year in 2002		0.
Amount N	0	Number of days in the taxation year in 2002  Number of days in the taxation year	<u> </u>	<u> </u>
	_			
Amount N	0	Number of days in the taxation year in 2003	$365 \times 5\% = $	O_P
		Number of days in the taxation year	365	
Amount N	<u> </u>	x Number of days in the taxation year after 2003	<u> </u>	0 Q
		Number of days in the taxation year	365	
		te corporations - total of amounts year 2001, O, P, and Q	10111011	0_R
(enter amount R on line 638 of	page 7)			
General tax reduction	n -			
		ate corporation, an investment corporation, a mortgage	e investment corporation.	
a mutual fund corporation, or			o in rootinont oor poration,	
Taxable income from line 360 o	of name 3			0 s
Taxable income nom into doo o	pago o			
Amount Z from Part 9 of Sched	ule 27	<u>0</u> x 100/7		
Amount QQ from Part 13 of Sch	nedule 27		<u> </u>	
Taxable resource income from	line 435 above		O v	
Amount used to calculate the co	redit union deduction (ar	nount E in Part 3 of Schedule 17)	<u>0</u> w	
Total of amounts T, U, V, and V	٧		0	0 x
Amount S minus amount X (if n	egative, enter "0")		**********	0 Y
	-g, ,			
Amount Y	0	Number of days in the taxation year in 2001	0 x 1% =	0
		Number of days in the taxation year	365	
Amount Y	0	Number of days in the taxation year in 2002	0 x 3% =	0 z
	<u> </u>	Number of days in the taxation year	365	
A	0	Number of days in the taxation year in 2003	365 x 5% =	O AA
Amount Y	U	Number of days in the taxation year	365 x 5% =	U AA
	^	Number of days in the taxation year after 2003		0.55
Amount Y	0	Number of days in the taxation year	- <u>0</u> × 7% =	
General tax reduction - total		•		<u>0</u> cc
(enter amount CC on line 639 of	of page 7)			
				page 5

Resource deduction

879744126RC0001

435

2003-12-31

0 A

Refundable portion of Part I tax	
Canadian-controlled private corporations throughout the taxation year	
Aggregate investment income 440 0 x 26 2/3% = (amount P from Part 1 of Schedule 7)	<u>0</u> A
Foreign non-business income tax credit from line 632 on page 7	<u> </u>
Deduct:	
Foreign investment income	<u>О</u> <u>О</u> в
Amount A minus amount B (if negative, enter "0")	<u>0</u> c
Taxable income from line 360 on page 3  Deduct:  Amount on line 400, 405, 410, or 425 on page 4, whichever is less  Foreign non-business	0
line 632 of page 7 0 x 25/9 =0	
Foreign business income tax credit from line 636 of page 7	0 0 x 26 2/3% =0 D
Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8)  Deduct: Corporate surtax from line 600 of page 7  Net amount  Refundable portion of Part I tax Amount C, D, or E, whichever is less	0 <u> </u>
Refundable dividend tax on hand	
Refundable dividend tax on hand at the end of the preceding taxation year  Deduct: Dividend refund for the previous taxation year  460 465	O OOA
Add the total of:  Refundable portion of Part I tax from line 450 above  Total Part IV tax payable from line 360 on page 2 of Schedule 3	<u>O</u> <u>O</u>
Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation	<u>0</u> <u>0</u> B
Refundable dividend tax on hand at the end of the taxation year – Amount A plus amount B	
—— Dividend refund	
Private and subject corporations at the time taxable dividends were paid in the taxation year	
Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3	<u> </u>
Refundable dividend tax on hand at the end of the taxation year from line 485 above	
Dividend refund – Amount A or B, whichever is less (enter this amount on line 784 of page 8)	0

Part I tax	
Base amount of Part I tax – 38.00% of taxable income (line 360 or amount Z, whichever applies) from page 3	_ A
Corporate surtax calculation	
Base amount from line A above	
Investment corporation deduction from line 620 below	- 1
Federal logging tay credit from line 640 helow	
Federal qualifying environmental trust tax credit from line 648 below	
For a mutual fund corporation or an investment corporation throughout the taxation year, enter amount a, b, or c below on line 6, whichever is less:	
28.00% of taxable income from line 360 of page 3	
28.00% of taxed capital gains 0 b - 0 6	
Part I tax otherwise payable	
(line A plus lines C and D minus line F)	
Total of lines 2 to 6	
0.0	
Net amount (line 1 minus line 7)	
Corporate surtax – 4.00% of the amount on line 8	) в
Recapture of investment tax credit from line PPP in Part 21 of Schedule 31	) c
Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income (for a CCPC throughout the taxation year)	
Aggregate investment income from line 440 on page 6	
Taxable income from line 360 on page 3	
Deduct:	
Amount on line 400, 405, 410, or 425 of page 4, whichever is less	
Net amount	
Refundable tax on CCPC's investment income – 6 2/3% of the lesser of amounts i or ii	) D
	-
Subtotal (add lines A, B, C, and D)	<u>)</u> E
Deduct:	
Small business deduction from line 430 of page 4	
Federal tax abatement 6080	
Manufacturing and processing profits deduction from amount BB or amount RR	
of Schedule 27	
Investment corporation deduction	
(taxed capital gains 6240)  Additional deduction – credit unions from Schodule 17	
Additional deduction – credit billions from Schedule 17	
Federal foreign non-business income tax credit from Schedule 21	
Pederal foreign business income tax credit from Scriedule 21	
Accelerated tax reduction from amount N of page 4	
nesource deduction from line 436 of page 5	
General tax reduction for CCPCs from amount H of page 5	
General tax reduction from amount CC of page 5	
Todala logging tax diotat non obtaine 21	
rederal political contribution tax credit	
Federal political contributions 646	
Federal qualifying environmental trust tax credit	
Investment tax credit from Schedule 31	
Subtotal	<u>)</u> F
Part I tax payable – Line E minus line F (enter amount G on line 700 of page 8)	<u>)</u> G
	_

Summary of tax and credits	
Federal tax	
Part I tax payable from page 7	
Part I.3 tax payable from Schedule 33, 34, or 35	704 0
Part II surtax payable from Schedule 46	
Part IV tax payable from Schedule 3	712 0
Part IV.1 tax payable from Schedule 43	716 0
Part VI tax payable from Schedule 38	720 0
Part VI.1 tax payable from Schedule 43	724 0
Part XIII.1 tax payable from Schedule 92	727 0
Part XIV tax payable from Schedule 20	
Add provincial and territorial tax:  Provincial or territorial jurisdiction  (if more than one jurisdiction, enter "multiple" and complete Schedule 5)  Net provincial and territorial tax payable (except Quebec, Ontario, and Alberta)	Total federal tax
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765
	0
	Total tax payable 770O A
Deduct other credits:	700
Investment tax credit refund from Schedule 31	780 <u> </u>
Dividend refund from page 6	788 0
Federal capital gains refund from Schedule 18	792 0
Federal qualifying environmental trust tax credit refund	796 0
Canadian film or video production tax credit refund from Form T1131	797 0
Film or video production services tax credit refund from Form T1177	800 0
Tax withheld at source	
Total paymonia on which tax has been without	<u>0</u>
Allowable refund for non-resident-owned investment corporations from Schedule 26	804 0
Provincial and territorial capital gains refund from Schedule 18 Provincial and territorial refundable tax credits from Schedule 5 Royalties deductible under Syncrude Remission Order  815	808 0
Tax remitted under Syncrude Remission Order Tax instalments paid	. 816 <u>0</u> . 840 <u>0</u>
Refund code 894 0 Overpayment Total credits	Balance (line A minus line B)   0   0   0
Divert devecit veguest	L Kills and the second and the secon
Direct deposit request	If the result is negative, you have an overpayment.  If the result is positive, you have a balance unpaid.
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:	Enter the amount on whichever line applies. We do not charge or refund a difference of less
Start Change information 910	than \$2.
Branch number	Balance unpaid0
Institution number Account number	Enclosed payment 898
If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance of tax is due?	896 1 Yes 2 No X
Certification ————————————————————————————————————	
i, 950 PAVILONIS 951 PETER	954 CHAIR
Last name in block letters First name in block letters	Position, office or rank
am an authorized signing officer of the corporation. I certify that I have examined this return, inc and that the information given on this return is, to the best of my knowledge, correct and compl income for this taxation year is consistent with that of the previous year except as specifically d	ete. I further certify that the method of calculating
955	956
Date (yyyy/mm/dd) Signature of the authorized signing officer of the co	
Is the contact person the same as the authorized signing officer? If No, complete the information	
958	959
Name in block letters	Telephone number
Language of correspondence - Langue de correspondance	
Indicate the language of your choice. Indiquer la langue de correspondance de votre choix.	1 English/Anglais X 2 Français/French

NEWBURY POWER INC Sch. 001 Account/Business No.:879744126RC0001 Year Ended: 2003-12-31

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

#### **NET INCOME (LOSS) FOR INCOME TAX PURPOSES**

- 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.
- 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 an this schedule are from the "Income Tax Act."
- For more information, see the "T2 Corporation Income Tax Guide."

				_
Net income (loss) after taxes and				
extraordinary items per financial statements			-5,558	
Additions: Amortization of tangible assets	104	12,930		
Thirties and the state of the s	_			
Subtotal of additions		12,930	12,930	
Other Additions:				
Miscellaneous Other Additions:				
600 Correction of prior year error	290	19,476		
Outlined of Other Additions	199	19,476	10 476	
Subtotal of Other Additions	100	19,476	19,476	
Total Additions	500	32,406	32,406	
Deductions:				
Capital cost allowance from Schedule 8	403	10,191		
Subtotal of Deductions		10,191	10,191	
Other Deductions:				
Miscellaneous Other Deductions:				
	Gool		na.	
Subtotal of Other Deductions	499	0	0	
Total Deductions	510	10,191	10,191	
Net income (loss) for income tax purposes			16,657	,
(enter on line 300 on the T2 return)				Ë

2003-12-31

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

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

- For use by a corporation to determine the continuity and use of available losses; to determine the current-year non-capital loss, farm loss, restricted farm loss, and limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that may be applied in a year; and to request a loss carryback to prior years.
- The corporation can choose whether or not to deduct an available loss from income in a taxation year. It can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- For a detailed description and calculation of these losses, see Interpretation Bulletin IT-232,
   "Losses Their Deductibility in the Loss Year or in Other Years." For information on these losses, see the "T2 Corporation Income Tax Guide."
- File one completed copy of this schedule with the T2 return, or forward 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	16,657	
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)	0	
Subtotal (if positive, enter "0")	0	
Deduct: (increase a loss)		
Section 110.5 - Addition for foreign tax deductions	0	
Subtotal	0	
Add: (decrease a loss)		
Current-year farm loss	0	
Current-year non-capital loss (if positive, enter "0")	0	

— Continuity of non-capital losses and request for a carryback ————			
Non-capital loss at the end of preceding taxation year		36,667	
Deduct: Non-capital loss expired after seven taxation years	100	0	
Non-capital losses at beginning of	-		
taxation year	102	36,667	
Add: Non-capital losses transferred on amalgamation or	v		
wind-up of subsidiary corporation	105	0	
Current-year non-capital loss (from calculation above)	110	0	36,667

T2 SCH 4 E (01)

(Ce formulaire existe en français.)

Page 1 of (4 or 6)

NEWBURY POWER INC Account/Business No.:879744126RC0001 Year En	nded:	2003-12-31	Sch.	004
— Continuity of non-capital losses and request for a carryback (cont'd) –				
Deduct:				
Amount applied against taxable income				
	16,657			
Amount applied against taxable dividends subject to Part IV tax	135 0			
	140 0			
Subsection 111(10) - Adjustments for fuel tax rebate	0			
Other adjustments	150	16,657		
	Cubtatal	20.010		
Deduct - Request to carry back non-capital loss to:	Subtotal	20,010		
	901			
The processing taxation your to read to the state of the	902 0			
brooking taxation your to rough taxation morning.	903			
First preceding taxation year to reduce taxable dividends	_			
	911 0			
Second preceding taxation year to reduce taxable dividends				
subject to Part IV tax	912 0			
Third preceding taxation year to reduce taxable dividends				
subject to Part IV tax	913 0	0		
New control leaves Obstacles	180	20.010		
Non-capital losses - Closing balance	110011111111111111111111111111111111111	20,010		
Paragraph 88(1.1)(f) Paragraph 88(1.1)(f)  Loss from a wholly owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year.	190 Ye	es [ ]		
Part 2 - Capital losses  Continuity of capital losses and request for a carryback				
Capital losses at end of preceding taxation year	200			
Capital losses transferred on amalgamation or wind-up of	<u></u>			
outside your service of the service	205			
	210 0	0		
Add: Allowable business investment loss expired as non-capital loss	0x 4/3 220	0		
Allowable business investment loss expired as non-capital loss	UX 4/3			
	Subtotal	0		
Deduct:	343.514			
Amount applied against current-year capital gain				
(see note 1)	225			
Section 80 - Adjustments for forgiven amounts.	240 0			
Other adjustments	250	0		
	.00	*****		
	Subtotal	0		
Deduct - Request to carry back capital loss to: (see note 2)	A			
0.31-1	Amount			
Capital gain	carried back			

Capital losses - Closing balance.....

0

NEWBURY POWER	INC			Sch.	004
Account/Busine	ss No.:879744126RC0001	Year Ended:	2003-12-31		

#### Part 2 - Capital losses

#### Continuity of capital losses and request for a carryback (cont'd) -

Capital losses carried back to taxation years ending before February 28, 2000, the inclusion rate is 3/4. Capital losses carried back to taxation years starting after October 17, 2000, the inclusion rate is 2/3. For taxation years that straddle February 28, 2000 or October 18, 2000, the inclusion rate will be determine by dividing the total taxable capital gain by the total capital gain.

#### Note 1

On line 332 of the T2 return, enter the amount from line 225 multiplied by the current year inclusion rate (see Schedule 6.)

#### Note 2

Enter on lines 225, 951, 952, or 953, whichever is applicable, 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 it is applied.

#### Part 3 - Farm losses

— Continuity of farm losses and request for a carryback ———————————			
Farm losses at end of preceding taxation year	0		
Deduct: Farm loss expired after 10 taxation years	0		
Farm losses at beginning of taxation year	0		
Add: Farm losses transferred on amalgamation or			
wind-up of subsidiary corporation	0		
Current-year farm loss	0	0	
Deduct:			
Amount applied against taxable income			
(enter on line 334 of the T2 return)	0		
Amount applied against taxable dividends subject to Part IV tax	0		
Section 80 - Adjustment forgiven amount	0		
Other adjustments	0	.0	
	Subtotal	.0	
Deduct - Request to carry back farm loss to:			
First preceding taxation year to reduce taxable income	0		
Second preceding taxation year to reduce taxable income	0		
Third preceding taxation year to reduce taxable income	0		
First preceding taxation year to reduce taxable dividends	7.20		
subject to Part IV tax	0		
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	0		
	U		
Third preceding taxation year to reduce taxable dividends	0	0	
subject to Part IV tax	U		
Farm losses - Closing balance	380	'n	
Faith 105565 - Closing balance	energy Park	9	

Restricted Farm Loss Determination:	
Is the corporation exempt from the restricted farm loss rules?	
(A reply of "NO" triggers the restricted farm loss rules.)	[ Y ]

NEWBURY POWER INC Sch. 004 Account/Business No.:879744126RC0001 2003-12-31 Year Ended: Part 4 - Restricted farm losses - Current-year restricted farm loss ————— 0 A Minus the deductible farm loss: 2.500 \$2,500 plus B or C, whichever is less.... (Amount A above 0 - \$2,500) divided by 2 0 B 6,250 C 2,500 Current-year restricted farm loss (enter this amount on line 410)..... Continuity of restricted farm losses and request for a carryback — Restricted farm losses at end of preceding taxation year..... Deduct: Restricted farm loss expired after 10 taxation years..... 0 Add: Restricted farm losses transferred on amalgamation or wind-up Current-year restricted farm loss n Deduct: Amount applied against farming income 0 Section 80 - Adjustments for forgiven amounts..... Λ 0 Subtotal Deduct - Request to carry back restricted farm loss to: First preceding taxation year to reduce farming income..... 0 Second preceding taxation year to reduce farming income..... 0 The total losses for the year from all farming businesses are computed without including any scientific research expenses.

- Continuity of listed personal property loss and request for a carryback ——— 0 Listed personal property losses at end of preceding taxation year..... Ö 0 Λ Subtotal Deduct: Amount applied against listed personal property gains (enter on line 655 of Schedule 6)..... n Other adjustments..... 0 Subtotal Deduct - Request to carry back listed personal property loss to: First preceding taxation year to reduce listed Second preceding taxation year to reduce listed Third preceding taxation year to reduce listed 

Part 5 - Listed personal property losses

NEWBURY POWER INC Sch. 004-Non. Account/Business No.:879744126RC0001 Year Ended: 2003-12-31

#### Part 6 - Analysis of balance of losses by year of origin

- Non-ca	pital losses								
		Loss	Adjustments	Loss		Applied to Reduc	е		
Year of origin	Balance at Beginning of year	Incurred in Current Year	and Transfers <f1> for help</f1>	Carried Back Parts I & 4		Taxable Income	Part IV Tax	Balance at End of Year	
Current	N/A	0	0		0	N/A	0	0	
2002	21,883	N/A	0	N/A		1,873	0	20,010	
2001	5,990	N/A	0	N/A		5,990	0	0	
2000	8,794	N/A	0	N/A		8,794	0	0	
2000	0	N/A	0	N/A		0	0	0	
1999	0	N/A	0	N/A		0	0	0	
1998	0	N/A	0	N/A		0	0	0	
1997	0	N/A	0	N/A		0	0	0	*
					-				
Total	36,667	0	0		0	16,657	0	20,010	

— Farm I	osses	Loss		Adjustments	Loss		Applied to Red	uce			
Year of	Balance at Beginning	Incurred in Current		and Transfers	Carried Back		Taxable	Part IV	E	Balance at	
origin	of year	Year		<f1> for help</f1>	Parts I & 4		Income	Tax		End of Year	
Current	N/A		0	0		0	N/A		0	0	
2002	0	N/A		0	N/A		0		0	0	
2001	0	N/A		0	N/A		0		0	0	
2000	0	N/A		0	N/A		0		0	0	
2000	0	N/A		0	N/A		0		0	0	
1999	0	N/A		0	N/A		0		0	0	
1998	0	N/A		0	N/A		C		0	0	
1997	0	N/A		0	N/A		C		0	0	
1996	0	N/A		0	N/A		C		0	0	
1995	0	N/A		0	N/A		C		0	0	
1994	0	N/A		0	N/A		C	ı	0	0 *	
			~ ~ ~							×********	
Total	0	le)	0	0		0	(	)	0	0	

		Loss	Adjustments			Applied to Redu	ce	
Year of origin	Balance at Beginning of year	Incurred in Current Year	and Transfers <f1> for help</f1>	Loss Carried Back		Taxable Income	Part IV Tax	Balance at End of Year
Current	N/A	0	0		0	N/A	N/A	0
2002	0	N/A	0	N/A		0	N/A	0
2001	0	N/A	0	N/A		0	N/A	0
2000	0	N/A	0	N/A		0	N/A	0
2000	0	N/A	0	N/A		0	N/A	0
1999	0	N/A	0	N/A		0	N/A	0
1998	0	N/A	0	N/A		0	N/A	0
1997	0	N/A	0	N/A		0	N/A	0
1996	0	N/A	0	N/A		0	N/A	0
1995	0	N/A	0	N/A		0	N/A	0
1994	0	N/A	0	N/A		0	N/A	0 *
Total	0	0	0		0	0	N/A	0

NEWBURY POWER INC Sch. 008 2003-12-31

#### Account/Business No.: 879744126RC0001 Year Ended:

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5q)? [101] N

Class No. [200]	UCC at Beginning of Year (201)	Cost of Additions During Year [203]	Adjustments [205]	Lesser of Cost or Proceeds [207]	1/2 of [203]-[207] [211]	Rate % [212]	Recapture of Capital Cost Allowance [213]	Terminal Loss (215)	Capital Cost Allowance [217]	Undepreciated Capital Cost end of year [220]
1	166,332	0	0	0	0	4	0	0	6,653	159,679
10	11,792	0	0	0	0	30	0	0		8,254
Total	178,124	0	0	0	0		0	0	10,191	167,933
	**********	**********	*******	**********	*********		******	*********	*********	*********

NEWBURY POWER INC Sch. 009

Account/Business No.: 879744126RC0001 Year Ended: RELATED AND ASSOCIATED CORPORATIONS

2003-12-31

This schedule is to be completed by a corporation having one or more of the following:

- related corporation(s)

- associated corporation(s)

				Number		Number	% of	
	Ctry		Rela-	of	% of	of	pre-	Book
	of		tion-	common	common	preferred	ferred	value of
	resi-	Business	ship	shares	shares	shares	shares	capital
Name	dence	Number	Code	owned	owned	owned	owned	stock
		(Note)						
[100]	[200]	[300]	[400]	[500]	(550)	[600]	[650]	[700]
Village of Newbury			1	165,626	100.00	0	0.00	165,626

Note: Enter "NR" if a corporation is not registered.

Relationship code:

1 - Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated

The relationship code represents the relationship that the corporation named has to the filing corporation. For example, if the corporation is the parent corporation of the filing corporation, then the relationship code is "1".

Schedule 9

NEWBURY POWER INC Sch. 050 Account/Business No.:879744126RC0001 Year Ended: 2003-12-31

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

# SHAREHOLDER INFORMATION (1998 and later taxation years)

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	Business Number	Social Insurance Number	Percentage common shares	Percentage preferred shares	
100	(note 1)	(note 2)	400	500	
THE CORPORATION OF THE VILLAGE OF NEWBURY			100.00	0.00	
			0.00	0.00	
			0.00	0.00	
			0.00	0.00	
			0.00	0.00	
			0.00	0.00	
			0.00	0.00	
			0.00	0.00	
			0.00	0.00	
			0.00	0.00	

**Note 1:** If a corporate shareholder does not have a business number, NR must be entered to indicate the corporation is not registered.

Note 2: If an individual shareholder does not have a social insurance number, NA must be entered to indicate the SIN is not available.

Note 3: If a trust holds 10% or more of the corporation's common or preferred shares, enter "NR" for the business number and, if space permits, enter the trust's name and account number. Do not enter anything in the "SIN" column.

T2 SCH 50 (99)

# MPDC – Newbury

Attachment 4 2004 Supporting Documentation

AUDITORS' REPORT AND FINANCIAL STATEMENTS

**DECEMBER 31, 2004** 



150 Richmond Street P.O. Box 218 Chatham, Ontario Canada N7M 5K3

**T.** 519.351.2024

F. 519.351.8831

email: chatham@collinsbarrow.com

#### **AUDITORS' REPORT**

To the Shareholders of Newbury Power Inc.

We have audited the balance sheet of Newbury Power Inc., as at December 31, 2004 and the statements of income, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2004 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chatham, Ontario March 8, 2005

CHARTERED ACCOUNTANTS

Colling Karrow

## FINANCIAL STATEMENTS

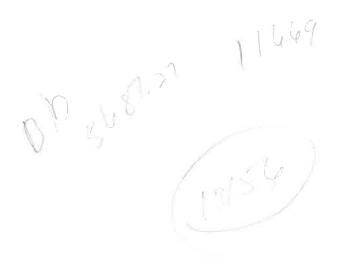
## **DECEMBER 31, 2004**

Statement of income	. 1
Statement of retained earnings	2
Balance sheet	3
Statement of cash flows	4
Notes to financial statements	5 - 10

### STATEMENT OF INCOME

# YEAR ENDED DECEMBER 31, 2004

		2004	2003
SERVICE REVENUE			
Residential		\$ 117,773	\$ 116,848
Industrial	•	171,991	155,529
Street lighting and other		8,495	6,989
, and the second		298,259	279,366
COST OF POWER		257,719	238,678
GROSS PROFIT		40,540	40,688
EXPENSES			
Administration		28,803	25,368
Amortization		13,156	12,930
Billing and collection		(11,300)	8,690
Distribution		8,942	5,961
Interest on long-term debt		6,768	6,865
		68,969	59,814
INCOME (LOSS) BEFORE OTHER INCOME		(28,429)	(19,126)
OTHER INCOME		19,137	13,568
NET INCOME (LOSS)		\$ (9,292) \$	(5,558)



# STATEMENT OF RETAINED EARNINGS

# YEAR ENDED DECEMBER 31, 2004

		2004	19	2003
BALANCE (DEFICIT), BEGINNING		\$ (24,543)	\$	(18,985)
NET INCOME (LOSS)	2	(9,292)	_	(5,558)
BALANCE (DEFICIT), ENDING		\$ (33,835)	\$	(24,543)

### **BALANCE SHEET**

### **DECEMBER 31, 2004**

		2004	. 2003
ASSETS			
CURRENT ASSETS	•		
Cash Accounts receivable (note 3)	\$	45,069	\$ 43,210
Deferred charges		51,739	62,310
Prepaid expenses		2,080 2,000	3,120 2,742
[ · · · · · · · · · · · · · · · · · · ·	-	100,888	111,382
REGULATED ASSET (note 4)		5,620	5,620
CAPITAL ASSETS (note 5)		163,826	168,697
OTHER ASSETS (note 6)		5,244	6,144
	\$	275,578	\$ 291,843
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued charges Current portion of long-term debt	\$	59,130	\$ 61,613
LONG-TERM DEBT (note 7)	-	2,052 61,182	1,727 63,340
201		01,102	03,510
LONG-TERM DEBT (note 7)		82,605	87,420
	3.	143,787	150,760
SHAREHOLDERS' EQUITY			
CAPITAL STOCK (note 9)		165,626	165,626
DEFICIT	-	(33,835)	(24,543)
η	?——	131,791	141,083
an Y	\$	275,578	\$ 291,843
mat.	Ψ		Ψ 421,0π2
1 ,00 y			
1 1			

ON BEHALF OF THE BOARD

# STATEMENT OF CASH FLOWS

# YEAR ENDED DECEMBER 31, 2004

		2004	2003
CASH PROVIDED BY (USED IN)			
OPERATIONS Net income (loss)	\$	(9,292) \$	(5,558)
Items not requiring cash: Amortization	:	13,156 3,864	12,930 7,372
Net change in non-cash working capital items affecting operations (note 10)	-	8,830 12,694	(3,959) 3,413
INVESTING Purchase of capital assets		(6,345)	
FINANCING Repayment of long-term debt	-	(4,490)	(4,188)
INCREASE (DECREASE) IN CASH POSITION		1,859	(775)
CASH POSITION, BEGINNING	****	43,210	43,985
CASH POSITION, ENDING	\$	45,069 \$	43,210



#### NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2004** 

#### 1. NATURE OF ACTIVITIES

The company, incorporated January 12, 2000 under the laws of Ontario, operates a hydro electric power distribution company. Pursuant to an agreement dated September 30, 2000, specified assets and liabilities of Newbury Hydro were transferred to the company and the company began the business of distribution of hydro services.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for government organizations. The significant accounting policies are as follows:

#### **CASH**

Cash may consist of amounts on deposit plus term deposits with maturity dates less than one year.

#### CAPITAL ASSETS

Amortization of capital assets is calculated using the straight-line method, based on the estimated useful life of the asset, as follows:

Distribution system - overhead	25 years
Distribution system - underground	25 years
Line transformers	25 years
Meters	25 years
Office equipment	10 years

#### **INCORPORATION COSTS**

Amortization is calculated using the straight-line method over 10 years.

#### **DEFERRED CHARGES**

Amortization is calculated using the straight-line method over five years.



### NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2004** 

### 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### REVENUE

Revenue is recorded when power is consumed.

#### **USE OF ESTIMATES**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of certain revenue and expenses during the year. Actual results could differ from management's best estimates as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known.

3. ACCOUNTS RECEIVABLE		2004	2003
Electrical energy Water and sewer Sundry GST	\$ 	32,525 S 17,667 2,980 (1,433)	17,667 3,551 (139)
	 Φ	51,739	62,310
4. REGULATED ASSET		2004	2003
Excess power cost	\$	5,620 \$	5,620

This amount represents the excess of the cost of power purchased by the company over the revenue recovered from customers as a result of regulatory restrictions. On January 15, 2004 final filing guidelines were established for the recovery of regulated assets, the company anticipates that it will be able to recover the variance.

**Collins Barrow**

# NOTES TO FINANCIAL STATEMENTS

## **DECEMBER 31, 2004**

5. CAPITAL ASSETS				<b>F</b> 1		2004		2003
A.S.		Cost		cumulated iortization		Net		Net
Distribution system - overhead Distribution system - underground Line transformers Meters Office equipment	\$	148,005 41,445 58,265 18,413 7,091 273,219	\$	58,168 13,884 25,000 7,839 4,502	\$ 	89,837 27,561 33,265 10,574 2,589	\$	90,708 29,314 34,185 11,310 3,180 168,697
6. OTHER ASSETS						2004		2003
Incorporation costs, net of accumula	ncorporation costs, net of accumulated amortization							6,144



### NOTES TO FINANCIAL STATEMENTS

### **DECEMBER 31, 2004**

7. LONG-TERM DEBT		2004		2003
7.25% note payable to shareholder, in annual instalments of \$11,153 principal and interest, due June 2016	\$	84,657	\$	89,147
Current portion	O <del>F</del>	2,052	2	1,727
	\$	82,605	\$	87,420
The instalments required to be paid over the next five years are as follows:				
2005 2006 2007 2008 2009	\$ 	2,052 5,165 5,539 5,940 6,371 25,067		

#### 8. RELATED PARTY TRANSACTIONS

During the year the company received \$8,470, (2003 - \$3,996) in other income from a shareholder.

During the year the company paid \$1,200, (2003 - \$1,200) in rent and \$6,768, (2003 - \$6,864) in interest expense to a shareholder.



# NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2004** 

9. CAPITAL STOCK	2004	2003
AUTHORIZED		
Unlimited common shares without par value		
ISSUED		
165,626 common shares	<u>\$ 165,626</u> <u>\$</u>	165,626
10. STATEMENT OF CASH FLOWS	2004	2003
a) Change in Non-cash Working Capital Balances		
The net change in non-cash working capital balances related to operations is represented by the following:	I	
Accounts receivable	\$ 10,571 \$	(4,168)
Prepaid expenses Accounts payable and accrued charges	742 (2,483)	(1,500) 1,709
	\$ 8,830 \$	(3,959)
b) Interest Received/Paid		
Interest on short-term investments	\$ 1,273 \$	1,273
Interest paid	\$ 6,967 \$	6,967



### NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2004** 

### 11. FINANCIAL INSTRUMENTS

The carrying value of cash, accounts receivable, accounts payable and accrued charges approximates fair value due to the relatively short-term maturities of these instruments. The fair value of long-term debt is based on rates currently available to the company for debt with similar terms and maturities and are not significantly different from their carrying values.

The company is exposed to credit risk with respect to its accounts receivable. However, this is minimized by the company's large customer base. The company maintains provisions for potential credit losses, and any such losses to date have been within management's expectations.

Agence du revenu du Canada

#### T2 CORPORATION INCOME TAX RETURN

Schedule 200

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

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

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

055 Do not use this area

- Identification -						
Business number (E		87974 4126 RC 0001				
Corporation's name						
002NEWBURY POV	VER INC					
Has the corporation of	hanged its name since		If Yes, do you ha	ave a copy of		
the last time we were	notified?	<b>03</b>	the articles of ar	mendment?	004 <u>Y</u> es	<u>N</u> o
Address of head offi			To which tax year do			
Has this address char	iged since the last	4 <b>4</b>	From <b>060</b> 2004/01	/01 to	<b>2004/12/2004/12</b>	/31
time we were notified?		<b>10</b>	Has there been an acc			
(If Yes, complete lines			applies since the previ	ous tax year?	063 <u>Y</u> es	<u>X</u> <u>N</u> o
011 223 10 TIAGERT	NOAD		If Yes, provide the date	e control was acquired		
City	Pro	vince, territory, or state	ii 700, provido aio date		065	
015 NEWBURY	016 ON				( <del></del>	
Country (other th		tal code/Zip code	Is the corporation a p	rofessional cornorati	on that is a	member of
017	018 NOL	. 1Z0	a partnership?		067 Yes	X No
Mailing address /if di	ffarant franches ad affine	- d-l\				
	fferent from head office ged since the last time		Is this the first year o	f filing after:		E-21.
020 Yes No X	iged silice the last time	we were notined:	Incorporation?		070 <u>Y</u> es 071 Yes	No No
(If Yes, complete lines	021 to 028)		Amalgamation?			X <u>N</u> o
<b>021</b> c/o	·		If Yes, complete lines	USU to USB and attach	Schedule 24	¥3:
022 22910 HAGERTY	/ ROAD		Has there been a win	daun of a subsidiance	ındar sactic	n 88
023			during the current tax		ander sectio	) ii 00
City		vince, territory, or state	If Yes, complete and a		072 Yes	X <u>N</u> o
025 NEWBURY	O26 ON	tal code/Zip code				
Country (other the			Is this the final tax ye			_
U27	020 1101	. 120	before amalgamation	1?	076 <u>Y</u> es	X <u>N</u> o
Location of books ar			Is this the final return	un fo		
	oks and records change		dissolution?		078 Yes	X <u>N</u> o
the last time we were		<b>30</b> <u>Y</u> es				
(If Yes, complete lines 031 22910 HAGERT)	· ·		Is the corporation a r	esident		
031 229 10 11 AGENT	NOAD		of Canada?		080⊠ <u>Y</u> es	☐ <u>N</u> o
City	Pro	vince, territory, or state	If No, give the country			
035 NEWBURY	036 ON		081 and complete and	attach Schedule 97.	081	
	an Canada) Pos		Is the non-resident co	orporation claiming		
037	038 NOL	. 1Z0	an exemption under a			
040 Type of corners	tion at the end of the	lov voor	treaty?		082 <u>Y</u> es	<u>Х</u> <u>N</u> о
1 Canadian-contro	lled $4 \square$ Corp	oration controlled by	If Yes, complete and a	ttach Schedule 91.		
private corpora		oublic corporation	If the corporation is		r section 14	9, tick
2 X Other private		r corporation	one of the following I		(4)/-> (1)	
corporation		ecify, below)		t under paragraph 149 t under paragraph 149		
3 ☐ Public corporatio	n			t under paragraph 149 t under paragraph 149		
If the type of corporation	on changed			t under other paragrap		149
during the tax year, pro	ovide the					
effective date of the ch	nange <b>043</b>					
		Do not us	e 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 (CCPC)?	160	23
Is the corporation an associated CCPC 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		10010
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		20
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	1111	1100
corporation's common and/or preferred shares?	173 X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan	173	30
arrangement during the year?	172	
Is the net income/loss shown on the financial statements different from the net income/loss for income tax	-172	
	201 X	1
purposes?	201	- 1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; or gifts of cultural	202	2
or ecological property?	203	2 3
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	204 X	4
Is the corporation claiming any type of losses?	204	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in	205	E
more than one jurisdiction?	206	5 6
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	200	0
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	207	7
ii) is the corporation claiming the refundable portion of Part I tax?	208 X	8
Does the corporation have any property that is eligible for capital cost allowance?	210	
Does the corporation have any property that is eligible capital property?	-	10 12
Does the corporation have any resource-related deductions?	212	
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	247	47
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	004	0.4
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	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	233	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	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	years o	
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?	0=0	T1131
	253	11131
Is the corporation claiming a film or video production services tax credit refund?	254	T1177

	EWBURY POWER INC CRA Business # 879744126 Year-end: 2004/12/31 Printed: 2011/1	11/03 09:16		
- Atta	chments - Continued from page 2			
			Ye	es Schedule
Did the	corporation have any foreign affiliates that are not controlled foreign affi	iliates?	256	T1134-A
	corporation have any controlled foreign affiliates?		258	T1134-B
	corporation own specified foreign property in the year with a cost amour	nt over \$100.000?	259	T1135
	corporation transfer or loan property to a non-resident trust?		260	T1141
	corporation receive a distribution from or was it indebted to a non-reside	ent trust in the year?	261	T1142
	corporation entered into an agreement to allocate assistance for SR&E		262	T1145
	corporation entered into an agreement to transfer qualified expenditure			-
of SR&E	ED contracts?		263	T1146
Has the	corporation entered into an agreement with other associated corporatio	ons for salary or wages of	_	_
specifie	d employees for SR&ED?		264	T1174
	itional information			
	orporation inactive?		280 1 Yes	2 No X
	major business activity changed since the last return was filed?		004 434 🖂	0 N [7]
(enter Y	'es for first-time filers)		281 1 Yes	2 No X
	the corporation's major business activity? 282			
(Only co	omplete if Yes was entered at line 281.)			
If the ma	ajor business activity involves the resale of goods, show whether it is wh	nolesale or retail 283	1 Wholesale	2 Retail
				_
	the principal product(s) mined, manufactured, 284 POWER			000_%
	nstructed, or services provided, giving the nate percentage of the total revenue that each		287	%
	nate percentage of the total revenue that each 288or service represents.		289	%
	corporation immigrate to Canada during the tax year?		291 1 Yes	2 No X
	corporation emigrate from Canada during the tax year?		292 1 Yes	2 No X
Dia trio	sorporation ornigrate from ourland during the tax year.			2110 🖂
- Taxa	ble income			
	ome or (loss) for income tax purposes from Schedule 1, financial statement	ents, or GIFI	300	(5,126) A
	Charitable donations from Schedule 2	311		` ', _ /-
Deduct.	Gifts to Canada, a province, or a territory from Schedule 2	312		
	Cultural gifts from Schedule 2	313	<del></del>	
	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		
	Net capital losses of preceding tax years from Schedule 4	332		
	Restricted farm losses of preceding tax years from Schedule 4	333	<del></del>	
	Farm losses of preceding tax years from Schedule 4	334	=======================================	
	Limited partnership losses of preceding tax years from	225		
	Schedule 4	335		
	Taxable capital gains or taxable dividends allocated from a central	340		
	credit union			
	Prospector's and grubstaker's shares	350		5
	Sub			B
	Subtotal (amount A minus ar	mount B) (if negative, enter	n.)	с
			355	D
Add:	Section 110.5 additions or subparagraph 115(1)(a)(vii) additions			
	Section 110.5 additions or subparagraph 115(1)(a)(vii) additions  income (amount C plus amount D)		360	0
Taxable	income (amount C plus amount D)		360	
Taxable Income	e income (amount C plus amount D) exempt under paragraph 149(1)(t)	n(f)		
Income of Taxable	income (amount C plus amount D)	o(t)	360	

* This amount is equal to 3 times the Part VI.1 tax payable at line 724 on page 8.

Income from a	trolled private corporations (CCPCs) throughout the ctive business carried on in Canada from Schedule 7				400	A
	e from line 360 on page 3, <b>minus</b> 10/3 of the amount or					
from Part I tax	unt on line 636 on page 7, and <b>minus</b> any amount that,	because of fed	leral law,	is exempt	405	5
	the business limit:				405	В
	, calculate the amount at line 4 below.					
\$250,000 x	Number of days in the tax year in 2004	366	=	250,000	1	
, 200,000 x	Number of days in the tax year	366	-	200,000	•	
300,000 x	Number of days in the tax year in 2005 and in 2006		_		2	
	Number of days in the tax year	366				
400,000 x	Number of days in the tax year after 2006	000	-		3	
400,000 X	Number of days in the tax year	366	_		3	
	Add amounts at lin			250,000	4	
tueinase limit /	(see notes 1 and 2 below)	100 1, <b>2</b> , and 0	-	200,000	410	C
	CCPCs that are not associated, enter the amount from li	ne 4 on line 41	0 Howey	ver if the corpor		
year	ear is less than 51 weeks, prorate the amount from line divided by 365, and enter the result on line 410. associated CCPCs, use Schedule 23 to calculate the arreduction.					
	X 415	D				
Amount C _		=				E
	11,250	)			-	
	ess limit (amount C minus amount E) (if negative, enter				425	0 F
mall busines	s deduction – 16% of whichever amount is the least: A	A, B, C, or F			430	0 G
enter amount (	G on line 9 of page 7)					
Reduced busin  Net active busin  Faxable income	trolled private corporations throughout the taxation ess limit (amount from line 425)  ness income (amount from line 400)* e from line 360 on page 3 minus 3 times the amount at	X line 636**		sinan business	=	a b
art I tax	minus any amount that, because of federal law, is exe	mpt from		с		
Deduct:						
	stment income (amount from line 440 of page 6)		-	d		
mount c minu	s amount d (if negative, enter "0")		-			е
	e above, whichever is less	400 / 7				†
	Part 9 of Schedule 27	x 100 / 7 =		9		
	m Part 13 of Schedule 27			h		
	ce income from line 435 on page 5					
mount on line	o calculate the credit union deduction (amount e in Part 3 400, 405, 410 or 425 of the small business deduction,	of Schedule 17)				
whichever is les			-			42
	ts g, h, i, j, and k		-		-	'
	amount I (if negative, enter "0")				-	m
	x reduction - 7% of amount m				-	n
enter amount r	n on line 637 of page 7)					
* If the amou	nt at line 450 of Schedule 7 is positive, members of par	rtnerships need	to use S	Schedule 70 to d	calculate net activ	ve business
	ne amount of foreign business income tax credit deduct	tible at line 636	without	reference to the	corporate tax red	ductions

Amount H X Number of days in the taxation year in 2003  Number of days in the taxation year  Amount H X Number of days in the taxation year in 2004	366 × 1% =	
	300	
Amount HX Number of days in the taxation year in 2004  Number of days in the taxation year	366 366 × 2% =	
Amount Hx Number of days in the taxation year in 2005  Number of days in the taxation year	366 × 3% =	
Amount Hx Number of days in the taxation year in 2006  Number of days in the taxation year	366 × 5% =	
Amount Hx <u>Number of days in the taxation year after 2006</u> Number of days in the taxation year		N
Resource deduction – total of amounts I, J, K, L, and M	420	N
enter amount N on line 10 of page 7)		
Taxable resource income from line 435 above  Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)  Amount on line 400, 405, 410, or 425 on page 4, whichever is the least  Aggregate investment income from line 440 of page 6		
	D E	
Aggregate investment income from line 440 of page 6	G	
Amount used to calculate the accelerated tax reduction (amount m of page 4)  Subtotal		
Amount A minus amount H (if negative, enter "0")		
General tax reduction for Canadian-controlled private corporations - Amount x 7% (Enter amount J on line 638 of page 7)		
General tax reduction  Corporations other than a Canadian-controlled private corporation, an investment corporation, or a mutual fund corporation; and for tax years starting after May 1, 2006, a not subject to the full tax rate of 38% (eg. deposit insurance company).		income that
axable income from line 360 on page 3 Amount Z from Part 9 of Schedule 27 x 100 / 7 =	N	<i>1</i> \
Amount QQ from Part 13 of Schedule 27	0	
axable resource income from line 435 above	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	·	F
Amount M minus amount R (if negative, enter "0")		
General tax reduction - Amount S x 7% enter amount T on line 639 of page 7)		

file copy: NEWBURY POWER INC CRA Business # 879744126 Year-end: 2004/12/31 Printed: 2011/11/03 09:16 Refundable portion of Part I tax = Canadian-controlled private corporations throughout the tax year Aggregate investment income 440 X 26 2/3 % = (Amount O from Part 1 of Schedule 7) Foreign non-business income tax credit from line 632 on page 7 Deduct: Foreign investment income X 9 1/3 % = 445 (Amount L from Part 2 of Schedule 7) (if negative, enter "0") Amount A minus amount B (if negative, enter "0") Taxable income from line 360 on page 3 Deduct: Amount on line 400, 405, 410, or 425 on page 4, whichever is the least Foreign non-business income tax credit from line 632 of page 7 x 25/9 =Foreign business income tax credit from line 636 of page 7 X 26 2/3% = Part I tax payable minus investment tax credit refund (line 700 minus line 780 on page 8) Deduct: Corporate surtax from line 600 of page 7 Net amount Ε Refundable portion of Part I tax - Amount C, D, or E, whichever is the least 450 0 F Refundable dividend tax on hand Refundable dividend tax on hand at the end of the preceding tax year 460 Deduct: Dividend refund for the previous tax year 465 Add the total of: Refundable portion of Part I tax from line 450 above Total Part IV tax payable from line 360 on page 2 of Schedule 3 Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation 480 Н Refundable dividend tax on hand at the end of the tax year - Amount G plus amount H 485 0

T2 E (06) GP25 - RETAIN ON FILE. DO NOT SUBMIT TO THE CRA.

Dividend refund

Schedule 3

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

**Dividend refund** – Amount I or J, whichever is less (enter this amount on line 784 of page 8)

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

Taxable dividends paid in the tax year from line 460 on page 2 of

X 1/3

Part I tax		
Base amount of Part I tax - 38% of taxable income (line 360 or amount Z, which from page 3	chever applies)	<b>550</b> 0_A
Corporate surtax calculation		
Base amount from line A above		1
Deduct:	-	
10% of taxable income (line 360 or amount Z, whichever applies) from page 3	3	2
Investment corporation deduction from line 620 below		3
Federal logging tax credit from line 640 below		1
Federal qualifying environment trust tax credit from line 648 below	-	=
r ederal qualifying environment trust tax credit from line 040 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% of taxable income from line 360 on page 3	a	
28% of taxed capital gains	h	6
	·	0
Part I tax otherwise payable		
	С	
Total of lines 2 to 6		7
Net amount (line 1 minus line 7)		8
The carried in the ca		ŭ
Corporate surtax - 4% of the amount on line 8		600B
Recapture of investment tax credit from line III in Part 24 of Schedule 31		<b>602</b> C
rescaptare of investment tax orealt from line in in 1 at 24 of ocheane of		
Calculation for the refundable tax on Canadian-controlled private corporati (if it was a CCPC throughout the tax year)  Aggregate investment income from line 440 on page 6	on's (CCPC) investment i	ncome
		10.
Taxable income from line 360 on page 3		
Deduct:		
Amount on line 400, 405, 410, or 425 of page 4,		
whichever is the least		
Net amount	<b>&gt;</b>	ii
Refundable tax on CCPC's investment income – 6 2/3% of whichever is less:	amazinti az ii	604
		<b>604</b> D
Subt	total (add lines A, B, C, and	ID)E
Deduct:		
Small business deduction from line 430 on page 4		۵
Federal tax abatement	608	9
Manufacturing and processing profits deduction from amount BB or amount RR	600	
of Schedule 27	646	
	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 of page 4	637	
Resource deduction from line 438 of page 5		10
General tax reduction for CCPCs from amount J on page 5	638	
General tax reduction from amount T on page 5	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	
Apprenticeship Job Creation Tax Credit (Applicable for salaries and wages		
paid to qualifying apprentices on or after May 2, 2006)		
		_
Subtota		F
Part I tax payable - Line E minus line F (enter amount G on line 700 of page 8)		0 G

Summary of tax and credits	
Federal tax	
Part I tax payable from page 7	700
Part I.3 tax payable from Schedule 33, 34, or 35	704
Part II surtax tax 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 0
Add provincial and territorial tax:	
Provincial or territorial jurisdiction 750 ON	
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)	
Net provincial or territorial tax payable (except Quebec, Ontario and Alberta)	760
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765
	·
	Total tax payable 770 0 A
Deduct other credits:	
Investment tax credit refund from Schedule 31	780
Dividend refund from page 6	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 - 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
	credits 890 B
Refund Code 894 Overpayment	Balance (line A minus line B) 0 1
Direct Deposit Request	If the result is negative, you have an <b>overpayment</b> .
To have the corporation's refund deposited directly into the corporation's	If the result is positive, you have a balance unpaid.
bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:	Enter the amount on whichever line applies.
Start Change information 910	Generally, we do not charge or refund a difference of \$2
Branch number	or less.
914 918	Balance unpaid
Institution number Account number	Enclosed payment 898
	1
If the corporation is a Canadian-controlled private corporation throughout the ta	
does it qualify for the one-month extension of the date the balance of tax is due	e? 896 1 Yes 2 No NA X
Certification	
950 PAVILONIS 951 PETER	954 CHAIR
Surname First name	Position, office or rank
955 956 (519) 693-4941	r osition, office of rank
Date Telephone number	
Is the contact person the same as the authorized signing officer? If no, comple	ete the information below. 957 1 Yes 🗵 2 No
958	959 <u>(</u> ) -
Name	Telephone number
Language of correspondence - Langue de correspondance	e
990 Language of choice/Langue de choix <u>1</u> English / Anglais X	

Agency

Canada Revenue Agence du revenu du Canada

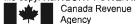
#### NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Schedule 1

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

Net income (loss) after taxes and extraordinary	items per financial statements		Α	(9,292)
Add:				•
Amortization of tangible assets	104	13,156		
	Total of fields 101 to 199 <b>500</b>	13,156	<b>)</b>	13,156
Deduct:				
Capital cost allowance - Schedule 8	403	8,990		
	Total of fields 401 to 499 510	8,990	<b>&gt;</b>	8,990
Net income (loss) for income tax purposes (	enter on line 300 of the T2 return)			(5,126)

(5,126)



#### CORPORATION LOSS CONTINUITY AND APPLICATION

- 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 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.

Determination of current-year non-capital loss

- When control has been acquired, subsection 111(5) provides 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

Net income (loss) for income tax purposes

The Description of the Descripti			
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 pos	itive, enter "0")	(5,126)
Deduct: (increase a loss)			
Section 110.5 and/or subparagraph 115(1)(a)(vii) - Addition for foreign tax deduction	ctions		
Add: (decrease a loss)		Subtotal	(5,126)
Current-year farm loss			
Current-year non-capital loss (if positive, enter "0")			(5,126)
Continuity of non-capital losses and rec	quest for a	carryback ——	
Non-capital loss at the end of preceding tax year		20,010	
Deduct: Non-capital loss expired *	100		
Non-capital losses at beginning of tax year	102	20,010	
Add: Non-capital losses transferred on an amalgamation or the windup of a			
subsidiary corporation	105		
Current-year non-capital loss (from calculation above)	110	5,126	25,136
Deduct:			
Other adjustments (include adjustments for an acquisition of control)	150		
Section 80 - Adjustments for forgiven amounts	140		
Deduct:			
Amount applied against taxable income (enter on line 331 of the T2 return)	130		
Amount applied against taxable dividends subject to Part IV tax	135		
		Subtotal	25,136
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 and a discrete control of the			
Third preceding tax year to reduce taxable dividends subject to Part IV tax  Non-capital losses - Closing balance	913		25,136

* A	non-capi	tal lo	ss exp	ires a	ış fol	lows
-----	----------	--------	--------	--------	--------	------

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

Election under paragraph 88(1.1)(f)	
Paragraph 88(1.1)(f) election indicator	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

Capital losses at end of preceding tax year	200		
Capital losses transferred on an amalgamation or the windup of a			<del></del> ;
subsidiary corporation	205		_
Deduct:			
Other adjustments (includes adjustments for an acquisition of control)	250		
Section 80 - Adjustments for forgiven amounts	240		_
		Subto	tal
Add:			
Current-year capital loss (from Schedule 6 calculation)			210
Non capital losses from a preceing tax year* that expired this year			A
Allowable business investment losses (ABIL) incurred in the			<del></del>
same preceding tax year* referred to at line A			B
Enter amount from line A or B, whichever is less 215			
Allowable business investment loss expired as a non-capital loss	* 4 /	3	220
		Subto	tal
Note: If there has been an amalgamation or a windup of a subsidiary, do a see expired as non-capital loss for each predecessor or subsidiary. Add all the	parate calculation on nese amounts and e	of the allowa enter the to	able business investment los stal at line 220 above.
<b>Deduct</b> : Amount applied against current-year capital gain (see Note 1)			225
		Subto	tal
Deduct - Request to carry back capital loss to: (see Note 2)			
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%			
The state of the 12 retain, onto the amount from the 220 multiplied by 3070			

#### 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 a preceding tax year to be entered at line A and line B are the following:
- If the loss was incurred in a tax year ending before March 23, 2004 enter the loss from the 8th preceding tax year, which has expired this
  year
- If the loss was incurred in a tax year ending after March 22, 2004 and before 2006, enter the loss from the 11th preceding tax year which has expired this year,
- If the loss was incurred in a tax year ending in 2006 and later, enter the loss from the 21th preceding tax year which has expired this year
- ** 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 ABIL's incurred in 1999 and preceding tax years, use 0.75
- For ABIL's incurred in 2000 and 2001 tax years, the inclusion aree is equal to amount M on schedule 6 version T2SCH6(01)
- For ABIL's incurred in 2002 and later tax years, use 0.5

#### Part 3 – Farm losses

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 transfered on an amalgamation or the		
windup of a subsidiary corporation	305	
Current-year farm loss	310	
Deduct:	=	
Other adjustments (includes adjustments for an acquistion of control)	350	
Section 80 - Adjustments for forgiven amounts	340	
Amount applied against taxable income (enter on line 334 of T2 return)	330	
Amount applied against taxable dividends subject to Part IV tax	335	
Deduct - Request to carry back farm loss to:	5	
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

Total losses for the year from farming business	485	C
Minus the deductible farm loss:		
\$2,500 plus D or E, whichever is less		
(Amount C above - \$2,500) divided by 2	D	
	6,250 E	
		F

Continuity of restricted farm losses and	I request for a carryba	ck —
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 windup		
of a subsidiary corporation	405	
Current-year restricted farm loss (enter on line 233 of Schedule 1)	410	<del></del>
Deduct:	<del></del>	=======================================
Amount applied against farming income (enter on line 333 of T2 return)	430	
Section 80 – Adjustments for forgiven amounts	440	
Other adjustments	450	_
Deduct – Request to carry back restricted farm loss to:	-	<del></del>
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.

#### Part 5 – Listed personal property losses

502 510 Subtotal
Subtotal
-

#### Part 6 - Analysis of balance of losses by year of origin

Year of origin	Non-capital losses *	Farm losses	Restricted farm losses	Listed personal property losses
			_	
2000/12/31				
2001/12/31				
2002/12/31	20,010			
2003/12/31				
2004/12/31	5,126			
Total	25,136			

^{*} A non-capital loss expires as follows:

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

#### Part 7 - Limited partnership losses

Current-year limited partnership losses								
1	2	3	4	5	6	7		
Partnership identifier	Fiscal period ending	Corporation's share of limited partnership loss	Corporation's at risk amount	Corp's share of partnership ITC, farming losses and resource expenses	Column 4 - 5 If negative, enter "0"	Current-year limited partnership losses Column 3 - 6		
600	602	604	606	608		620		
			Total (ente	er this amount on line 2	22 of Schedule 1)			

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	Corp's share of partnership ITC, business or property losses, and resource expenses	Column 4 - 5 if negative, enter "0"	Limited partnership losse that may be applied in the ye The lesser of columns 3 and 6
630	632	634	636	638		650

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

Canada Revenue Agency

Agence du revenu du Canada

#### **CAPITAL COST ALLOWANCE**

Schedule 8

Is the corporation electing under regulation 1101(5q)? 101 1  $\underline{Y}$ es  $\underline{\square}$  2  $\underline{N}$ o  $\overline{\underline{X}}$ 

1	2	3	4	5	7	8	9	10	11	12	13
Class	UCC at start of	Cost of	Net adjustments	Proceeds of	Adjustment for	Base amount for	Rate	CCA for the year	Recapture	Terminal loss	UCC at the end
	year	additions in		dispositions in	additions (1/2 x	CCA	%	(col 8 x 9 or a	of CCA		of the year
		the year		the year	(col 3 - 5))			lower amount)			1 1
200	201	203	205	207	211		212	217	213	215	220
1	159,679	6,341			3,171	162,849	4	6,514			159,506
10	8,254					8,254	30	2,476			5,778
Totals	167,933	6,341			3,171	171,103		8,990			165,284

S8Supp

# Reconciliation of NBV and UCC

NBV of capital assets, beginning of year	168,697	
Less: Land	- 100,001	
NBV of depreciable capital assets, beginning of year	168,697	168,697
UCC beginning of year	167,933	
Less: Opening Class 14 balance	107,000	
Adjusted UCC	167,933	167,933
Timing difference, beginning of year		764_A
CCA and amortization		
CCA claimed (except class 14)	+ 8,990	
Terminal loss	+	
Recapture	*	
Amortization per financial statements	- 11,216	
Class 10.1		
Difference on purchase (costless ceiling)	+	
Beginning UCC less CCA in year of disposal	+	
NBV of class 10.1 asset prior to sale (proceeds, if financial statement gain)		
Gains and losses		
Gain on disposal of capital assets per financial statements	+	
Capital loss portion of total loss	+	
Loss on disposal of capital assets per financial statements	_	
Capital gain portion of total gain	-	
Other		
Operating leases capitalized for financial statement purposes	+	
Deductible items capitalized for financial statement purposes	+	
Section 85 difference	+	
Pre-valuation day depreciation	+	
	+	
Timing difference, current year	(2,226)	+ (2,226) B
Timing difference, end of year (A + B)		(1,462) C
Proof		
NBV of capital assets, end of year	163,826	
Less: Land	- 100,020	
NBV of depreciable capital assets, end of year	163,826	163,826
		100,020
UCC end of year	165,284	
Less: Ending Class 14 balance	105.05	10=001
Adjusted UCC	165,284	165,284
Timing difference as at 2004/12/31 (amount D should equal amount C)		(1,458) D

Notes

Canada Customs

Agence des douanes and Revenue Agency et du revenu du Canada

#### **RELATED AND ASSOCIATED CORPORATIONS**

Schedule 9

This form is to be completed by a corporation having one or more of the following:

- related corporation(s)
- associated corporation(s)

Name	Country	Business #	Code	Common shares		Preferred shares		Book value of
	(if not	(Canadian corporation	note 1	# owned	% owned	# owned	% owned	capital stock
	Canada)	only)						·
100	200	300	400	500	550	600	650	700
Village of Newbury		NR	1	132,501	80.000			132,501
NEWBURY COMMUNITY SERVICES INC		NR	1	33,125	20.000			33,125
Note 1: Enter the code number of the relationship that applies: 1- Parer	t 2 - Sul	osidiary 3 - Associated	4 - Rela	ated, but not ass	sociated		-	-

Canada Revenue Agence du revenu du Canada

#### SHAREHOLDER INFORMATION

Schedule 50

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	Business Number	Social Insurance	Trust Number	Percentage	Percentage
(after name, indicate in brackets if the	(If a corporation is not		(If a trust number	common shares	preferred shares
shareholder is a corporation, partnership,	registered, enter "NR") *		is not available,		
individual or trust)			enter "NA") *		
				l'	l n
	200	000	050	400	500
100	200	300	350	400	500
100 THE CORPORATION OF THE VILLAGE OF		300	350	<b>400</b> 80.000	500
		300	350		500

^{*} For a taxation year commencing before January 1, 2004, if the shareholder is a trust, enter NR at field 200 or NA at field 300. Do not enter a trust number in field 350.



Canada Customs Agence des douanes

and Revenue Agency et du revenu du Canada

#### **BALANCE SHEET INFORMATION**

Schedule 100

Assets	Code	Current year	Prior year
Cash and deposits	1000	45,069	43,210
Accounts Receivable	1060	51,739	62,310
Other current assets	1480	2,080	3,120
Prepaid expenses	1484	2,000	2,742
Machinery, equipment, furniture and fixtures	1740	247,714	241,373
Accumulated amortization of machinery, equipment, furniture and fixtures	1741	(97,051)	(87,164)
Other machinery and equipment	1785	7,091	7,091
Accumulated amortization of other machinery and equipment	1786	(4,502)	(3,910)
Furniture and fixtures	1787	18,413	18,413
Accumulated amortization of furniture and fixtures	1788	(7,839)	(7,103)
Incorporation costs	2018	5,244	6,144
Other long term assets	2420	5,620	5,620
Total assets	2599	275,578	291.846

Liabilities	Code	Current year	Prior year
Bank overdraft	2600		
Amounts payable and accrued liabilities	2620	59,132	61,620
Current portion of long term liability	2920	2,052	1,727
Long term debt	3140	82,605	87,420
Total liabilities	3499	143,789	150,767

Equity	Code	Current year	Prior year	
Common shares	3500	165,626	165,626	
Retained earnings / deficit	3600	(33,835)	(24,547)	
Total equity	3620	131,791	141,079	
Total liabilities and equity	3640	275,580	291,846	

Retained earnings	Code	Current year	Prior year
Retained earnings/deficit-start	3660	(24,543)	(38,465
Net income / loss	3680	(9,292)	(5,558)
Prior period adjustments	3720		19,476
Total retained earnings	3849	(33,835)	(24,547)

Prepared without audit based on information provided by the taxpayer.

Canada Customs Agence des douanes and Revenue Agency et du revenu du Canada

#### **INCOME STATEMENT INFORMATION**

Schedule 125

#### **Details**

Operating name, if different from the corporations' legal name **0001** 

Description of operation, if filing multiple Schedules 125

0002

Revenue	Code	Current year	Prior year
Trade sales of goods and services	8000	298,259	279,366
Total sales of goods and services	8089	298,259	279,366
Other revenue	8230	19,137	13,568
Total revenue	8299	317,396	292,934

Cost of sales	Code	Current year	Prior year
Opening inventory	8300		
Purchases / cost of materials	8320	257,719	238,678
Cost of sales	8518	257,719	238,678
Gross profit / loss (item 8089 - item 8518)	8519	40,540	40,688

Operating expenses	Code	Current year	Prior year
Amortization of tangible assets	8670	13,156	12,930
Interest paid on bonds and debentures	8742	6,768	6,865
Office expenses	8810	11,300	8,690
Delivery, freight and express	9275	8,942	5,961
General and administrative expenses	9284	28,803	25,368
Total operating expenses	9367	68,969	59,814
Total expenses	9368	326,688	298,492
Net non-farming income	9369	(9,292)	(5,558)

Farming revenue	Code	Current year	Prior year
Grains and oilseeds	9370		
Total farm revenue	9659		

Farming expenses	Code	Current year	Prior year
Crop expenses	9660		
Total farm expenses	9898		
Net farm income	9899		
Net income / loss before taxes and extraordinary items	9970	(9,292)	(5,558

Prepared without audit based on information provided by the taxpayer.

file copy: NEWBURY POWER INC CRA Business # 879744126 Year-end: 2004/12/31 Printed: 2011/11/03 09:16

#### Summary

Complete this section if only one Schedule 125 is filed, Schedule 140 is used to summarize the information from multiple Schedules 125.

Extraordinary items	9975-			
Legal settlements	9976-			
Unrealized gains / losses	9980+		+	
Unusual items	9985-		-	
Current income taxes	9990-	9990-		
Future income tax provision	9995-	9995-		
Net income / loss after taxes and extraordinary items	9999=	9999 = (9,292)		(5,558)

Prepared without audit based on information provided by the taxpayer.



Canada Customs

Agence des douanes and Revenue Agency et du revenu du Canada

#### **NOTES CHECKLIST**

Schedule 141

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?	<b>095</b> <u>Y</u> es	<u> N</u> o
Is the accounting practitioner connected* with the corporation?	<b>097</b> <u>Y</u> es	<u>X</u> <u>N</u> o
* A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the control Note  If the accounting practitioner does not have a professional designation or is connected with the corporation, you can Parts 2 and 3 of this schedule. However, you do have to complete Part 4.	orporation.	
Part 2 – Type of involvement		, v
Choose the option that represents the highest level of involvement of the accounting practitioner:	198	
Completed an auditor's report	<u>1</u> X	
Completed a review engagement report	2 □	
Conducted a compilation engagement	<u>3</u> []	
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?	<b>099</b> <u>Y</u> es	⊠ <u>N</u> o
Part 4 – Other information		
Were notes to the financial statements prepared?	101 X Yes	<u>N</u> o
If Yes , complete lines 102 to 107 below:		
Are any values presented at other than cost?	<b>102</b> Yes	X <u>N</u> o
Has there been a change in accounting policies since the last return?	<b>103</b>	
Are subsequent events mentioned in the notes?	104 Yes	X <u>N</u> o
Is re-evaluation of asset information mentioned in the notes?	105 Yes	X <u>N</u> o
Is contingent liability mentioned in the notes?	106 Yes	X <u>N</u> o
ls information regarding commitments mentioned in the notes?	107	
Does the corporation have investments in joint venture(s) or partnership(s)?	108 <u>Y</u> es	<b>X</b> <u>N</u> o
If Yes, complete line 109 below:		П.,
Are you filing financial statements of the joint venture(s) or partnership(s)?	109 Yes	No

# **Tax Summary**

Corporation name NEWBURY POWER INC

		Tax year ending	2004/12/31
Taxable income		Tax payable	
Net income for tax purposes	(5,126)	Part I tax	
Charitable donations and gifts		Part I.3 tax (large corporations tax)	+
Taxable dividends	-	Taxable dividends received	
Losses of prior years	=	Part IV tax	+
Other adjustments	±	Other federal tax payable	+
Taxable income	=	Subtotal	=
Part I tax		Provincial and territorial tax (except QC,ON,AB)	+
38% of taxable income		Provincial tax on large corporations (NB,NS)	+
Surtax	+	Tax payable	+
Refundable tax on CCPC investment income	+	Tax instalments paid	-
Active business income		Investment tax credit refund	-
Small business deduction	-	Taxable dividends paid	
Federal tax abatement	, n	Dividend refund	. V
Manufacturing and processing deduction	=	Other refundable credits	
Additional deduction - credit unions	=	Balance owing (refund) on federal return	=
Foreign tax credits	=		
Resource deduction		Provincial income tax (ON,AB,QC)	
Political contribution tax credit	-	Capital and other provincial taxes	+
Investment tax credit	2	Tax instalments and credits	
Other deductions and credits	)=	Other provincial taxes	=
Part I tax	=======================================	Total balance owing (refund)	

Provincial tax	% Provincial			Capital and other	Tax instalments	
	allocation	Taxable income	Income tax	provincial taxes	and credits	Net provincial tax
Newfoundland						
Prince Edward Island		0				
Nova Scotia				-		-
New Brunswick						
Manitoba						
Saskatchewan						
British Columbia						
Yukon Territory				· · · · · · · · · · · · · · · · · · ·		
Northwest Territories						
Nunavut				5. 20		
	Schedule 5 prov	incial tax payable		<del>.</del> 2		
Ontario	100.0000	(5,126)				
Alberta						
Québec						
		Totals				

ek end of year 25,136	Capital dividend account Refundable dividend tax on hand	_
25 126	Refundable dividend tax on hand	
25 126		
20,100	(net of dividend refund)	
	Unused Part 1.3 tax credit	
	Unused surtax credits	
	Foreign business tax credits	
	Donations and gifts	
	Investment tax credits	
	Ontario CMT losses	49,370
	Ontario CMT credit	
		Unused surtax credits Foreign business tax credits Donations and gifts Investment tax credits Ontario CMT losses

BN: 87974 41	26 RC 000	Name: NEWBURY POWER INC	Date: 2011/11/03
Warning	T2	Signing date has not been completed. Please review.	
Warning	Info	Signing date has not been completed. Please review.	
Warning	S100	Total assets do not equal total liabilities plus total shareholder equity. Please review.	
Notice	Info	The preparer information on this return does not match the information in Options Envir the preparer information on this return, open the Info form, right click, and select "Updat information".	
Notice	S141	Please include a paper copy of the financial statements notes with the T2RSI submission	on.
Override	Info	Ontario CT23 version (ProFile: 2006 and later)	
Override	S8Sup	p Amortization per financial statements (ProFile: 13,156)	
Memo	S4	Line 220: 4/3 of the expired ABIL: "Your previous version of ProFile calculated a value of Please review."	of \$0.00 for line 220.
T2 RSI #14100	D95S141	Please answer yes or no at line 095.	



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

## 2003 CT23 Corporations Tax and **Annual Return**

after September 30, 2001

Corporations Tax Act - Ministry of Finance (MOF)

Corporations Information Act - Ministry of Consumer and Business Services (MCBS)

This return is a combination of the Ministry of Finance (MOF) CT23
Corporations Tax Return and the Ministry of Consumer and Business
Services (MCBS) Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the Exempt from Filing (EFF) declaration on page 2 or file the CT23 Return on pages 3-17, together with the applicable schedules on pages 18-21. Corporations that do not meet the EFF criteria but do meet the Short-Form criteria may request and file the CT23 Short-Form the Short-Form criteria, may request and file th CT23 Short-Form

The Annual Return (common page 1 and MCBS Schedule A on pages 22 and 23, and Schedule K on page 24) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in _Ministry Use.

MCBS Annual Return Required? (Not required if alre	ady filed or npt. Refer to Guid	de) 🛛 Yes 🗌	No Page 1 of 24	
Corporation's Legal Name (including punctuation, NEWBURY POWER INC	)			Ontario Corporations Tax Account No. (MOF) 6820376 This CT23 Return covers the Taxation Year
Mailing address				Start 2004/01/01
22910 HAGERTY ROAD				Start 2004/01/01
City NEWBURY	Province ON	Country CA	Postal code N0L 1Z0	End 2004/12/31
Has the mailing address changed since last filed CT23 Return?	Date o	of change		Date of Incorporation or Amalgamation
Registered/Head Office Address 22910 HAGERTY ROAD				2000/01/12
City NEWBURY	Province ON	Country	Postal code N0L 1Z0	Ontario Corporation No. 1394004 (MCBS)
Location of Books and Records 22910 HAGERTY ROAD City NEWBURY	Province ON	Country	Postal code NOL 1Z0	Canada Customs and Revenue Agency Business No. 879744126RC0001
Name of person to contact regarding this CT23 Return PETER PAVILONIS	Telephone (519) 693-		) -	Jurisdiction Incorporated ONTARIO
Address of Principal Office in Ontario ( <i>Extra-Prov</i>	incial Corporat	ions only) Country	(MCBS) Postal code	If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:  Commenced
Former Corporation Name (Extra-Provincial Corporations	only)	Not applicable	(MCBS)	Ceased  X Not Applicable
Information on Directors/Officers/Administrators of Schedule A or K as appropriate. If additional space only this schedule may be photocopied. State nur If there is <b>no change</b> to the Directors'/Officers'/Administrators of Schedule may be photocopied. State nur If there is <b>no change</b> to the Directors'/Officers'/Administrators of Schedule may be photocopied. State nur If there is <b>no change</b> to the Directors'/Officers'/Administrators of Schedule Administrators of Schedule Administrators of Schedule Administrators of Schedule Administrators of Schedule A or K as appropriate. If additional space only this schedule A or K as appropriate. If additional space only this schedule A or K as appropriate. If additional space only this schedule and the schedule A or K as appropriate. If additional space only this schedule and the schedule and the schedule and the schedule A or K as appropriate. If additional space only this schedule and the schedule and t	ce is required for mber submitted dministrators' ir	or Schedule A, I (MCBS). ▶ nformation previo	No. of Schedule(s)  0  ously ired (MCBS), No Change	Preferred Language / Langue de préférence    English   French   Français
		Certification		
I certify that all information set out in the Ar Name of Authorized Person PETER PAVILONIS	inual Return	is true, correc	t and complete.	
D O P Title: Director X Officer D Note: Sections 13 and 14 of the Corporations Informa-	of the affairs of	having knowledge of the Corporatio e penalties for ma	n	ements or omissions.

Taxation Year End



# Exempt From Filing (EFF) Corporations Tax Return Declaration Page 2 of 24

										Page 2 of 24
Со	rporation's Le	egal Name						Ontario Corp	orations Tax Acc	count No. (MOF)
I, _					de	clare th	at:			
				from filing criteria (a rio Corporations Ta			elow for t	the taxation yea	r and therefore q	ualifies under the
a) b)	has filed a fed and Revenue had no Ontar provisions in	npt from filing sta deral income tax re Agency for the tax io taxable income NOTE 2 below); io Corporations Ta	eturn (T2) with kation year; for the taxation	year (subject to the	ta s 7 e) h n f) is	exation y hares over ax Act (read proving ad proving umber to s NOT su f an ass	vear (i.e. wned by Canada) ded its Co the Mir ubject to ociated (	generally a priv Canadian reside ); Canada Custome histry of Finance the Corporate N group whose tot	ents as defined b s and Revenue A e, Corporations T	vith 50% or more by the <i>Income</i> Agency business ax Branch; and alone or as part \$5 million or
	Signature	-	Title/Relationshi	p to Corporation		Teleph	none num -	ber	Date	
Plea	se note that n	naking a false state	ment to avoid c	ompliance with the (	Corpora	ations Ta	x Act is	an offence which	can result in a pe	enalty and/or fine.
NOT	constitus section  TE 2: The follo corporati schedule  1. If a compare the came of the cam	ne amount of loss to	rporations Tax lons Tax Act.  will require others return complete ments: in the current tax do to a previous to loss is the same ax return is required to must also probe carried back to the carried back to the test of the EFF de constant and the constant and th	Return under  wise EFF e with all related  xation year that is to axation year(s), as for federal red for the current rovide information x and specify the year to each taxation year, claration only is being	submit	feder loss tax re previ which for the appliment of the corpor the key corpor taxat	ral and Orcarryforwa eturn is re ously filed in the loss lee loss yea ed, the Con for a loss forporation for and Orcard poration is loss amount oration is ion year of	ntario purposes ar ard from the prior quired for the currid, a CT23 tax retui was incurred is a ar is not required or proporations Tax Bi as year at the time in has a prior year ntario purposes, bi applying a different to being applied for required to file a Conly.	loss, that is not the not the corporation is year to the current rent taxation year, arn for the prior taxal Iso required. Although the loss is numbered the loss is incurred loss, that is the saint amount of loss for federal income to corpor fede	s applying a year, a CT23 and if not tion year in ugh a tax return ot being he filing of a tax d. If the for both kation year the proposes, the the current
	1. Corporation	's Mailing Address								
	City	Province	e Country	Postal code		tario Corp (MCBS		3,Canada C Business	ustoms and Reven	ue Agency
A				Corporations Tax safter the end of its						
	ou check "Yo	es" to ALL of the	following crit	eria, you are eligib tion Centre at the	le to f	ile the C	T23 Sh	ort-Form Corpo	oration Tax Retu	
	es No X	(a) The corporation corporation (CCF Indicate Share C rights owned by (b) The corporation's is \$200,000 or le 51 weeks, taxabl to guide)	is a Canadian-co PC) throughout the apital with full von Canadian Reside staxable income ss. For a taxation e income must be s NOT a membe	entrolled private the taxation year. (nearest whole enting percentage) tents 0 % for the taxation year in year with less than the grossed-up. (Refer er of a partnership/join	Y	es No	(d) (e)	The corporation's January 1, 2001, are each \$1,500,0 a financial institut The corporation's September 30, 20 assets are each \$is not a financial i The corporation is the Incentive Ded	s taxation year ends and its gross rever 000 or less and the tion; OR s taxation year com 001, and its gross r \$3,000,000 or less institution.	nue and total assets corporation is not mences after evenue and total and the corporation ax credit other than usiness
N	OTE: Family F	corporations duri	ng the taxation y	- '	a on o	75.	(f)	Credit (CETC) or (GTTC). The corporation's	Graduate Transition  Ontario allocation	factor is 100%.
				orporations Tax Ret						

#### CT23 Page 3 of 24

## **CT23 Corporations Tax Return**

Identification continued (for CT23 filers only)

Тур	e of Co	orporation - Please check (✔) box(es	s) if appl	icable in sections 1 & 2		Ontario Retail Sales Tax Vendor Permit No.
1	1 🖺	Canadian-controlled private (CCPC) 50% or more shares are owned by C	all year	(Generally a private corporation o	f which	(Use Head Office No.)
	2	Other Private				Ontario Employer Health Tax Account No.
	3	<u>P</u> ublic		Share Capital with full voting rights owned by	(nearest %)	(Use Head Office No.)
	4	Non-share Capital		Canadian residents.	0 %	Specify major business activity
	5	Other (specify)				
2	1 📓	Family Farm Corporation s.1(2)	14	Bare Trustee Corporation		
	2	Family Fishing Corporation s.1(2)	15	Branch of Non-resident s.63(		
	3	Mortgage Investment Corp s.47	16	Financial institutions prescribe Regulation only	ed by	
	4	Credit Union s.51	17	Investment Dealer		
	5 🏻	Bank Mortgage Subsidiary s.61(4)	18 🚪	Generator of electrical energ		
	6	Ban <u>k</u> s.1(2)		producer of steam for use in generation of electrical energ		
	7	<u>L</u> oan and Trust Corporation s.61(4)	19 🎇	Hydro successor, Municipal l Utility or subsidary of either	Electrical	1
	8	Non-resident Corp s.2(2)(a) or (b)	20 🚪	Producer and seller of steam other than for the generation		
	9	Non-resident Corporation s.2(2)(c)	21	Insurance Exchange s.74.4	or electricity	
	10	Mutual Fund Corporation s.48	22	Farm Feeder Finance Co-op	erative	
	11 🎆	Non-resident owned investment	22 🏧	Corporation	arnaratad	
	1.0 (20)	Corp s.49	23	Professional Corporation (incorporation professionals only)	corporated	
	12	Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)				
Ple	ase che	eck (✔) box(es) if applicable:			Sauce	
e di Entre	<u>F</u> irs	t Year of Filing	to Di (Note	l Taxation Year up ssolution(wind-up) e: For discontinued businesses, Guide.)	corpoi	fer or Receipt of Asset(s) involving a ration having a Canadian permanent lishment outside Ontario
	<u>A</u> me	ended Return		l Taxation Year re Amalgamation		sition of Control fed s.249(4)
	chai Cus	ation Year End has nged - Canada toms and Revenue Agency roval required	F <u>l</u> oat	ting Fiscal Year End		
Wa	s the co	rporation inactive throughout the taxat	tion year	?	Yes	<u>N</u> o X
		rporation's Federal T2 Return been file			Yes X	No 📕
_		a Customs and Revenue Agency (CCF questing a refund due to: the Carry-		Loss?	Yes 🗆	No X
7 110	V 100	an Overpa			Yes	No X
		a Specifie	d Refund	lable Tax Credit?	Yes 🗌	No X
Are	you a	Member of a Partnership or a Joint Ve	nture?		Yes 📗	No 🛛

**Income Tax** CT23 Page 4 of 24

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

taxable income deemed earned in that jurisdiction, to that jurisdiction (8.39) (Int.B. 3006).		
Net income (loss) for Ontario purposes (per reconciliation schedule, page 15)	From 6	690 ± (5,126)
Subtract: Charitable donations		1 -
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule	2)	2 -
Subtract: Taxable dividends deductible, per federal T2 SCH 3		3
Subtract: Ontario political contributions (Attach schedule 2A) (Int.B. 3002)		4 -
Subtract: Federal Part VI.1 tax X 9/3		5
Subtract: Prior years' losses applied - Non-capital losses	From 7	104-
From 715 inclusion		. June 1990 and 1990
Net capital losses (page 16) X rate 50.000000		
	From 7	
	From 7	
news and areas w	From 7	
Taxable income (Non-capital loss)	announce of	10 = (5,126)
Addition to taxable income for unused foreign tax deduction for federal purposes  11 +		+
Adjusted taxable income 10 + 11 (if 10 is negative, enter 11)	Selling XIII	
Taxable Income Number of days in Taxation Yo	ear	
Days after Sept 30, 2001 Total days		
and before Jan 1, 2004 From 10 (or 20) X30 100.0000 % X 12.5 % X 33 ÷ 73 36	e -	20.1
From 10 (or 20)X30100.0000 % X 12.5 % X 33 ÷ 7336 Ontario Allocation Days after Dec 31, 2003 Total days	<u> </u>	29 <u>+</u>
	86 =	32+
Ontario Allocation		-
Income Tax Payable (before deduction of tax credits) 29 + 32		40 =
Incentive Deduction for Small Business Corporations (IDSBC)(s.41) (If this section is not co		
Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you hat Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the year? (✔)		
for federal purposes (fed.s.125(1)(a)) 50	E00/138	
Federal taxable income, less adjustment		
for foreign tax credit (fed.s.125(1)(b)) 51+		
Add: Losses of other years deducted		
for federal purposes (fed.s.111) 52 +		
Subtract: Losses of other years		
deducted for Ontario purposes (s.34) 53-		
= > 54	1000	
Federal Business limit (line 410 of the T2 return) for the year		
before application of fed.s.125(5.1) 55 +		
Ontario Business Limit Calculation  Days after Sept, 30, 2001  and before Jan. 1, 2003		
280,000 X <b>28</b> ÷** 366 =+ <b>43</b>		
Days after Dec. 31, 2002 and before Jan. 1, 2004		
320,000 X <b>31</b> ÷** _ 366 =+ <b>46</b>		
Days after Dec. 31, 2003 400,000 X <b>34</b> 366 ÷** 366 =+ <b>47</b> 400,000 *** Percentage of Federal		
400,000 X <b>34</b> <u>366</u> ÷ ** <u>366</u> =+ <b>47</b> <u>400,000</u> *** Percentage of Federal Business limit (from T2 Sch. 23). Enter 100%		
Business limit if not associated	and the same	
for Ontario purposes 43 + 46 + 47 = 44 400,000 X 48 % = 45	-	
Income eligible for the IDSBC From 30 100.0000 % X 56 Least of 50, 54 or	_	60 =

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

^{**} Note: Adjust accordingly for a floating taxation year and use 366 for a leap year.

^{***} Note: For a taxation year ending before Jan 1, 2003, use your proportion of the associated group business limit.

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

#### Income Tax continued from Page 4

#### TICOTTC TAX continued from Page 4

#### **Number of Days in Taxation**

Claim	From 60	X	From <b>78</b>	8.5000 %	70	
IDSBC Rate for Taxation Year 79 + 89 + 9	90				78	8.5000
	8.5 % X <b>34</b>	Days after Dec 31, 2003 366	÷ 73	Total Days 366	= 90	+ 8.5000
	7.0 % X <b>31</b>	D	÷ 73		= 89	+
		Days after Dec 31, 2002 and before Jan 1, 2004		Total Days		
Calculation of IDSBC Rate	6.5 % X <b>28</b>	Days after Sept 30, 2001 and before Jan 1, 2003	÷ 73	Total Days	= 79	) +
Year			-			

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount in 114 below.

#### Surtax on Canadian-controlled private corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

** Short Taxation Years - Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.

Associated corporation - The taxable income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

** Taxable Income of	the corporation			Fro	m <b>10</b> (c	or <b>20</b> if applicable	9 80	+	
If you are a member	of an associated group	(V)	81 (Yes)						
Taxable income of ass	ociated corporations (At	tach s	chedule)				82	+	
						85		# H 81 - 540	
	Number of days in	Taxat	ion Year						
	Days after Sept 30, 2001 and before Jan 1, 2003		Total Days						
Subtract: 280,000 X	28 ÷ Days after Dec 31, 2002 and before Jan 1, 2004	73_	Total Days	113_+					
320,000 X		73	366 =	115 <u>+</u>					
400,000 X	34 <u>366</u> ÷	-	366 = 113 + 115 + 116		00,000	•	114	· -	400,000
(If negative, enter nil)				***************************************			86	=	
				Number of Day Days after Sept 30, 2001 and before Jan 1, 2003		xation Year  Total Days			
Calculation of Specif	ied Rate for Surtax		4.333% X <b>28</b>	÷ Days after Dec 31, 2002	73	366	= 95	+	
				and before Jan 1, 2004		Total Days			
			4.667% X <b>31</b>	÷		366	= 96	+	
				Days after Dec 31, 2003		Total Days			
				366 ÷	73	366			4.6670
	for Taxation Year 95 +		97					· <u>=</u>	4.6670
From <b>86</b>	X From		4.6670 % =	=			87	=	
From <b>87</b>	X From	60		÷ From 114		400,000	88	=	
Surtax: Lesser of 70 o	r <b>88</b>						100	0 =======	

Income Tax continued from Page 5

Additional Deduction for Credit Unions (s.51(4	)) (Attach schedule 17)	110

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

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

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

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

business medine is \$250,000 or less.	
Eligible Canadian Profits	120+
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	om 56 -
Add: Adjustment for Surtax on Canadian-controlled private corporations  From 100 ÷ From 30100.0000 % ÷ From 788.5000 % = 121  *Ontario Allocation	
Lesser of <b>56</b> or <b>121</b>	122+
120 - 56 + 122	130=
Taxable income Fro	om <b>10</b> + (5,126)
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)  From	om 56 -
	m 122+
Subtract: Taxable income 10 X Allocation % to jurisdictions outside Canada	140-
Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses	141
10 - 56 + 122 - 140 - 141	142=
Claim  Number of Days in Taxation Year  Days after Sept 30, 2001 and before Jan 1, 2004 Total Days	
143 X From 30 100.0000 % X 1.5% X 33 ÷ 73 366 Lesser of 130 or 142 *Ontario Allocation Days after Dec 31, 2003 Total Days	= 154 <u>+</u>
143X From 30 <u>100.0000</u> % X 2.0% X 34 <u>366</u> ÷ 73 <u>366</u>	= 156 +
Lesser of 130 or 142 *Ontario Allocation  M&P claim for taxation year 154 + 156	160=
*Note: Ontario Allocation for M&P Credit purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1)).	
Manufacturing and Processing Profits Credit for Electrical Generating Corporations	161
Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity	162
Credit for Foreign Taxes Paid (s.40)	

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001) (Attach schedule). 170

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

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

Eligible credit 175 Credit claimed 180

Subtotal of Income Tax 40 - 70 + 100 - 110 - 160 - 161 - 162 -170 - 180

### Income Tax continued from Page 6

Specified Tax Credits (Refer to Guide)	
Ontario Innovation Tax Credit (OITC) (s.43.3) Applies to research and development in Ontario.  Eligible credit from 5620 OITC claim form (Attach original Claim Form)	191+
Co-operative Education Tax Credit (CETC) (s.43.4) <i>Applies</i> to employment of eligible students, Eligible credit from 5798 Summary Schedule F	192+
Ontario Film and Television Tax Credit (OFTTC) (s.43.5)  Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions. Eligible credit from 5899 either Claim Form from Ontario Media Development Corporation (OMDC) or Ministry of Finance (MFO) CT Schedule 193/199, as applicable. (Attach the original Certification/Claim Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)	193+
Graduate Transitions Tax Credit (GTTC) (s.43.6)  Applies to employment of eligible unemployed post secondary graduate.  No. of Graduates from 6596	
194	
Eligible Credit from 6598 Summary Schedule G	195
Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)  Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.  Eligible Credit from 6900 OBPTC Claim Form (Attach both the original Claim Form and the Certification Form)	196+
Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)  Applies to labour relating to computer animation and special effects on an eligible production.  Eligible Credit from 6700 Claim Form Certified by Ontario Media Development Corporation  (Attach the original Claim/Certification Form with the CT23 Tax Return.)	197 +
Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)  Applies to qualifying R&D expenditures under an eligible research institute contract.  Eligible Credit from 7100 OBRITC Claim Form (Attach original Claim Form)	198+
Ontario Production Services Tax credit (OPSTC) (s.43.10)  Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed Eligible Credit from 7300 either Claim Form from Ontario Media Development Corporation (OMDC) or Ministry of Finance (MFO) CT Schedule 193/199, as applicable (Attach the original Certification/Claim Form received from the OMDC or the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)	199+
Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)  Applies to qualifying labour expenditures of eligible products for the taxation year.  Eligible Credit from 7400 Claim Form certified by Ontario Media Development Corporation (Attach original Claim/Certification Form.)	200+
Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)  Applies to qualifying expenditures in respect of eligible Canadian sound recordings.  Eligible Credit from 7500 OSRTC Claim Form (Attach both the original Claim Form and the Certification Form)	201+
Total Specified Tax Credits: 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201	220=
Specified Tax Credits Applied to reduce Income Tax	225=
Income Tax 190 - 225 OR Enter NIL if reporting Non-Capital Loss (amount cannot be negative)	230=

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see Determination of Applicability section for the CMT on Page 8. If CMT is not applicable, transfer amount in 230 to Income Tax in Summary section on Page 17.

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the Application of CMT Credit Carryovers section part B on Page 8.

#### **Corporate Minimum Tax (CMT)**

#### **Determination of Applicability**

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

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

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

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

* Total Assets of the corporation	240+	275,578		
* Total Revenue of the corporation			241+	317,396
If you are a member of an associated group (✓) 242 (Yes)				
Total Assets of associated corporations (Attach schedule)	243+			
Total Revenue of associated corporations (Attach schedule)			244+	
Aggregate Total Assets	249=	275,578		
Aggregate Total Revenue			250=	317,396

If CMT is applicable to current taxation year, complete section *Calculation: CMT* below and *Corporate Minimum Tax Schedules A through E on pages 18, 19 and 20 of CT23.* 

Calculation: CMT (Attach Schedule A: Calculation of CMT Base on page 18.)

Gross CMT Payable	CMT Base From 2135	From <b>30</b> 100.0000_ % X 4%	276=
	If negative, enter zero	Ontario Allocation	
Subtract: Foreign Tax Credit f	or CMT purposes (Attach schedule)		277
Subtract: Income Tax		Fro	m <b>190</b> -
Net CMT Payable (if negative	e, enter Nil on page 17.)		280=

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

If 280 is greater than or equal to zero, transfer 230 to Page 17 and transfer 280 to Page 17, and to Schedule D: Continuity of CMT Credit Carryovers, on Page 20.

CMT Credit Carryover available

From 2307

#### Application of CMT Credit Carryovers

Income Tax (before deduction of specified credits)		From 190+
Gross CMT payable	From 276+	
Subtract: Foreign Tax Credit for CMT purposes	From <b>277</b> -	
If 276 - 277 is negative, enter NIL in 290	=	 290-
Income Tax eligible for CMT Credit		 300=
Income Tax (after deduction of specified credits)		From 230 +
Subtract: CMT credit used to reduce income taxes		310-
Income Tax		320=

Transfer to Page 17

If A & B apply, 310 cannot exceed the lesser of 230, 300 and your CMT credit carryover available 2307. If only B applies, 310 cannot exceed the lesser of 230 and your CMT credit carryover available 2307.

#### CT23 Page 9 of 24

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

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

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both \$1,500,000 or less and the taxation year ends on or after January 1, 2001, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both \$3,000,000 or less and the taxation year commences after September 30, 2001, your corporation is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in 550 on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

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

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

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

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

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

Paid-up Capital		
Paid-up capital stock (Int.B. 3012 and 3015)	350+	165,626
Retained earnings (if deficit, deduct) (Int.B. 3012)	351 ±	(33,835)
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012)	352+	
Loans and advances (Attach schedule)(Int.B. 3013)	353+	84,657
Bank loans (Int.B. 3013)	354+	
Bankers acceptances (Int.B. 3013)	355+	
Bonds and debentures payable (Int.B. 3013)	356+	
Mortgages payable (Int.B. 3013)	357+	
Lien notes payable (Int.B. 3013)	358+	
Deferred credits (including income tax reserves, and deferred revenue where it would		
also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013)	359 <u>+</u>	
Contingent, investment, inventory and similar reserves (Int.B. 3012)	360 +	
Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012)	361 <u>+</u>	
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017)	362+	
Subtotal	370=	216,448
Subtract: Amounts deducted for income tax purposes in excess of amounts booked		
(Retain calculations. Do not submit.) (Int.B. 3012)	371	
Deductible R&D expenditures and ONTTI costs deferred for income tax if not		
already deducted for book purposes (Int.B. 3015)	372	
Total Paid-up Capital	380=	216,448
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	381	
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative		
energy source and are qualifying property as prescribed by regulation	382-	
Net Paid-up Capital	390=	216,448

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

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

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

** If floating taxation year, refer to Guide.

continued on Page 11

filecopy: NEWB	JRY POWER INC Ontario Account # 6820376 Year-end: 2004/12/31 Printed: 2011/11/03 09:16		
Capital	Tax continued from Page 9	CT23	Page 10 of 24
Total Ass	ets (Int.B. 3015)		
Total Assets	per balance sheet	420+	275,578
	por Balantoo cinoo,	421+	
	other habilities assaulted from assets	422+	
		423-	
		430=	275,578
		440+	
	we are the deducted from decetely	441-	-
		442-	
		443±	
Total Asset		450=	275,578
Investme	nt Allowance (410 ÷ 450) X 390 Not to exceed 410	460=	
		470=	216,448
Gross Reve	nue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)		
	ue of the corporation 317,396		
	s Share of partnership(s)/joint venture(s) Gross Revenue (Attach schedule)		
		480	317,396
	s (as adjusted) From		275,578
		-	
THE PARTY			
0	Institution, complete only Section A below.  R If the corporation is NOT a member of an associated group and/or partnership, review of	nly the	capital tax
	calculations in Section B below and select and complete the one specific subsection (e the corporation.		
0	If the corporation IS a member of an associated group and/or partnership, complete Sec if applicable, complete Section D or Section E on page 12. Note: if the corporation is a partnership, please refer to the 2003 CT23 guide for additional instructions before compsection.	member	of a connected
SECTION A			
	applies only if the corporation is a family farm corporation, a family fishing corporation or a crestitution (Int.B. 3018).	edit unic	on that is not a
Enter NIL in	550 on page 12 and complete the return from that point.		
SECTION B			
	applies if the corporation is NOT a member of an associated group and/or partnership		
	cation year commences after September 30, 2001 and <b>430</b> and <b>480</b> on page 10 are both \$3,000,000 on the complete the return from that point.	r less, e	nter NIL in 550
B2. If taxable	e capital, <b>470</b> on page 10, is <b>\$5,000,000 or less</b> , enter NIL in <b>550</b> on page 12 and complete the return	from the	at point.
	e capital, <b>470</b> on page 10 exceeds <b>\$5,000,000</b> , complete the following calculation and transfer the ampage 12, and complete the return from that point.	ount fror	n <b>523</b> to
+ From <b>4</b>	70 Days in taxation year		
:#: ::::::::::::::::::::::::::::::::::	74	E22 :	
= 4		523+	E42 on none 40!
			543 on page 12 and return from that point

#### Capital Tax Calculation continued from page 10

#### SECTION C

This section applies ONLY to a corporation that is a member of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership. You must check either 509 or 524 and complete this section before you can calculate your capital tax calculation under either Section D or Section E.

C1. **■ 509** (✓ if applicable)

All corporations that you are associated with <u>do not have</u> a permanent establishment in Canada. If taxable capital **470** on page 10 is \$5,000,000 or less, enter NIL in **550** on page 12 and complete the return from that point.

If taxable capital **470** on page 10 exceeds \$5,000,000 proceed to **Section D**, enter \$5,000,000 in **542** Section D, and complete Section D and the return from that point

C2. **3** 524 (✓ if applicable)

One or more of the corporations that you are associated with <u>maintains</u> a permanent establishment in Canada

If the taxation year **ends before January 1, 2003**, you must complete the *Calculation* below. If the taxation year **ends after December 31, 2002**, you and your associated group may continue to allocate the \$5,000,000 taxable capital exemption by completing the *Calculation* below. Or, the associated group **may file an election** under subsection 69(2.1) of the Corporations Tax Act, whereby total assets are used to allocate the taxable capital exemption among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the \$15,000 capital tax effect, relating to the \$5,000,000 taxable capital exemption, to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

Calculation Do NOT complete this calculation if ss.69(2.1) election is filed

Taxable Capital form 470 on page 10

From 470+

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Taxable Capital of associated corporations (Attach schedule)

_531<u>+</u>_

Total Aggregate Taxable Capital 470 + 531

540=

If **540** above is \$5,000,000 or less, the corporation's Capital Tax for the taxation year, is NIL. Enter NIL in **523** in section D on page 12, as applicable.

If **540** above is greater than \$5,000,000, the corporation must compute its share of the \$5,000,000 exemption below in order to calculate its Capital Tax for the taxation year under Section D on page 12.

From

470

+ From **540** 

X 5.000.000

541 =

Transfer to Section 542 in D on page 12

Ss.69(2.1) Election Filed

**591** (✓ if applicable)

Election filed. Attach a copy of the election with this CT23 Return. Proceed to Section E on page 12.

#### CT23 Page 12 of 24

### Capital Tax Calculation continued from page 11

SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGATE taxable capital, 540 on page 11 exceeds \$5,000,000.

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

+ ric	542 471	x From	30	% x 0.3% x	Days in the taxation year 555	Total Capital Tax for the taxation year = 523+
	-		Ontario Allocation		** (365/366)	Transfer to 543 and complete the return from that point
SECTIO	ON E			The way to be		
This sec	ction applies if a	corporation is a me	ember of an associated	group and the	associated group has fi	led a ss.69(2.1) election
+ Fro	om 470	X From	30	x 0.3%		= 561 +
- Capita	I tax deduction rel	ating to your corpora	ation's capital tax deduction	on, on ss.69(2.	I) election form From	m 995 <u>-</u> 562=
Capital ⁻	Тах		562	X	Days in taxation year 555	= 563+
•			a 87		** (365/366)	Transfer to 543 and complete the return from that point
** If floa	ting taxation yea	r, refer to Guide				
to be for the contract of the	the second secon	ation of specified		716 - 78 - W W		543=
Subtract	: Specified Tax Cr	edits applied to redu	ice capital tax payable (Re	efer to Guide)		546
Capita	l Tax 543 - 546 <i>(</i>	amount cannot be n	egative)			550=
						Transfer to page 17

## **Calculation of Capital Tax for Financial Institutions**

	Credit Unions Only axation years commencing after May 4, 1999 enter NIL in 550 on page 12, and complete the return from that	point.
	Other than Credit Unions ain details of calculations for amounts in boxes 565 and 570. Do not submit with this tax return.)	
	Days in taxation year	
a ii	x 0.6% x From 30 % x 555 ÷ **365/366 =  Lesser of adjusted TPUC Ontario Allocation  and Basic Capital Amount  n accordance with  Division B.1	569 +
570 I	Days in taxation year	E74 :
ir C	x571 x From 30 % x 555 ÷ **365/366 = Adjusted TPUC Capital Tax Rate Ontario Allocation n accordance with (Refer to Guide) Division B.1 in excess of Basic Capital Amount	574+
Capit	tal Tax for Financial Institutions - other than Credit Unions (before Section II) 569 + 574	575≡
** If f	floating taxation year, refer to Guide.	
II. Si	mall Business Investment Tax Credit	
origin	ain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the nal letter approving the credit issued in accordance with the Community Small Business streatment Fund Act. Do not submit with this tax return.)	
Allow	vable Credit for Eligible Investments	585-
Finan	ncial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)	?( <b>√</b> )
Capit	tal Tax - Financial Institutions 575 - 585	586=
		Transfer to <b>543</b> on Page 12
Pre	emium Tax (s.74.2 & 74.3) (refer to Guide)	
(1)	Uninsured Benefits Arrangements 587 x 2%	588=
(1)	Applies to Ontario-related uninsured benefits arrangements.	300
(2)	Unlicensed Insurance (enter premium tax payable in <b>588</b> and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in <b>588</b> .) <b>Applies</b> to Insurance Brokers and other persons placing insurance for persons resident or property situated Ontario with unlicensed insurers.	in
	ct: Specified Tax Credits applied to reduce premium tax (Refer to guide)	589
Prem	ium Tax 588 - 589	590 = Transfer to Page 17

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

600± Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 (5,126)Transfer to Page 15 Add: Federal capital cost allowance 601 +8.990 Federal cumulative eligible capital deduction 602 +Ontario taxable capital gain 603 +Federal non-allowable reserves. Balance beginning of year 604+ Federal allowable reserves. Balance end of year 605 +Ontario non-allowable reserves. Balance end of year 606+ Ontario allowable reserves. Balance beginning of year 607 +Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE) 608 +Federal resource allowance 609 +Federal depletion allowance 610 +Federal foreign exploration and development expenses 611 +Management fees, rents, royalties and similar payments to non-arms' length nonresidents Number of days in Taxation Year Days after Sept. 30, 2001 and before Jan. 1, 2004 Total days X 5/12.5 X **33** ÷**73** 366 = **633**+ Days after Dec. 31, 2003 Total days X 5/14.0 X 34 366 ÷ 73 366 = 634+ Total add-back amount for Management fees, etc. 633 + 634 = 613+ Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661 excluding any negative amount in 473 from Ont. CT23 schedule 161 615 +Add any negative amount in 473 from Ont. CT23 Schedule 161 616+ Federal allowable business investment loss 620 +Total of other items not allowed by Ontario but allowed federally (Attach schedule) 614+ Sub Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614 8,990 640 8,990 Transfer to Page 15 Deduct: Ontario capital cost allowance (excludes amounts deducted under 675) 650 +Ontario cumulative eligible capital deduction 651 + Federal taxable capital gain 652 +Ontario non-allowable reserves. Balance beginning of year 653 +Ontario allowable reserves. Balance end of year 654 +Federal non-allowable reserves. Balance end of year 655 +Federal allowable reserves. Balance beginning of year 656 +Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) (Retain calculations. Do not submit.) 657 +Ontario depletion allowance 658 +Ontario resource allowance 659 +661+ Ontario current cost adjustment (Attach schedule) Incentive for new electricity supply (section 13.6 deduction from income) 674+ (Applies only to electrical generating corporations.) CCA for investments in qualifying energy-efficient equipment and for assets 675+ used to generate electricity from natural gas, alternative or renewable resources. Subtotal of deductions for this page 650 to 659 + 661 + 674 + 675 681 8,990 Transfer to Page 15

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

Continued from page 14

Net income (loss) for federal income ta	x purposes, per federal T2 SC	H 1			600±	(5,126)
Sub Total of Additions				From	640 =	8,990
Sub Total of deductions on page 14		From	681 =	8,990		
Deduct: Ontario New Technology Tax Incenti (Applies only to those corporations whethe current taxation year.)		an 100% in				
Capital Cost Allowance (Ontario) (CCA) qualifying intellectual property deducted taxation year			_			
ONTTI Gross-up deduction calculation	on:					
From Gross-up of CCA	100,0000 5		000 (5000)			
	100.0000 - From <b>662</b>		663=	MINISTRAL THE PARTY OF	l.	
	tario allocation					
Workplace Child Care Tax Incentive						
Qualifying expenditures: 665	x 30% x 100/ <b>30</b>	100.0000 ntario Allocatio	666 <u>=</u> on			
Workplace Accessibility Tax Incentiv	е					
Qualifying expenditures: 667		100.0000 ntario Allocatio				
Number of Employees accommodated 669						
Ontario School Bus Safety Tax Incen of school buses purchased after May 4,						
Qualifying expenditures 670	x 30% x 100/ <b>30</b> Onta	100.0000 ario Allocation	671=	Research Message		
Educational Technology Tax Incentiv	re (Applies to qualifying amount	s incurred afte	r May 2, 200	0.)		
Qualifying expenditures 672		100.0000 ario Allocation				
Ontario allowable business investme			678+			
Ontario Scientific Research Expense Schedule 161		Ont. CT23	679+			
Amount added to income federally for federal form T661, line 454 or 455 (if		e on	677+			
Total of other deductions allowed by	Ontario (Attach schedule)		664+			
Total of Deductions 681 + 663 + 666 + 668	3 + 671 + 673 + 678 + 679 + 677 + 6	64	=	8,990	680	8,990
No.4 in a constitution of the Constitution of						
Net income (loss) for Ontario pu	irposes 600 + 640 - 680				_690 <u>=</u>	(5,126)
					ı ranste	r to Page 4

**Continuity of Losses Carried Forward** 

CT23 Page 16 of 24

continuity of Losses o	ailleu i Olwait	4			0120	rage to or a
,	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	700 (2) 20,010	710 (2)	<b>720</b> (2)	730	740	750
Add: Current year's losses (7)	<b>701</b> 5,126	711	721	731	741	751
Losses from predecessor corporations (3)	702	712	722	732		752
Subtotal	<b>703</b> 5,126	713	723	733	743	753
Subtract: Utilized during the year to	704 (2)	715 (2)(4)	<b>724</b> (2)	734 (2)(4)	744 (4)	754 (4)
reduce taxable income Expired during the year	705		725	735	745	
Carried back to prior years	<b>706</b> (2) To Pg 17	<b>716</b> (2) To Pg 17	<b>726</b> (2) To Pg 17	<b>736</b> (2) To Pg 17	746	
to reduce income (5) Subtotal	707	717	727	737	747	757
Balance at End of Year	<b>709</b> (8) 25,136	719	729	739	749	759

#### Notes:

- (1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- (2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5) as made applicable by s.34.
- (3) Include losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.
- (4) To the extent of applicable gains/income/at-risk amount only.
- (5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.
- (6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

- (7) Include amounts from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.
- (8) Amount in 709 must equal total of 829 + 839.
- (9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.
- (10) Commencing in the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.3333333. No adjustment is required where losses are carried at 100% of the loss amount.

#### Analysis of Balance by Year of Origin

Year of Origin (oldest year first)	Non Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Persona Property only (9) (10)		Restricted Farm Losses
800				850	870
801				851	871
802				852	872
803	820	830	840	853	873
804	821	831	841	854	874
805 2000/12/31	822	832	842	855	875
806 2001/12/31	823	833	843	856	876
807 2002/12/31	824 20,010	834	844	857	877
808 2003/12/31	825	835	845	858	878
809 2004/12/31	826 5,126	836	846	859	879
otal	829 25,136	839	849	869	889

#### CT23 Page 17 of 24

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

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

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

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

Application of Losses		Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss		<b>910</b> 5,126	920	930	940
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income.  Predecessor Corporation's Taxation Year Account No. (MOF) Ending  i) 3rd preceding 901 2001/12/31			921	931	941
ii) 2nd preceding	902 2002/12/31	912	922	932	942
iii) 1st preceding	903 2003/12/31	913	923	933	943
Total loss to be carried back	gang or tribe sales and a sale	From 706	From <b>716</b>	From <b>726</b>	From <b>736</b>
Balance of loss available for c	arryforward	<b>919</b> 5,126	929	939	949

## **Summary**

Income Tax	(	From <b>230</b> or	320+	
Corporate	Minimum Tax	From	280+	
Capital Tax		From	550+	
Premium T	ax	From	590+	
Total Tax P	ayable		950=	
Subtract:	Payments		960-	
	Capital Gains	Refund (s.48)	965-	
	Qualifying Env	ironmental		
	Trust Tax Cred	lit		
	(Refer to Guide	)	985-	
	Specified Tax	Credits		
	(Refer to Guide	)	955-	
Balance			970=	
If payment	due	Enclosed *	990	jscholl i dike
If overpaym	ent: Refund (Re	fer to Guide)	975=	
	Apply to		980	
	20041F4=1(0×426 2		(Includes	credit interest)

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

#### Certification

Name

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

PETER PAVILONIS		
Title		
CHAIR		
Full Residence Address		
City		
Province	Country	Postal Code
Signature		Date

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

OS4 Schedule 4

# **Ontario loss continuity**

### Part 1 - Non-capital loss

Determination of current-year non-capital loss  Net income (loss) for Ontario tax purposes	(5,126)
	(3,120)
Deduct: (increase a loss)	
Net capital losses deducted in the year (enter a positive amount)	
Taxable dividends deductible under ITA sections 112, 113 or subsection 138(6)	
Amount of Part VI.1 tax deductible	
Subtotal - if positive, enter "0"	(5,126)
Deduct: (increase a loss)	
ITA Section 110.5 and/or subparagraph 115(1)(a)(vii) - Addition for foreign tax deductions	
Add: (decrease a loss) Subtotal	(5,126)
Current-year farm loss	
Current-year non-capital loss (if positive, enter "0")	(5,126)

Continuity of non-capital losses and requ	est for a cal			
Non-capital loss at end of preceding taxation year		20,010		
Deduct: Non-capital loss expired				
Non-capital losses at beginning of taxation year	=	20,010		20,010
Add: Non-capital losses transferred on an amalgamation or				
the wind-up of a subsidiary corporation			+	
Current-year non-capital loss (from calculation above)		5,126	-	
Deduct - Request to carry back non-capital loss to:				
First preceding taxation year to reduce taxable income				
Second preceding taxation year to reduce taxable income				
Third preceding taxation year to reduce taxable income				
Current-year non-capital loss net of carryback	-	5,126	+	5,126
		Subtotal	=	25,136
Deduct:			8	
Amount applied against taxable income (enter on line 704 of the CT23)				
Section 80 - adjustments for forgiven amounts				
Other adjustments				
-			-	
Non-capital losses - Closing balance			=	25,136

#### Part 2 - Capital losses

				-			Gross amount
Capital losses at end of preceding t	axation year						
Capital losses transferred on an amalgamation or the windup of a subsidiary corporation							+
Current-year capital loss							+
						Subtotal	=
Add:							
Allowable business investment loss expired as a non-capital loss						X 4/3	, <u>+</u>
						Subtotal	=
Deduct:							
Amount applied against current year capital gain							<u>=</u>
Section 80 adjustments for forgiven amounts							
Other adjustments							-
						Subtotal	=
Deduct - Request to carry back c	anital long to:						
Deduct - Nequest to carry back of	Loss applied	Inclu	sion rate		Total		
First preceding taxation year		+	%	=			
Second preceding taxation year	7.2	+	%	= -			
Third preceding taxation year	S	+	%	= _		3	
			Subtota			<u> </u>	

filecopy: NEWBURY POWER INC Ontario Account # 6820376 Year-end: 2004/12/31 Printed: 2011/11/03 09:16

OS4 Schedule 4

# **Ontario loss continuity**

#### Part 3 - Farm loss

Continuity of farm losses and request for a	carryl	hack —	
Farm losses at end of preceding taxation year	ourry.	buok	
Deduct: Farm loss expired after 10 taxation years	-		
Farm losses at beginning of taxation year	Ξ		
Add: Farm losses transfered on an amalgamation or the windup of a subsidiary corporation	1		+
y			
Current-year farm loss	-		
Deduct - Request to carry back farm loss to:			
First preceding taxation year to reduce taxable income			
Second preceding taxation year to reduce taxable income			
Third preceding taxation year to reduce taxable income			
Subtotal	_		
Current-year farm loss net of carryback			+
		Subtotal	=
Deduct:			
Amount applied against taxable income (enter on line 724 of the CT23)			
Section 80 - Adjustments for forgiven amounts	-		
Other adjustments			
Farm Inners Obstinutedness	-	- 7	-
Farm losses - Closing balance			
Part 4 - Restricted farm loss			
Current-year restricted farm loss	-		
Total losses for the year from farming business			Α
Minus the deductible farm loss: \$2,500 plus B or C, whichever is less			
	в —		
	C	6,250	
Deductible farm loss	-	0,200	-
Current-year restricted farm loss			\$ <del></del>
Outrone your roomotou runn room			·
Continuity of restricted form losses and request	for a	oorsybook :—	
Continuity of restricted farm losses and request	ioi a	Carryback	
Restricted farm losses at end of preceding taxation year	V <u></u>		
Deduct: Restricted farm loss expired after 10 taxation years	=	**	
Restricted farm losses at beginning of taxation year  Add: Restricted farm losses transferred on an amalgamation or			8
the windup of a subsidiary corporation			+
the winder of a debotatory desiporation			0
Current-year restricted farm loss			
Deduct - Request to carry back restricted farm loss to:			
First preceding taxation year to reduce farming income			
Second preceding taxation year to reduce farming income			
Third preceding taxation year to reduce farming income			
Current-year restricted farm loss net of carryback			+
Deduct:			
Amount applied against taxable income (enter on line 734 of the CT23)			
Section 80 – Adjustments for forgiven amounts			
Other adjustments			
			=
Restricted farm losses - Closing balance			=

OS4 Schedule 4

# **Ontario loss continuity**

### Part 5 - Listed personal property loss

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

### Part 6 - Analysis of balance of losses by year of origin

Year of origin	Non-capital losses *	Farm losses	Restricted farm losses	Listed personal property losses
2000/12/31				
2001/12/31				
2002/12/31	20,010			
2003/12/31				
2004/12/31	5,126			
Total	25,136			

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

Part 7 - Continuity of limited partnership losses

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



#### Ministry of Finance

Corporations Tax Branch PO Box 620 33 King Street West Oshawa ON L1H 8E9

# Ontario Capital Cost Allowance Schedule 8

#### **ONTARIO CAPITAL COST ALLOWANCE**

	on's Legal Name JRY POWER IN	IC							Ontario Corporation 6820376	ns Tax Account No.	(MOF) Taxatio 2004/	n Year End 12/31
Is the co	orporation electi	ng under regula	tion 1101(5q)?	<b>101</b> 1 <u>Y</u> es	2 <u>N</u> o X							
1 Class number	2 Ontario undepreciated capital cost at the beginning of the year	3 Cost of acquisitions during the the year See note 1 below	4 Net adjustments	5 Proceeds of dispositions during the year	6 Ontario undepreciated capital cost (col 2 + 3 or col 2 - 4 - 5)	7 50% rule See note 2 below	8 Reduced undepreciated capital cost (col 6 - 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (col 8 x 9 or a lower amount)	Ontario undepreciated capital cost at the end of the year (col 6 - 12)
1	159,679	6,341			166,020	3,171	162,849	4			6,514	159,506
10	8,254				8,254		8,254	30			2,476	5,778
Totals	167,933	6,341				3,171	171,103				8,990	165,284

Enter in box 650 on the CT23

- Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the *Income Tax Act* (Canada).
- Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.
- Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.
- Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.



#### Ministry of Finance

Corporations Tax Branch PO Box 620 33 King Street West Oshawa, ON L1H 8E9

## **Taxable Capital of Associated Corporations**

(Applicable to an associated group that has a permanent establishment in Canada)

Schedule CT21

Corporation's Legal Name NEWBURY POWER INC	Ontario Corporations Tax Account No. (MOF) 6820376	Taxation Year End 2004/12/31
-----------------------------------------------	----------------------------------------------------	------------------------------

This schedule must be completed in determining the aggregate taxable capital of an associated group and/or partnership that has a permanent establishment (PE) in Canada.

Name of Associated Corporation (Must have a PE in Canada)	Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
Village of Newbury			
NEWBURY COMMUNITY SERVICES INC			
	Ag	gregate of taxable capital	

Transfer to 540 of the CT23



## Paid-Up Capital: Loans and Advances

Corporation's Legal Name NEWBURY POWER INC	Ontario Corporations Tax Account No. (MOF) Taxation Year End 2004/12/31		
Loans or Advances Credited or Advanced to Corporation (includes accounts payable to related parties outstanding and accounts payable to non-related parties outstanding for	t the taxation year end for 120 days or more		
Long term debt	8		
	Total	84,657	
	Trans	fer to 353 on the CT23	



# MPDC – Newbury

Attachment 5 2005 Supporting Documentation

AUDITORS' REPORT AND FINANCIAL STATEMENTS

**DECEMBER 31, 2005** 



150 Richmond Street P.O. Box 218 Chatham, Ontario Canada N7M 5K3

**T.** 519.351.2024

F. 519.351.8831

email: chatham@collinsbarrow.com

### **AUDITORS' REPORT**

To the Shareholders of Newbury Power Inc.

We have audited the balance sheet of Newbury Power Inc., as at December 31, 2005 and the statements of income, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2005 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chatham, Ontario April 4, 2006

CHARTERED ACCOUNTANTS

Tolling Barrow CK, LLP

## FINANCIAL STATEMENTS

## **DECEMBER 31, 2005**

Statement of income	6.24	. 1
Statement of retained earnings	n = 8 %	2
Balance sheet		3 -
Statement of cash flows		4
Notes to financial statements		5 - 10

## STATEMENT OF INCOME

## YEAR ENDED DECEMBER 31, 2005

	2005	2004
CEDYLOR DEVICE	***	
SERVICE REVENUE		
Residential	\$ 113,409 \$	117,773
Industrial	191,300	171,991
Street lighting and other	9,344	8,495
	314,053	298,259
COST OF POWER	271,371	257,719
CROSS PROFES		a 2
GROSS PROFIT	42.682	40,540
EXPENSES		
Administration	20,284	28,803
Amortization	13,348	13,156
Bad debts	5,279	
Billing and collection	11,670	11,300
Distribution	3,311	8.942
Interest on long-term debt	6,687	6,768
	60,579	68,969
INCOME (LOSS) BEFORE OTHER INCOME	(17,897)	(28,429)
OTHER INCOME	15,011 +	19,137
NET INCOME (LOSS)	\$ (2,886) \$	(9,292)

## STATEMENT OF RETAINED EARNINGS

### YEAR ENDED DECEMBER 31, 2005

	DY's		2005	2004
BALANCE (DEFICIT), BEGINNING	e'31 ;	\$	(33,835) \$	(24,543)
NET INCOME (LOSS)		-	(2,886)	(9,292)
BALANCE (DEFICIT), ENDING	allian Se se se se	<u>\$</u>	(36,721) \$	(33,835)

## BALANCE SHEET

**DECEMBER 31, 2005** 

DECEMBER 31, 2005	2005	2004
ASSETS		
CURRENT ASSETS		
Cash	\$ 92,773	45,069
Accounts receivable (note 3)	23,424	51,739
Deferred charges	1,040	2,080
Prepaid expenses	3,179	2,000
	120,416	100,888
	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	100,000
REGULATED ASSET (note 4)	5,620	5,620
CAPITAL ASSETS (note 5)	157,225	163,826
OTHER ASSETS (note 6)	4,344	5,244
실망성의 시간에 하는 모양이 다른다.	<u>\$ 287,605</u> \$	275,578
LIABILITIES		. * L
CHIPDENIE	Nietsjatianij	
CURRENT LIABILITIES		
Accounts payable and accrued charges	\$ 78,859 \$	
Current portion of long-term debt	2,401	2,052
aktini ji ku ku kuti i k	81,260	61,182
LONG-TERM DEBT (note 7)	77.440	00.605
LONG-TERM DEBT (note /)	<u>77,440</u> _	82,605
	158,700	143,787
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (note 9)	165,626	165,626
DEFICIT	(36,721)	(33,835)
	128,905	131,791
		1
	<u>\$ 287,605</u> <u>\$</u>	275,578
	* Was a second of	F 200

ON BEHALF OF THE BOARD

## STATEMENT OF CASH FLOWS

## YEAR ENDED DECEMBER 31, 2005

	2005	2004
CASH PROVIDED BY (USED IN)		64 . 4
		and or Tarric
OPERATIONS Net income (loss)	\$ (2,886) \$	(9,292)
Items not requiring cash:		wir be
Amortization	13,348	13,156
Net change in non-cash working	10,462	3,864
capital items affecting operations (note 10)	46,866	8,830
	57,328	12,694
INVESTING		20 No.
Purchase of capital assets	(4,808)	(6,345)
FINANCING		CR CAT A
Repayment of long-term debt	(4,816)	(4,490)
INCREASE IN CASH POSITION	47,704	1,859
CASH POSITION, BEGINNING	45,069	43,210
CASH POSITION, ENDING	<u>\$ 92,773</u> <u>\$</u>	45,069

### NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2005** 

### 1. NATURE OF ACTIVITIES

The company, incorporated January 12, 2000 under the laws of Ontario, operates a hydro electric power distribution company. Pursuant to an agreement dated September 30, 2000, specified assets and liabilities of Newbury Hydro were transferred to the company and the company began the business of distribution of hydro services.

### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for government organizations. The significant accounting policies are as follows:

#### CASH

Cash may consist of amounts on deposit plus term deposits with maturity dates less than one year.

### CAPITAL ASSETS

Amortization of capital assets is calculated using the straight-line method, based on the estimated useful life of the asset, as follows:

Distribution system - overhead		40.	25 years
Distribution system - underground			25 years
Line transformers			25 years
Meters	27.5		25 years
Office equipment			10 years

#### **INCORPORATION COSTS**

Amortization is calculated using the straight-line method over 10 years.

#### **DEFERRED CHARGES**

Amortization is calculated using the straight-line method over five years.



### NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2005** 

### 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### REVENUE

Revenue is recorded when power is consumed.

### **USE OF ESTIMATES**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of certain revenue and expenses during the year. Actual results could differ from management's best estimates as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known.

3. ACCOUNTS RECEIVABLE	2005 2004
Electrical energy Water and sewer Sundry GST	\$ 16,533 \$ 32,525 4,532 17,667 3,107 2,980 (748) (1,433 \$ 23,424 \$ 51,739
4. REGULATED ASSET	2005 2004
Excess power cost	<u>\$ 5,620</u> <u>\$ 5,620</u>

This amount represents the excess of the cost of power purchased by the company over the revenue recovered from customers as a result of regulatory restrictions. On January 15, 2004 final filing guidelines were established for the recovery of regulated assets, the company anticipates that it will be able to recover the variance.



## NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2005** 

5. CAPITAL ASSETS					,	2005		2004
		Cost		umulated ortization	- 5	Net		Net
Distribution system - overhead Distribution system - underground Line transformers Meters Office equipment	\$	151,704 41,445 58,265 19,521 7,091	\$	64,237 15,542 27,330 8,598 5,094	\$	87,467 25,903 30,935 10,923 1,997	\$	89,837 27,561 33,265 10,574 2,589
	\$	278,026	\$	120,801	<u>S</u>	157,225	\$	163,826
6. OTHER ASSETS			UN Cu Su N			2005		2004
Incorporation costs, net of accumulat	ted a	ımortization	ii su		\$	4,344	: \$	5,244



### NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2005** 

7. LONG-TERM DEBT	2005	2004
7.25% note payable to shareholder, in annual instalments		
of \$11,153 principal and interest, due June 2016	\$ 79,841 \$	84,657
Current portion	2,401	2,052
	<u>\$ 77,440</u> <u>\$</u>	82,605
The instalments required to be paid over the next five years are as follows:		
	1 March 1 Marc	8 1 2
2006	\$ 2,401	* p * %
2007	5,539	
2008	5,941	G 48
2009	6,371	
2010	6,833	
Total	\$ 27,085	
그들은 그런 이 그 가장 아버지는 바다 살아나가는 어디에게 되었다.	that had the	Seguine 1

### 8. RELATED PARTY TRANSACTIONS

During the year the company received \$8,400, (2004 - \$8,470) in other income from a shareholder.

During the year the company paid \$1,200, (2004 - \$1,200) in rent and \$6,268, (2004 - \$6,768) in interest expense to a shareholder.

## NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2005** 

9. C	APITAL STOCK	8 N W	7. G. H. 11. W.	e p.	2005		2004
			a se ze e				H.K
AUTI	HORIZED		1 19		Sin A g		
	JORGED			-	A2 R	, fix	
Unlim	ited common shares with	hout par value					
TOOTIV					gr. "		100
ISSUI	£D .	- 31 1-1			J. N. A.	. "	
165,62	26 common shares			¢	165,626	\$ .	165,626
		11 8 8	8 8	<u> </u>	103,020	Φ.	103,020
					1877		
	□ (g )	1 1 10		F.			
10. S	TATEMENT OF CASI	H FLOWS		ů°	2005	0.01	2004
2.5		to the second of					
		1.74			<del></del>		-
	ATT 1						
a)	Change in Non-cash V	Vorking Capital l	Balances	1		18	1 a
2						88	
The ne	t change in non-cash wo	rking capital balar		1/2			15 AS
The ne		rking capital balar					
The ne to oper	t change in non-cash wo ations is represented by hts receivable	rking capital balar		\$	28,316	\$	10,571
The ne to oper Accour	t change in non-cash wo rations is represented by hts receivable d expenses	rking capital balar the following:		\$	28,316 (1,179)	\$	10,571 742
The ne to oper Accour	t change in non-cash wo ations is represented by hts receivable	rking capital balar the following:		\$	.55	\$	
The ne to oper Accour	t change in non-cash wo rations is represented by hts receivable d expenses	rking capital balar the following:		\$	(1,179) 19,729	\$	742 (2,483)
The ne to oper Accour	t change in non-cash wo rations is represented by hts receivable d expenses	rking capital balar the following:		\$ 	(1,179)	\$	742
The ne to oper Account Prepaid Account	t change in non-cash wo rations is represented by hts receivable d expenses	rking capital balar the following: charges		\$ 	(1,179) 19,729	\$	742 (2,483)
The ne to oper Account Prepaid Account b)	t change in non-cash wo rations is represented by hts receivable d expenses hts payable and accrued Interest Received/Paid	rking capital balar the following: charges		\$	(1,179) 19,729	\$	742 (2,483)
The ne to oper Account Prepaid Account b)	t change in non-cash wo rations is represented by ints receivable d expenses ints payable and accrued	rking capital balar the following: charges		\$ \$ \$	(1,179) 19,729	\$ 	742 (2,483)
Account Account Account Account Account b)	t change in non-cash wo rations is represented by hts receivable dexpenses hts payable and accrued a short-term investment on short-term investments.	rking capital balar the following: charges		\$ \$	(1,179) 19,729 46,866	<u>\$</u>	742 (2,483) 8,830



### NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2005** 

### 11. FINANCIAL INSTRUMENTS

The carrying value of cash, accounts receivable, accounts payable and accrued charges approximates fair value due to the relatively short-term maturities of these instruments. The fair value of long-term debt is based on rates currently available to the company for debt with similar terms and maturities and are not significantly different from their carrying values.

The company is exposed to credit risk with respect to its accounts receivable. However, this is minimized by the company's large customer base. The company maintains provisions for potential credit losses, and any such losses to date have been within management's expectations.



Agence du revenu du Canada

### **T2 CORPORATION INCOME TAX RETURN**

Schedule 200

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

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

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

055 Do not use this area

Identification =						
Business number (E Corporation's name 002NEWBURY POV		87974 4126 RC 0001				
002NEVVBURT POV	VER INC					
Has the corporation of the last time we were	hanged its name since notified?	<b>003</b>	If Yes, do you hathe articles of ar	ave a copy of mendment?	004 <u>Y</u> es	<u>N</u> o
Address of head office	ce		To which tax year do	es this return apply?		
Has this address char	ged since the last		From <b>060</b> 2005/01		<b>061</b> 2005/12	/31
time we were notified?		<b>10</b> <u>Y</u> es	Has there been an acc	uisition of control to wh	nich subsect	ion 249(4)
(If Yes, complete lines	011 to 018)		applies since the previ		063 Yes	
011 22910 HAGERT	/ ROAD		applied diffee the provi	oud tax your:	<u> </u>	<u>M</u> 110
012			If Yes, provide the date	e control was acquired		
City	Prov	vince, territory, or state	, ,		065	
015 NEWBURY	016 ON	, <b>,,</b>		·		
Country (other the		tal code/Zip code	1. (1		41 41	
	018 NOL			rofessional corporati		
			a partnership?		067 <u>Y</u> es	X <u>N</u> o
Mailing address (if di	fferent from head office	address)	Is this the first year o	f filing after		
	ged since the last time		Incorporation?	i illing arter.	070 Yes	V No
<b>020</b>			Amalgamation?		071 Yes	X <u>N</u> o X <u>N</u> o
(If Yes, complete lines	021 to 028)		_			
<b>021</b> c/o			If Yes, complete lines	030 to 038 and attach s	Schedule 24	
022 22910 HAGERTY	'ROAD		<del></del>			
023			Has there been a win		ınder sectic	n 88
City	Prov	vince, territory, or state	during the current tax			
025 NEWBURY	<b>026</b> ON	, , , , , , , , , , , , , , , , , , , ,	If Yes, complete and a	ttach Schedule 24 (	<b>)72</b> <u>Y</u> es	<u>Х</u> о
		tal code/Zip code				
027			Is this the final tax ye	ar		
		-1	before amalgamation	? (	<b>)76</b> <u>Y</u> es	<u>Х</u> о
Location of books ar			Is this the final return	un to		
Has the location of boo	oks and records change	d since	dissolution?	rup to	078 <u>Y</u> es	X <u>N</u> o
the last time we were	notified? 0	<b>30</b> <u>Y</u> es	uissolution?		oro <u>⊤</u> es	<u> </u>
(If Yes, complete lines	031 to 038)		la tha a same wation a s	!		
031 22910 HAGERTY	'ROAD		Is the corporation a rof Canada?			□Na
032					0 <b>80</b>	☐ <u>N</u> o
City	Prov	vince, territory, or state	If No, give the country			
035 NEWBURY	<b>036</b> ON	, ,,	081 and complete and	attach Schedule 97. (	)81	
Country (other that	an Canada) Pos	tal code/Zip code	Is the non-resident co	progration claiming		
037		1Z0	an exemption under a			
			treaty?		<b>182</b> Yes	X <u>N</u> o
040 Type of corpora	tion at the end of the t	ax year	If Yes, complete and a			
│ <u>1</u>	lled <u>4</u> Corp		If the comparation is a	seemant frame tour condi-		0.45-1-
private corpora		oublic corporation	If the corporation is e		r section 14	9, tick
2 X Other private		rcorporation	one of the following b		(1)(0) or (1)	
corporation		ecify, below)		t under paragraph 149( t under paragraph 149(		
3 Public corporatio	n			t under paragraph 149( t under paragraph 149(		
If the type of corporation	on changed			t under paragraph 1490 t under other paragraph		1/0
during the tax year, pro			Lycinb	t under other paragrapi	na or accitor	170
effective date of the ch						
	r	Do not us			T	
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.		
g question and appropriate the response that appropriate the response to	Yes	Schedule
Is the corporation related to any other corporations?	150X	9
Is the corporation an associated Canadian-controlled private corporation (CCPC)?	160	23
Is the corporation an associated CCPC 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	101	19
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	102	11
length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163	4.4
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	_	44
	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	LUU	J
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	10
Does the corporation have any property that is engine capital property:  Does the corporation have any resource-related deductions?	212	12
Is the corporation claiming reserves of any kind?	213	
Is the corporation claiming reserves of any kind?  Is the corporation claiming a patronage dividend deduction?		13
	216	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional	047	4=
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	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	233	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	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	e: I troof	
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		10
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 canadian min of video production tax credit refund?	254	T1177
Is the corporation subject to Part XIII.1 tax?	-	
	255	92 *
* We do not no	int this c	chodulo

	WBURY POWER INC. CRA Business # 8/9/44126   Year-end: 2005/12/31   Printed: 2011/11	700 00.17		
– Attac	chments - Continued from page 2		Y	es Schedule
Did the	corporation have any foreign affiliates that are not controlled foreign affiliates that are not controlled foreign affiliates?		256 258	T1134-A T1134-B
	corporation own specified foreign property in the year with a cost amount	over \$100,000?	259	
	corporation transfer or loan property to a non-resident trust?		260	
	corporation receive a distribution from or was it indebted to a non-resider corporation entered into an agreement to allocate assistance for SR&ED		261 262	-
	corporation entered into an agreement to transfer qualified expenditures		202	] 11145
	D contracts?	moured in respect	263	T1146
	corporation entered into an agreement with other associated corporation	s for salary or wages of		
specified	employees for SR&ED?		264	T1174
Addi	tional information		attail	
	rporation inactive?		280 1 Yes	2 No 🛚
	major business activity changed since the last return was filed? es for first-time filers)		281 1 Yes	2 No 🛚
	the corporation's major business activity? 282			
(Only co	mplete if Yes was entered at line 281.)			
If the ma	jor business activity involves the resale of goods, show whether it is who	olesale or retail 283	1 Wholesale	2 Retail
	he principal product(s) mined, manufactured, 284 POWER			000_%
	structed, or services provided, giving the 286		287	%
	nate percentage of the total revenue that each 288		289	%
	corporation immigrate to Canada during the tax year?		<b>291</b> 1 Yes 🗍	2 No 🛛
	corporation emigrate from Canada during the tax year?		292 1 Yes	2 No 🗵
	ble income me or (loss) for income tax purposes from Schedule 1, financial statemen	nte or GIEI	300	2,253 A
				2,200 A
Deduct:	Charitable donations from Schedule 2	311		
	Gifts to Canada, a province, or a territory from Schedule 2 Cultural gifts from Schedule 2	312 313		
	Ecological gifts from Schedule 2	314	_	
	Taxable dividends deductible under section 112 or 113, or subsection		<del></del>	
	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 2,2	253	
	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	<del></del>	
	Subto		253	2,253 B
	Subtotal (amount A minus am			C
Add:	Section 110.5 additions or subparagraph 115(1)(a)(vii) additions		355	D
Taxable	income (amount C plus amount D)		360	0
	exempt under paragraph 149(1)(t)		370	
	income for a corporation with exempt income under paragraph 149(1)(t	)		
(line 360	minus line 370)			Z
-	amount is equal to 3 times the Part VI.1 tax payable at line 724 on page			

Income from a	ntrolled private corporations (CCPCs) throughout that it is called a ctive business carried on in Canada from Schedule 7		400	A
	ne from line 360 on page 3, minus 10/3 of the amount			
from Part I tax	ount on line 636 on page 7, and <b>minus</b> any amount tha	t, because of federal law,	405	В
	f the business limit:		403	
	s, calculate the amount at line 4 below.			
\$250,000 x	Number of days in the tax year in 2004	=	1	
	Number of days in the tax year	365		
\$300,000 x	Number of days in the tax year in 2005			
, , , , , , , , , , , , , , , , , , ,	and in 2006	365 =	300,000 2	
	Number of days in the tax year	365		
\$400,000 x	Number of days in the tax year after 2006	=	3	
4	Number of days in the tax year	365	<del></del>	
	Add amounts at I	ines 1, 2, and 3	300,000 4	
Business limit	(see notes 1 and 2 below)		410	С
	CCPCs that are not associated, enter the amount from	line 4 on line 410. Howe	ver, if the corporation's	
tax y	year is less than 51 weeks, prorate the amount from lin			
•	divided by 365, and enter the result on line 410.			
	associated CCPCs, use Schedule 23 to calculate the a	mount to be entered on l	ine 410.	
Business limi				
Amount C	X _415	D		F
	11,28	50	S	= = = = =
Reduced busin	ness limit (amount C minus amount E) (if negative, ent	er "0")	425	0 F
	ss deduction – 16% of whichever amount is the least:		430	0 G
	G on line 9 of page 7)			
	ntrolled private corporations throughout the taxationess limit (amount from line 425)	n year that claimed the	small business deduction	a
Net active bus	iness income (amount from line 400)*			b
	ne from line 360 on page 3 <b>minus</b> 3 times the amount a	at line 636**		-
	d minus any amount that, because of federal law, is ex			
Part I tax			с	
Deduct:				
	estment income (amount from line 440 of page 6)		d	
Amount c minu	us amount d (if negative, enter "0")			е
Amount a b o	or e above, whichever is less			f
	n Part 9 of Schedule 27	x 100 / 7 =	g	
	om Part 13 of Schedule 27			
	rce income from line 435 on page 5			
	to calculate the credit union deduction (amount e in Part	3 of Schedule 17)		
	e 400, 405, 410 or 425 of the small business deduction			
whichever is le			k	
Total of amour	nts g, h, i, j, and k		·	1
Total of afficul				m
	s amount I (if negative, enter "0")			
Amount f minu	s amount l (if negative, enter "0")  ax reduction - 7% of amount m			n
Amount f minu Accelerated to				n
Amount f minu Accelerated to (enter amount	ax reduction - 7% of amount m	artnerships need to use	Schedule 70 to calculate net activ	

Resource deduct Taxable resource incor		d in subsection 125.11(1)]	435	Н
Amount H	x	Number of days in the taxation year in 2003		
:=		Number of days in the taxation year	365 x 1% =	1
Amount H	x	Number of days in the taxation year in 2004		
( <del></del>	-	Number of days in the taxation year in 2004	365 x 2% =	J
Amount H	x	·		
anount 1	^	Number of days in the taxation year in 2005  Number of days in the taxation year	365 x 3% =	K
Amount H	X	·	555	
-tinount 11	^	Number of days in the taxation year in 2006  Number of days in the taxation year	365 x 5% =	L
A 4 1 1				
Amount H	x	Number of days in the taxation year after 2006	365 x 7% =	M
		Number of days in the taxation year		
Resource deduction -			438	N
enter amount N on line	e 10 of page 7	7)		
General tax red	duction for	Canadian-controlled private corporation	ns —	
		porations throughout the tax year		
				۸
Taxable income from Amount Z from Part 9			В В	^
Amount QQ from Part				
Taxable resource inco			D	
		t union deduction (amount E in Part 3 of Schedule 17)		
		25 on page 4, whichever is the least	F	
Aggregate investment	t income from	line 440 of page 6	G	
Amount used to calcu	late the accel	lerated tax reduction (amount m of page 4)		
		Subtotal	<del>-</del>	H
Amount A minus amo	unt H (if nega	ative, enter "0")		
General tax reduction	n for Canadi	an-controlled private corporations - Amount x 7%		
(Enter amount J on lir				
	- Ooo or pag	· · · ·		
General tax redu	iction —	ja ja		
		an-controlled private corporation, an investment o	cornoration a mortgage investme	nt
corporation, or a muti	ual fund corr	poration; and for tax years starting after May 1, 20	06. any corporation with taxable i	ncome that is
		8% (eg. deposit insurance company).		
Taxable income from lin	ne 360 on nac	ne 3		М
Amount Z from Part 9 c			N	
Amount QQ from Part 1			0	
Faxable resource incom				
		union deduction (amount E in Part 3 of Schedule 17)	Q	
Total of amounts N, O,				R
Amount M <b>minus</b> amou		tive, enter "0")		S
General tax reduction			0	T

(enter amount T on line 639 of page 7)

file copy: NEWBURY POWER INC CRA Business # 879744126 Year-end: 2005/12/31 Printed: 2011/11/03 09:17 Refundable portion of Part I tax Canadian-controlled private corporations throughout the tax year Aggregate investment income 440 X 26 2/3 % = (Amount O from Part 1 of Schedule 7) Foreign non-business income tax credit from line 632 on page 7 Deduct: Foreign investment income 445 X 9 1/3 % = (Amount L from Part 2 of Schedule 7) (if negative, enter "0")

Taxable income from line 360 on page 3  Deduct: Amount on line 400, 405, 410, or 425 on page 4, whichever is the least. Foreign non-business income tax credit from line 632 of page 7	D
Deduct: Amount on line 400, 405, 410, or 425 on page 4, whichever is the least Foreign non-business income tax credit from line 632 of page 7  Foreign business income tax credit from line 636 of page 7  A 3 =  Part I tax payable minus investment tax credit refund (line 700 minus line 780 on page 8)  Deduct: Corporate surtax from line 600 of page 7  Net amount  Refundable portion of Part I tax – Amount C, D, or E, whichever is the least  A 50  Refundable dividend tax on hand Refundable dividend tax on hand	D
whichever is the least .  Foreign non-business income tax credit from line 632 of page 7	D
Foreign non-business income tax credit from line 632 of page 7	D
from line 632 of page 7	D
from line 632 of page 7	D
Foreign business income tax credit from line 636 of page 7	D
X 26 2/3% =	D
Part I tax payable minus investment tax credit refund (line 700 minus line 780 on page 8)  Deduct: Corporate surtax from line 600 of page 7  Net amount  Refundable portion of Part I tax – Amount C, D, or E, whichever is the least  450  Refundable dividend tax on hand  Refundable dividend tax on hand at the end of the preceding tax year  460	D
Part I tax payable minus investment tax credit refund (line 700 minus line 780 on page 8)  Deduct: Corporate surtax from line 600 of page 7  Net amount  Refundable portion of Part I tax – Amount C, D, or E, whichever is the least  450  Refundable dividend tax on hand  Refundable dividend tax on hand at the end of the preceding tax year  460	D
(line 700 minus line 780 on page 8)  Deduct: Corporate surtax from line 600 of page 7  Net amount  Refundable portion of Part I tax – Amount C, D, or E, whichever is the least  450  Refundable dividend tax on hand  Refundable dividend tax on hand at the end of the preceding tax year  460	
(line 700 minus line 780 on page 8)  Deduct: Corporate surtax from line 600 of page 7  Net amount  Refundable portion of Part I tax – Amount C, D, or E, whichever is the least  450  Refundable dividend tax on hand  Refundable dividend tax on hand at the end of the preceding tax year  460	
Deduct: Corporate surtax from line 600 of page 7  Net amount  Refundable portion of Part I tax – Amount C, D, or E, whichever is the least  450  Refundable dividend tax on hand  Refundable dividend tax on hand at the end of the preceding tax year  460	
Refundable portion of Part I tax – Amount C, D, or E, whichever is the least  Refundable dividend tax on hand  Refundable dividend tax on hand at the end of the preceding tax year  460	
Refundable portion of Part I tax – Amount C, D, or E, whichever is the least  Refundable dividend tax on hand  Refundable dividend tax on hand at the end of the preceding tax year  460	E
Refundable dividend tax on hand  Refundable dividend tax on hand  Refundable dividend tax on hand	
Refundable dividend tax on hand at the end of the preceding tax year 460	0 F
Refundable dividend tax on hand at the end of the preceding tax year 460	
Deduct. Dividend felund for the previous lax year 400	
	G
Add the total of:	
Refundable portion of Part I tax from line 450 above	
Total Part IV tax payable from line 360 on page 2 of Schedule 3	
Net refundable dividend tax on hand transferred from a predecessor	
corporation on amalgamation, or from a wound-up subsidiary	
corporation 480	
	Н
Refundable dividend tax on hand at the end of the tax year - Amount G plus amount H 485	0
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 on page 2 of	
Schedule 3 X 1/3	Ĩ
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 of page 8)	0
2. Triadita Totalia 7. Milotiovo io 10.00 (citto) tillo diffount of lifto 10.4 of page 0/	

		550	0 A
Corporate surtax calculation			
Base amount from line A above		1	
Deduct:	•	0	
10% of taxable income (line 360 or amount Z, whichever applies) from pag	e 3	2	
Investment corporation deduction from line 620 below		3	
Federal logging tax credit from line 640 below		4	
Federal qualifying environment 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% of taxable income from line 360 on page 3	= a	e.	
28% of taxed capital gains	_ b	6	
Part I tax otherwise payable (line A plus line C and D minus line F)	_ c		
Total of lines 2 to 6		7	
Net amount (line 1 minus line 7)		8	
Net amount (line 1 minus line 1)			
Corporate surtax - 4% of the amount on line 8		600	B
Recapture of investment tax credit from line III in Part 24 of Schedule 31		602	c
Calculation for the refundable tax on Canadian-controlled private corpor (if it was a CCPC throughout the tax year)  Aggregate investment income from line 440 on page 6	ation's (CCPC) in	vestment income	
Taxable income from line 360 on page 3			
Deduct:	_		
Amount on line 400, 405, 410, or 425 of page 4,			
whichever is the least	_		
Net amount		ii	
Refundable tax on CCPC's investment income – 6 2/3% of whichever is les	ss: amount i or ii		
		604	D
S			D E
	ubtotal (add lines /		
Deduct:		A, B, C, and D)	
Deduct: Small business deduction from line 430 on page 4	ubtotal (add lines /		
Deduct: Small business deduction from line 430 on page 4 Federal tax abatement	ubtotal (add lines A	A, B, C, and D)	
Deduct: Small business deduction from line 430 on page 4 Federal tax abatement Manufacturing and processing profits deduction from amount BB or amount R	ubtotal (add lines /	A, B, C, and D)	
Deduct: Small business deduction from line 430 on page 4 Federal tax abatement Manufacturing and processing profits deduction from amount BB or amount R of Schedule 27	ubtotal (add lines / 608  R 616	A, B, C, and D)	
Deduct: Small business deduction from line 430 on page 4 Federal tax abatement Manufacturing and processing profits deduction from amount BB or amount R of Schedule 27 Investment corporation deduction	ubtotal (add lines /	A, B, C, and D)	
Deduct: Small business deduction from line 430 on page 4 Federal tax abatement Manufacturing and processing profits deduction from amount BB or amount R of Schedule 27 Investment corporation deduction  (taxed capital gains 624)	608 R 616 620	A, B, C, and D)	
Deduct: Small business deduction from line 430 on page 4 Federal tax abatement Manufacturing and processing profits deduction from amount BB or amount R of Schedule 27 Investment corporation deduction  (taxed capital gains 624) Additional deduction – credit unions from Schedule 17	608	A, B, C, and D)	
Deduct: Small business deduction from line 430 on page 4 Federal tax abatement Manufacturing and processing profits deduction from amount BB or amount R of Schedule 27 Investment corporation deduction  (taxed capital gains 624) Additional deduction – credit unions from Schedule 17 Federal foreign non-business income tax credit from Schedule 21	608	A, B, C, and D)	
Deduct: Small business deduction from line 430 on page 4 Federal tax abatement Manufacturing and processing profits deduction from amount BB or amount R of Schedule 27 Investment corporation deduction  (taxed capital gains 624) Additional deduction – credit unions from Schedule 17 Federal foreign non-business income tax credit from Schedule 21 Federal foreign business income tax credit from Schedule 21	608	A, B, C, and D)	
Deduct: Small business deduction from line 430 on page 4 Federal tax abatement Manufacturing and processing profits deduction from amount BB or amount R of Schedule 27 Investment corporation deduction (taxed capital gains 624) Additional deduction – credit unions from Schedule 17 Federal foreign non-business income tax credit from Schedule 21 Federal foreign business income tax credit from Schedule 21 Accelerated tax reduction from amount n of page 4	608	9 9	
Deduct:  Small business deduction from line 430 on page 4  Federal tax abatement  Manufacturing and processing profits deduction from amount BB or amount R of Schedule 27  Investment corporation deduction  (taxed capital gains 624)  Additional deduction – credit unions from Schedule 17  Federal foreign non-business income tax credit from Schedule 21  Federal foreign business income tax credit from Schedule 21  Accelerated tax reduction from amount n of page 4  Resource deduction from line 438 of page 5	608	A, B, C, and D)	
Deduct:  Small business deduction from line 430 on page 4  Federal tax abatement  Manufacturing and processing profits deduction from amount BB or amount R of Schedule 27  Investment corporation deduction  (taxed capital gains 624)  Additional deduction – credit unions from Schedule 17  Federal foreign non-business income tax credit from Schedule 21  Federal foreign business income tax credit from Schedule 21  Accelerated tax reduction from amount n of page 4  Resource deduction from line 438 of page 5  General tax reduction for CCPCs from amount J on page 5	608	9 9	
Deduct:  Small business deduction from line 430 on page 4  Federal tax abatement  Manufacturing and processing profits deduction from amount BB or amount R of Schedule 27  Investment corporation deduction  (taxed capital gains 624)  Additional deduction – credit unions from Schedule 17  Federal foreign non-business income tax credit from Schedule 21  Federal foreign business income tax credit from Schedule 21  Accelerated tax reduction from amount n of page 4  Resource deduction from line 438 of page 5  General tax reduction from amount T on page 5	608	9 9	
Deduct:  Small business deduction from line 430 on page 4  Federal tax abatement  Manufacturing and processing profits deduction from amount BB or amount R of Schedule 27  Investment corporation deduction  (taxed capital gains 624)  Additional deduction – credit unions from Schedule 17  Federal foreign non-business income tax credit from Schedule 21  Federal foreign business income tax credit from Schedule 21  Accelerated tax reduction from amount n of page 4  Resource deduction from line 438 of page 5  General tax reduction from amount T on page 5  Federal logging tax credit from Schedule 21	608	9 9	
Deduct:  Small business deduction from line 430 on page 4  Federal tax abatement  Manufacturing and processing profits deduction from amount BB or amount R of Schedule 27  Investment corporation deduction  (taxed capital gains 624)  Additional deduction – credit unions from Schedule 17  Federal foreign non-business income tax credit from Schedule 21  Federal foreign business income tax credit from Schedule 21  Accelerated tax reduction from amount n of page 4  Resource deduction from line 438 of page 5  General tax reduction from amount T on page 5  Federal logging tax credit from Schedule 21  Federal political contribution tax credit	608	9 9	
Deduct:  Small business deduction from line 430 on page 4  Federal tax abatement  Manufacturing and processing profits deduction from amount BB or amount R of Schedule 27  Investment corporation deduction  (taxed capital gains 624)  Additional deduction – credit unions from Schedule 17  Federal foreign non-business income tax credit from Schedule 21  Federal foreign business income tax credit from Schedule 21  Accelerated tax reduction from amount n of page 4  Resource deduction from line 438 of page 5  General tax reduction from amount T on page 5  General tax reduction from amount T on page 5  Federal logging tax credit from Schedule 21  Federal political contribution tax credit  Federal political contributions  646	608	9 9	
Deduct:  Small business deduction from line 430 on page 4  Federal tax abatement  Manufacturing and processing profits deduction from amount BB or amount R of Schedule 27  Investment corporation deduction  (taxed capital gains 624	608 R 616 620 628 632 636 637 638 639 640 644	9 9	
Deduct:  Small business deduction from line 430 on page 4  Federal tax abatement  Manufacturing and processing profits deduction from amount BB or amount R of Schedule 27  Investment corporation deduction  (taxed capital gains 624	608	9 9	
Deduct:  Small business deduction from line 430 on page 4  Federal tax abatement  Manufacturing and processing profits deduction from amount BB or amount R of Schedule 27  Investment corporation deduction  (taxed capital gains 624	608 R 616 620 628 632 636 637 638 639 640 644	9 9	

Is the contact person the same as the authorized signing officer? If <i>no</i> , comple  958  Name	959 ( ) - Telephone number
Is the contact person the same as the authorized signing officer? If no, comple	
	te the information below.
	ete the information below. 957 1 Yes 🛛 2 No 🗍
Date Telephone number	
955 956 (519) 693-4941	i dollion, office of fank
Surname First name	Position, office or rank
950 PAVILONIS 951 PETER	954 CHAIR
Certification	
does it qualify for the one-month extension of the date the balance of tax is due	e? 896 1 Yes 2 No NA 🛛
If the corporation is a Canadian-controlled private corporation throughout the ta	
institution number Account number	Enclosed payment 898
914 918 Institution number Account number	
Branch number	Balance unpaid
Start Change information 910	or less.
information you already gave us, complete the information below:	Generally, we do not charge or refund a difference of \$2
bank account at a financial institution in Canada, or to change banking	Enter the amount on whichever line applies.
To have the corporation's refund deposited directly into the corporation's	If the result is positive, you have a balance unpaid.
Direct Deposit Request	If the result is negative, you have an <b>overpayment</b> .
Refund Code 894 Overpayment	Balance (line A minus line B)0
	credits 890
Tax instalments paid	840
Provincial and territorial refundable tax credits from Schedule 5	812
Provincial and territorial capital gains refund from Schedule 18	
	808
Total payments on which tax has been withheld  Allowable refund for non-resident-owned investment corporations - Schedule 26	804
Tax withheld at source	800
Film or video production tax credit refund (Form T1137)	797
Canadian film or video production tax credit refund (Form T1131)	796
Federal qualifying environmental trust tax credit refund	792
Federal capital gains refund from Schedule 18	788
Dividend refund from page 6	784
Investment tax credit refund from Schedule 31	780
Deduct other credits:	Total tax payable 110
	Total tax payable 770 0
<u> </u>	• · · · · · · · · · · · · · · · · · · ·
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765
Net provincial or territorial tax payable (except Quebec, Ontario and Alberta)	760
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)	
Provincial or territorial jurisdiction 750 ON	
Add provincial and territorial tax:	Total lederal tax
i ait Aiv tax payable iibiii Schedule 20	Total federal tax 0
Part XIV tax payable from Schedule 20	728
Part XIII.1 tax payable from Schedule 92	727
Part VI.1 tax payable from Schedule 43	724
Part VI tax payable from Schedule 38	720
Part IV.1 tax payable from Schedule 43	716
Part IV tax payable from Schedule 3	712
Part I.3 tax payable from Schedule 33, 34, or 35 Part II surtax tax payable from Schedule 46	708
Part I 2 tay navable from Schodule 22, 24, or 25	704
Federal tax Part I tax payable from page 7	700

Prepared without audit based on information provided by the taxpayer.

Agency

#### Canada Revenue Agence du revenu du Canada

### **NET INCOME (LOSS) FOR INCOME TAX PURPOSES**

Schedule 1

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

Net income (loss) after taxes and extraordinary items per financial statements	Α	(2,886)	
Add:			· · · · · · · · · · · · · · · · · · ·
Amortization of tangible assets 104	13,348		
Total of fields 101 to 199 <b>500</b>	13,348	<u> </u>	13,348
Deduct:			
Capital cost allowance - Schedule 8 403	8,209		
Total of fields 401 to 499 510	8,209	<b>)</b>	8,209
Net income (loss) for income tax purposes (enter on line 300 of the T2 return)		2,253	

du Canada

#### CORPORATION LOSS CONTINUITY AND APPLICATION

- 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 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.

Determination of current-year non-capital loss

- When control has been acquired, subsection 111(5) provides 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

Net income (loss) for income tax purposes			2,253
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 pos	itive, enter "0")	
Deduct: (increase a loss)		1	
Section 110.5 and/or subparagraph 115(1)(a)(vii) - Addition for foreign tax dedu	ctions		
Add: (decrease a loss)		Subtotal	
Current-year farm loss			
Current-year non-capital loss (if positive, enter "0")			
Continuity of non-capital losses and re	quest for a	carryback ———	
Non-capital loss at the end of preceding tax year		25,136	
Deduct: Non-capital loss expired *	100		
Non-capital losses at beginning of tax year	102	25,136	
Add: Non-capital losses transferred on an amalgamation or the windup of a			
subsidiary corporation	105		
Current-year non-capital loss (from calculation above)	110		25,136
Deduct:			
Other adjustments (include adjustments for an acquisition of control)	150		
Section 80 - Adjustments for forgiven amounts	140		
Deduct:			
Amount applied against taxable income (enter on line 331 of the T2 return)	130	2,253	
Amount applied against taxable dividends subject to Part IV tax	135		2,253
	-	Subtotal	22,883
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	22.883

<ul> <li>* A non-capital loss expires as follow</li> </ul>	* A	non-ca	pital loss	expires	as	follow
------------------------------------------------------------	-----	--------	------------	---------	----	--------

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

	Election under paragraph 88(1.1)(f)	
Paragraph 88(1.1)(f) election indicator		190 Yes
Loss from a wholly owned subsidiary of	eemed to be a loss of the parent from its immediately p	preceding tax year.

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#### Corporation loss continuity and application

#### Part 2 – Capital losses

Capital losses at end of preceding tax year	200	
Capital losses transferred on an amalgamation or the windup of a		<del>-</del>
subsidiary corporation	205	
Deduct:		
Other adjustments (includes adjustments for an acquisition of control)	250	=
Section 80 - Adjustments for forgiven amounts	240	-: z
	Subtota	al
Add:		\
Current-year capital loss (from Schedule 6 calculation)		210
Non capital losses from a preceing tax year* that expired this year		Α
Allowable business investment losses (ABIL) incurred in the		=
same preceding tax year* referred to at line A		В
Enter amount from line A or B, whichever is less 215		=
Allowable business investment loss expired as a non-capital loss	* 4 / 3	220
	Subtota	al
<b>Note:</b> If there has been an amalgamation or a windup of a subsidiary, do a sepexpired as non-capital loss for each predecessor or subsidiary. Add all the		
Deduct: Amount applied against current-year capital gain (see Note 1)		225
	Subtota	al
Deduct - Request to carry back capital loss to: (see Note 2)		\$ <del></del>
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		

#### 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 a preceding tax year to be entered at line A and line B are the following:
- If the loss was incurred in a tax year ending before March 23, 2004 enter the loss from the 8th preceding tax year, which has expired this
  year
- If the loss was incurred in a tax year ending after March 22, 2004 and before 2006, enter the loss from the 11th preceding tax year which has expired this year.
- If the loss was incurred in a tax year ending in 2006 and later, enter the loss from the 21th preceding tax year which has expired this year
- ** 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 ABIL's incurred in 1999 and preceding tax years, use 0.75
- For ABIL's incurred in 2000 and 2001 tax years, the inclusion aree is equal to amount M on schedule 6 version T2SCH6(01)
- For ABIL's incurred in 2002 and later tax years, use 0.5

### Corporation loss continuity and application

### Part 3 - Farm losses

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 transfered on an amalgamation or the		
	305	
windup of a subsidiary corporation		
Current-year farm loss	310	
Deduct:	-	-
Other adjustments (includes adjustments for an acquistion of control)	350	
Section 80 - Adjustments for forgiven amounts	340	
Amount applied against taxable income (enter on line 334 of T2 return)	330	
Amount applied against taxable dividends subject to Part IV tax	335	
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

485	C
D	
6,250 <b>E</b>	
<del></del>	F
_	D

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 windup		
of a subsidiary corporation	405	
Current-year restricted farm loss (enter on line 233 of Schedule 1)	410	
Deduct:		
Amount applied against farming income (enter on line 333 of T2 return)	430	_
Section 80 – Adjustments for forgiven amounts	440	
Other adjustments	450	
	-	
Deduct – Request to carry back restricted farm loss to:		
First preceding 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	S <u> </u>	480

### Corporation loss continuity and application

### Part 5 – Listed personal property losses

Listed personal property losses at end of preceding tax year		
Deduct: Listed personal property losses 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 gain		
(enter on line 655 of Schedule 6)	530	
Other adjustments	550	
Deduct – Request to carry back listed personal property loss to:	<del>),</del>	
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 6 - Analysis of balance of losses by year of origin

Year of origin	Non-capital losses *	Farm losses	Restricted farm losses	Listed personal property losses
3.5				
2000/12/31				
2001/12/31				
2002/12/31	17,757			
2003/12/31				
2004/12/31	5,126			
2005/12/31				
Total	22,883			

- * A non-capital loss expires as follows:
- After 7 tax year if it arose in a tax year ending before March 23, 2004;
- After 10 tax year if it arose in a tax year ending after March 22, 2004 and ending before 2006; or
- After 20 tax year if it arose in a tax year ending in 2006 and later

### Corporation loss continuity and application

### Part 7 – Limited partnership losses

		Current-year	limited partne	rship losses		
1	2	3	4	5	6	7
Partnership identifier	Fiscal period ending	Corporation's share of limited partnership loss	Corporation's at risk amount	Corp's share of partnership ITC, farming losses and resource expenses	Column 4 - 5 If negative, enter "0"	Current-year limited partnershi losses Column 3 - 6
600	602	604	606	608		620
			Total (ente	er this amount on line 2	22 of Schedule 1)	

	- Pararororna	100000 ITOIII PIT	or tax yours ti	nat may applied in	tile dallelit y	
1	2	3	4	5	6	7
Partnership	Fiscal	Limited	Corporation's	Corp's share of	Column 4 - 5	Limited
identifier	period	partnership	at risk amount	partnership ITC,	if negative,	partnership loss
	ending	losses at end of		business or property	enter "0"	that may be
	_	preceding tax		losses, and resource		applied in the ye
		year		expenses		The lesser of
						columns 3 and
630	632	634	636	638		650

Continuit	y of limited parti	nership losses tha	t can be carried fo	rward to future ta	x years
Partnership identifier	Losses at end of	Losses transferred on	Current year limited	Limited partnership	Limited partnership
	preceding tax year	an amalgamation or	partnership losses	losses applied	losses closing balance
		the windup of a	(from column 620)	(cannot exceed	(662+664+670-675)
		subsidiary	, ,	column 650)	
660	662		670	675	680
		664			
	Total (	enter this amount on lin	e 335 of the T2 return)		

*

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### **CAPITAL COST ALLOWANCE**

Schedule 8

Is the corporation electing under regulation 1101(5q)? 101 1  $\underline{Y}$ es  $\underline{\square}$  2  $\underline{N}$ o  $\underline{X}$ 

1	2	3	4	5	7	8	9	10	11	12	13
Class	UCC at start of	Cost of	Net adjustments	Proceeds of	Adjustment for	Base amount for	Rate	CCA for the year	Recapture	Terminal loss	UCC at the end
	year	additions in		dispositions in	additions (1/2 x	CCA	%	(col 8 x 9 or a	of CCA		of the year
		the year		the year	(col 3 - 5))			lower amount)			,
200	201	203	205	207	211		212	217	213	215	220
1	159,506	4,808			2,404	161,910	4	6,476			157,838
10	5,778					5,778	30	1,733			4,045
Totals	165,284	4.808			2,404	167,688		8,209			161,883

S8Supr

# **Reconciliation of NBV and UCC**

NBV of capital assets, beginning of year	163,826	
Less: Land		
NBV of depreciable capital assets, beginning of year	163,826	163,826
UCC beginning of year	165,284	
Less: Opening Class 14 balance		
Adjusted UCC	165,284	165,284
Timing difference, beginning of year		(1,458) A
CCA and amortization		
CCA claimed (except class 14)	+ 8,209	
Terminal loss	+	
Recapture	<b>3</b> 0	
Amortization per financial statements	- 13,348	
Class 10.1		
Difference on purchase (costless ceiling)	<del>-</del>	
Beginning UCC less CCA in year of disposal	+	
NBV of class 10.1 asset prior to sale (proceeds, if financial statement gain)		
Gains and losses		
Gain on disposal of capital assets per financial statements	+	
Capital loss portion of total loss	+	
Loss on disposal of capital assets per financial statements	41	
Capital gain portion of total gain		
Other		
Operating leases capitalized for financial statement purposes		
Deductible items capitalized for financial statement purposes	+	
Section 85 difference	+	
Pre-valuation day depreciation	<u>+</u>	
	+	
Timing difference, current year	(5,139)	+ (5,139) B
Timing difference, end of year (A + B)		(6,597) C
Proof		
NBV of capital assets, end of year	157,225	
Less: Land	-	
NBV of depreciable capital assets, end of year	157,225	157,225
UCC end of year	161,883	
Less: Ending Class 14 balance		
Adjusted UCC	161,883	161,883
Timing difference as at 2005/12/31 (amount D should equal amount C)		(4,658) D

#### Notes

The difference of 6597 - 4658 = 1939 is due to amortization taken on intangibles: 1,040 for deferred charges and 900 for incorporation costs. Difference is \$1.

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#### **RELATED AND ASSOCIATED CORPORATIONS**

Schedule 9

This form is to be completed by a corporation having one or more of the following:

- related corporation(s)
- associated corporation(s)

Name	Country	Business #	Code	Common s	hares	Preferred	shares	Book value of
	(if not	(Canadian corporation	note 1	# owned	% owned	# owned	% owned	capital stock
	Canada)	only)						
100	200	300	400	500	550	600	650	700
Village of Newbury		NR	1	132,501	80.000			132,501
NEWBURY COMMUNITY SERVICES INC		NR	1	33,125	20.000			33,125
Note 1 : Enter the code number of the relationship that applies: 1- Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated								

Agency

Canada Revenue Agence du revenu du Canada

#### SHAREHOLDER INFORMATION

Schedule 50

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	Business Number	Social Insurance	Trust Number	Percentage	Percentage
(after name, indicate in brackets if the	(If a corporation is not		(If a trust number	common shares	preferred shares
	registered, enter "NR") *		is not available,		
individual or trust)			enter "NA") *		
	200	000	050	400	500
100	200	300	350	400	500
100 THE CORPORATION OF THE VILLAGE OF		300	350	<b>400</b> 80.000	500
THE CORPORATION OF THE VILLAGE OF		300	350		500

^{*} For a taxation year commencing before January 1, 2004, if the shareholder is a trust, enter NR at field 200 or NA at field 300. Do not enter a trust number in field 350.

Canada Customs Agence des douanes and Revenue Agency et du revenu du Canada

#### **BALANCE SHEET INFORMATION**

Schedule 100

Assets	Code	Current year	Prior year
Cash and deposits	1000	92,773	45,069
Accounts Receivable	1060	23,424	51,739
Other current assets	1480	1,040	2,080
Prepaid expenses	1484	3,179	2,000
Machinery, equipment, furniture and fixtures	1740	251,414	247,714
Accumulated amortization of machinery, equipment, furniture and fixtures	1741	(107,109)	(97,051
Other machinery and equipment	1785	7,091	7,091
Accumulated amortization of other machinery and equipment	1786	(5,094)	(4,502
Furniture and fixtures	1787	19,521	18,413
Accumulated amortization of furniture and fixtures	1788	(8,598)	(7,839
Incorporation costs	2018	4,344	5,244
Other long term assets	2420	5,620	5,620
Total assets	2599	287,605	275,578

Liabilities	Code	Current year	Prior year
Bank overdraft	2600		
Amounts payable and accrued liabilities	2620	78,859	59,132
Current portion of long term liability	2920	2,401	2,052
Long term debt	3140	77,440	82,605
Total liabilities	3499	158,700	143,789

Equity	Code	Current year	Prior year
Common shares	3500	165,626	165,626
Retained earnings / deficit	3600	(36,721)	(33,835)
Total equity	3620	128,905	131,791
Total liabilities and equity	3640	287,605	275,580

Retained earnings	Code	Current year	Prior year
Retained earnings/deficit-start	3660	(33,835)	(24,543)
Net income / loss	3680	(2,886)	(9,292)
Total retained earnings	3849	(36,721)	(33,835)

Prepared without audit based on information provided by the taxpayer.

Canada Customs Agence des douanes and Revenue Agency et du revenu du Canada

#### **INCOME STATEMENT INFORMATION**

#### **Details**

Operating name, if different from the corporations' legal name

0001

Description of operation, if filing multiple Schedules 125

0002

Revenue	Code	Current year	Prior year
Trade sales of goods and services	8000	314,053	298,259
Total sales of goods and services	8089	314,053	298,259
Other revenue	8230	15,011	19,137
Total revenue	8299	329,064	317,396

Cost of sales	Code	Current year	Prior year
Opening inventory	8300		
Purchases / cost of materials	8320	271,371	257,719
Cost of sales	8518	271,371	257,719
Gross profit / loss (item 8089 - item 8518)	8519	42,682	40,540

Operating expenses	Code	Current year	Prior year
Bad debt expense	8590	5,279	
Amortization of tangible assets	8670	13,348	13,156
Interest paid on bonds and debentures	8742	6,687	6,768
Office expenses	8810	11,670	11,300
Delivery, freight and express	9275	3,311	8,942
General and administrative expenses	9284	20,284	28,803
Total operating expenses	9367	60,579	68,969
Total expenses	9368	331,950	326,688
Net non-farming income	9369	(2,886)	(9,292)

Farming revenue	Code	Current year	Prior year
Grains and oilseeds	9370		
Total farm revenue	9659		

Farming expenses	Code	Current year	Prior year
Crop expenses	9660		
Total farm expenses	9898		
Net farm income	9899		
Net income / loss before taxes and extraordinary items	9970	(2,886)	(9,292

Prepared without audit based on information provided by the taxpayer.

file copy. NEWBURY POWER INC CRA Business # 879744126 Year-end: 2005/12/31 Printed: 2011/11/03 09:17

#### Summary

Complete this section if only one Schedule 125 is filed, Schedule 140 is used to summarize the information from multiple Schedules 125.

Extraordinary items	9975-		ž	
Legal settlements	9976		-	
Unrealized gains / losses	9980+ +		+	
Unusual items	9985		-	
Current income taxes	9990-			
Future income tax provision	9995-	9995-		
Net income / loss after taxes and extraordinary items	9999=	(2,886)	=	(9,292)

Prepared without audit based on information provided by the taxpayer.

Canada Customs

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#### **NOTES CHECKLIST**

Schedule 141

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?	<b>095</b> ⊠ <u>Y</u> es	<u> N</u> o
Is the accounting practitioner connected* with the corporation?	<b>097</b> <u>Y</u> es	X <u>N</u> o
*A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the concept Note  If the accounting practitioner does not have a professional designation or is connected with the corporation, you can be parts 2 and 3 of this schedule. However, you do have to complete Part 4.	rporation.	
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	<u>1</u> 🛛	
Completed a review engagement report	<u>2</u>	
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?	<b>099</b> <u>Y</u> es	<u>X</u> <u>N</u> o
Part 4 – Other information		
Were notes to the financial statements prepared?	<b>101</b>	<u>N</u> o
If Yes, complete lines 102 to 107 below:		
Are any values presented at other than cost?	102 Yes	X <u>N</u> o
Has there been a change in accounting policies since the last return?	<b>103</b> Yes	X <u>N</u> o
Are subsequent events mentioned in the notes?	<b>104</b> Yes	X <u>N</u> o
Is re-evaluation of asset information mentioned in the notes?	<b>105</b> <u>Y</u> es	X <u>N</u> o
Is contingent liability mentioned in the notes?	<b>106</b> <u>Y</u> es	X <u>N</u> o
Is information regarding commitments mentioned in the notes?	<b>107</b>	X <u>N</u> o
Does the corporation have investments in joint venture(s) or partnership(s)?	<b>108</b>	X <u>N</u> o
If Yes , complete line 109 below:	_	_
Are you filing financial statements of the joint venture(s) or partnership(s)?	109 Yes	<u>N</u> o

## **Tax Summary**

Corporation name NEWBURY POWER INC

Taxable income		Tax payable	
Net income for tax purposes	2,253	Part I tax	
Charitable donations and gifts	_	Part I.3 tax (large corporations tax)	+
Taxable dividends		Taxable dividends received	-
Losses of prior years	- 2,253	Part IV tax	+
Other adjustments	±	Other federal tax payable	+
Taxable income	=	Subtotal	=
Part I tax		Provincial and territorial tax (except QC,ON,AB)	+
38% of taxable income		Provincial tax on large corporations (NB,NS)	+
Surtax	+	Tax payable	+
Refundable tax on CCPC investment income	+	Tax instalments paid	-
Active business income		Investment tax credit refund	·
Small business deduction	<u>.</u>	Taxable dividends paid	
Federal tax abatement	_	Dividend refund	
Manufacturing and processing deduction	<u> </u>	Other refundable credits	-
Additional deduction - credit unions		Balance owing (refund) on federal return	=
Foreign tax credits	4	Description of the CON AR OO)	
Resource deduction	<u>=</u>	Provincial income tax (ON,AB,QC)	<del>.</del>
Political contribution tax credit	-	Capital and other provincial taxes	+
Investment tax credit	#	Tax instalments and credits	-
Other deductions and credits	, <u> </u>	Other provincial taxes	
Part I tax	=	Total balance owing (refund)	

Provincial tax	% Provincial allocation	Taxable income	Income tax	Capital and other provincial taxes	Tax instalments and credits	Net provincial tax
Newfoundland						
Prince Edward Island		"				
Nova Scotia	&	=				
New Brunswick						
Manitoba						
Saskatchewan						
British Columbia						
Yukon Territory				_		
Northwest Territories				_		
Nunavut				-		
	Schedule 5 prov	incial tax payable		-		
Ontario	100.0000					
Alberta		(:-				
Québec						
		Totals				

Loss continuity	Current year	Carryforward	Other carryforwards	
	carry back	end of year	Capital dividend account	
Capital			Refundable dividend tax on hand	
Non-capital		22,883	(net of dividend refund)	
Farm	-		Unused Part 1.3 tax credit	
Restricted farm		S.————————————————————————————————————	Unused surtax credits	<del></del>
Limited partnership		3)	Foreign business tax credits	=
Listed personal property		S	Donations and gifts	
	3		Investment tax credits	
			Ontario CMT losses	52,256
			Ontario CMT credit	

## **Related and Associated Corporations Summary**

		Corporation #1	Corporation #2	Corporation #3	Total
Corporation nam	ne	NEWBURY	Village of Newbury	NEWBURY	
		POWER INC		COMMUNITY SERVICES INC	
Business number	er	87974 4126 RC 0001	NR RC	NR RC	
Taxation year en	nd	2005/12/31			
Federal		THE REAL PROPERTY.			
Schedule 9	# of common shares owned		132,501	33,125	165,626
Control of the Contro	% of common shares owned		80.000	20.000	100.000
	# of preferred shares owned				
	% of preferred shares owned				
	Book value of capital stock		132,501	33,125	165,626
Schedule 23	Business limit (before allocation)				
	% of the business limit				
	Allocation of the business limit				
Schedule 49	Allocation of SR&ED expenditure				
	limit				
Capital tax					
Schedule 36	Allocation of capital deduction	50,000,000			50,000,000
Schedule 39	Allocation of capital deduction	200,000,000			200,000,000
Schedule 343	Allocation of capital deduction	5,000,000			5,000,000
Schedule 362	Allocation of capital deduction	5,000,000			5,000,000
Alberta	Das Indian har property		PARTIE OF THE PARTY OF		in the second second second
AT1 Schedule 1	% of business limit				
	Allocation of the base amount				
AT1 Schedule 6	Allocation of Crown royalty shelter	2,000,000			2,000,000
Ontario			CERTIFICATION PRODUCTION	THE PERMITS OF THE PE	
OMinimum	Total assets	287,605			287,605
	Total revenue	329,064			329,064
OSurtax	Taxable income				/
CT21	Taxable capital				
Schedule 591	Allocation of net deduction				
OITC	Allocation of OITC expenditure				
	limit				
Québec			FILL OF ART FOLLOW	27. 13.0 San 28. (Fave)	· 发示为而是的"别是"
CO-1137.E	% of the \$1,000,000 deduction	100.0000	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		100.0000
	Paid-up capital				
CO-737.18.18	Paid-up capital				
CO-1138.1	Allocation of farming and fishing deduction	· ·			
RD-1029.7	Assets	287,605			287,605
RD-1029.7.8	Allocation of SR&ED expenditure	25.,500			20.,,000
	limit	2,000,000			2,000,000
CO-771.1.3.V	% of the business limit	_,:::,300			
	Allocation of the business limit				
Manitoba				ELAN LEDINGO MALO MA	
MCT1	Allocation of capital deduction	5,000,000			5,000,000
British Columbia			er to to to the		
Schedule F	Net paid-up capital				
	BC paid-up capital				
	Do paid up dapital	d			

## **Related and Associated Corporations Summary**

		0	0	0	T-4-1
		Corporation #4	Corporation #5	Corporation #6	Total
Corporation nam	10				
Business numbe	er	RC	RC	RC	
Taxation year en					
Federal			CSBE USA		NE TENEDA DA EST
Schedule 9	# of common shares owned				165,626
	% of common shares owned				100.000
	# of preferred shares owned				
	% of preferred shares owned				
	Book value of capital stock				165,626
Schedule 23	Business limit (before allocation)				
	% of the business limit				
	Allocation of the business limit				
Schedule 49	Allocation of SR&ED expenditure				
	limit				
Capital tax		A P. GOOR SEE AND	是是海路的海里。 1		
Schedule 36	Allocation of capital deduction				50,000,000
Schedule 39	Allocation of capital deduction				200,000,000
Schedule 343	Allocation of capital deduction				5,000,000
Schedule 362	Allocation of capital deduction				5,000,000
Alberta			THE RESERVENCE		HALL THE STATE OF THE BYEST
AT1 Schedule 1	% of business limit				
	Allocation of the base amount				
AT1 Schedule 6	Allocation of Crown royalty shelter				2,000,000
Ontario					
OMinimum	Total assets				287,605
	Total revenue				329,064
OSurtax	Taxable income				
CT21	Taxable capital				
Schedule 591	Allocation of net deduction				
OITC	Allocation of OITC expenditure				
	limit				
Québec					
CO-1137.E	% of the \$1,000,000 deduction				100.0000
	Paid-up capital				
CO-737.18.18	Paid-up capital				
CO-1138.1	Allocation of farming and fishing deduction				
RD-1029.7	Assets				287,605
RD-1029.7.8	Allocation of SR&ED expenditure				
	limit				2,000,000
CO-771.1.3.V	% of the business limit				
	Allocation of the business limit				
Manitoba					
MCT1	Allocation of capital deduction				5,000,000
<b>British Columbia</b>					
Schedule F	Net paid-up capital				
	BC paid-up capital				



#### Ministry of Finance

Corporations Tax Branch PO Box 620 33 King Street West Oshawa ON L1H 8E9

This form is a combination of the Ministry of Finance (MOF) CT23
Corporations Tax Return and the Ministry of Consumer and Business
Services (MCBS) Annual Return. Page 1 is a common page required for both
Returns. For tax purposes, depending on which criteria the corporation satisfies,

it must complete either the Exempt from Filing (EFF) declaration on page 2 or

# CT23 Corporations Tax and Annual Return For taxation years conafter December 31, 20

For taxation years commencing after December 31, 2002

Corporations Tax Act - Ministry of Finance (MOF)

Corporations Information Act - Ministry of Consumer and Business Services (MCBS)

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

file the CT23 Return on pages 3-17. Corporations criteria but do meet the Short-Form criteria, may rCT23 Short-Form Return (see page 2).	that do not meet equest and file the	the EFF	share Onta		that have an extra-provincial licence to operate in
MCBS Annual Return Required? (Not required if airc	ady filed or mpt. Refer to Guide)	Yes	☐ No	Page 1 of 20	*
Corporation's Legal Name (including punctuation NEWBURY POWER INC	)				Ontario Corporations Tax Account No. (MOF) 8820376
Mailing address					This Return covers the Taxation Year  Start 2005/01/01
22910 HAGERTY ROAD					End 2005/12/31
City NEWBURY	Province ON	Countr	у	Postal code NOL 1Z0	2003/12/31
Has the mailing address changed since last filed CT23 Return?	Date of c	hange	year	month day	Date of Incorporation or Amalgamation
Registered/Head Office Address 22910 HAGERTY ROAD					2000/01/12
City NEWBURY	Province ON	Country	y	Postal code N0L 1Z0	Ontario Corporation No. 1394004 (MCBS)
Location of Books and Records 22910 HAGERTY ROAD					Canada Customs and Revenue Agency Business
City NEWBURY	Province ON	Country	y	Postal code NOL 1Z0	No. 879744126RC0001
Name of person to contact regarding this CT23 Return PETER PAVILONIS	Telephone No. (519) 693-49		Fax No.	5	Jurisdiction Incorporated ONTARIO
Address of Principal Office in Ontario (Extra-Prov	vincial Corporation	s only)		(MCBS)	If not incorporated in Ontario, indicate the date Ontario business activity commenced and
City	Province	Country	у	Postal code	ceased: Commenced
Former Corporation Name (Extra-Provincial Corporations	s only) Not	Applicabl	le	(MCBS)	Ceased
					Not Applicable     Not Applicable
Information on Directors/Officers/Administrators Schedule A or K as appropriate. If additional spa only this schedule may be photocopied. State nu	ce is required for S	Schedule A	s $\overline{}$	of Schedule(s)	Preferred Language / Langue de préférence    English   French   anglais   français
If there is <b>no change</b> to the Directors'/Officers'/A submitted to MCBS, please check \( \subseteq \) this box. So	dministrators' info	rmation p		//CBS). ▶ <mark>⊠ No</mark> Change	Ministry Use
	Ce	ertificat	tion (M	CBS)	
I certify that all information set out in the All Name of Authorized Person PETER PAVILONIS	nnual Return is	true, cor	rect and	complete.	
D O P Title: Director Officer Director Officer Note: Sections 13 and 14 of the Corporations	Other individual had of the Corporation's Information Act	s business a	activities	for making false or	misleading statements or omissions.

Taxation Year End



### Exempt From Filing (EFF) **Corporations Tax Return Declaration** Page 2 of 20

Corporation's Legal Name	Ontario
	Corporations Tax
	Account No. (MOF)
This EFF Declaration must be filed for each taxation year that the corporation is exempt from filing and must be filed within 6 months after the corporation's taxation year end.	
from thing and must be med within a months after the corporation's taxadon year end.	ACCUSE TO COMPANY OF THE STATE

#### Criteria for exempt from filing status:

- has filed a federal income tax return (T2) with Canada Customs and Revenue Agency for the taxation year;
- had no Ontario taxable income for the taxation year (subject to the provisions in Note 2 below);
- had no Ontario Corporations Tax payable for the taxation year;
- was a Canadian-controlled private corporation throughout the taxation year (i.e. generally a private corporation with 50% or more
- shares owned by Canadian residents as defined by the Income Tax Act (Canada));
- has provided its Canada Customs and Revenue Agency business number to the Ministry of Finance, Corporations Tax Branch; and
- is **not** subject to the Corporate Minimum Tax (i.e. alone or as part of an associated group whose total assets exceed \$5 million or whose total revenues exceed \$10 million for the taxation year).

#### Note 1: Filing of this declaration and the Annual Return does not constitute the filing of a Corporations Tax Return under section 75 of the Corporations Tax Act.

Note 2: The following loss situations will require otherwise EFF corporations to file a CT23 tax return complete with all related schedules and financial statements:

If a corporation has a loss in the current taxation year that is to be carried back and applied to a previous taxation year(s), regardless of whether the loss is the same as for federal purposes or not, a CT23 tax return is required for the current taxation year. The corporation must also provide information indicating that the loss is to be carried back and specify the year and the amount of loss to be carried back to each taxation year.

- If a corporation has a prior year loss, that is not the same for both federal and Ontario purposes and the corporation is applying a loss carryforward from the prior year to the current year, a CT23 tax return is required for the current taxation year, and if not previously filed, a CT23 tax return for the prior taxation year in which the loss was incurred is also required. Although a tax return for the loss year is not required where the loss is not being applied, the Corporations Tax Branch will accept the filing of a tax return for a loss year at the time the loss is incurred.
- If a corporation has a prior year loss, that is the same for both federal and Ontario purposes, but in the current taxation year the corporation is applying a different amount of loss for Ontario than the loss amount being applied for federal income tax purposes, the corporation is required to file a CT23 tax return for the current taxation year only.

The following 3 items MUST be completed for EFF declarations only. In cases where the Annual Return,

1. Corporation's Mailin	ng Address							
City	Province	Country	Postal code		rio Corporation MCBS)	3.Canada Busines	Customs and R ss No. RC	evenue Agency
l,					declare that:			
The above corporations Te						for the taxation	year and there	efore qualifies unde
Signature	Title/l	Title/Relationship to Corporation		on	Telephone number ( ) -		Date	

Corpoi	rations	i ax	Act is an offence which can result in a penalty a	ia/or iii	ie.						
			' to ALL of the following criteria, you are eligible contact the Ministry Information Centre at the n								
Yes	No X	(a)	The corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year.  (nearest whole Indicate Share Capital with full voting percentage) rights owned by Canadian Residents 0 %	Yes	No	(d)	The corporation's taxation year ends on or after January 1, 2001, and its gross revenue and total assets are each \$1,500,000 or less and the corporation is not a financial institution; or The corporation's taxation year commences after				
X		(b)			П	(e)	September 30, 2001, and its gross revenue and total assets are each \$3,000,000 or less and the corporation is not a financial institution.  The corporation is <b>not</b> claiming a tax credit other than				
X		(c)	The corporation is <b>not</b> a member of a partnership/joint venture or a member of an associated group of corporations during the taxation year.			(f)	the Incentive Deduction for Small Business Corporations (IDSBC), Co-operative Education Tax Credit (CETC), Graduate Transitions Tax Credit (GTTC) or Apprenticeship Training Tax Credit (ATTC). The corporation's Ontario allocation factor is 100%.				
Note Tax.	Note: Family Farm or Fishing corporations that have a taxation year ending on or after January 1, 2000 and that are not subject to the Corporate Minimum Tax, may also use the CT23 Short-Form Corporations Tax Return if the corporation checks "Yes" to a), b), c), e) and f) above.										

### CT23 Page 3 of 20

## **CT23 Corporations Tax Return**

Identification continued (for CT23 filers only)

Тур	e of Co	rporation - Please check (✔) box(es Canadian-controlled private (CCPC) (Generally a private corporation of w 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b	all year hich	able in sections 1 & 2			Ontario Retail Sales Tax Vendor Permit No. (Use Head Office No.)  Ontario Employer Health Tax Account No.
	2 🔣	Other Private					(Use Head Office No.)
	3	<u>P</u> ublic		Share Capital with full			Specify major business activity
	4	Non-share Capital		voting rights owned by Canadian Residents.	(neare	st %) -%	
	5	Other (specify)					
2	1 🔣	Eamily Farm Corporation s.1(2)	14	Bare <u>Trustee</u> Corporation			
10	2	Family Fishing Corporation s.1(2)	15 💹	Branch of Non-resident s.63			
	3	Mortgage Investment Corp s.47	16	Financial institution prescribe Regulation only	ed by		
	4	Credit Union s.51	17	Investment Dealer			
	5 🔢	Bank Mortgage Subsidiary s.61(4)	18 🕍	Generator of electrical energe producer of steam for use in		e or	
	6	Ban <u>k</u> s.1(2)		generation of electrical energ		е	
	7	<u>L</u> oan and Trust Corporation s.61(4)	19 🎇	Hydro successor, Municipal Utility or subsidary of either			
	8 🜃	Non-resident Corp s.2(2)(a) or (b)	20 🔡	Producer and seller of steam	1		
	9	Non-resident Corporation s.2(2)(c)	21	other than for the generation Insurance Exchange s.74.4	icity		
	10	Mutual Fund Corporation s.48	22	Farm Feeder Finance Co-op	erative		
	11	Non-resident owned investment Corporation s.49	23	Corporation Professional Corporation (inc	ed		
	12 🗓	Non-resident <u>s</u> hip or aircraft under reciprocal agreement with Canada s.28(b)		professionals only)			
Plea	ase che	ck (✔) box(es) if applicable:			_		
	<u>F</u> irst	Year of Filing	to Diss	Taxation Year up solution (wind-up) For discontinued businesses, uide.)	_	corpor	fer or Receipt of Asset(s) involving a ration having a Canadian permanent ishment outside Ontario
	<u>A</u> me	nded Return		axation Year Amalgamation			sition of Control fed s.249(4)
Taxation Year End has changed - Canada Customs and Revenue Agency approval required		Floating Fiscal Year End				control was acquired:	
Wa	s the co	rporation inactive throughout the taxat	ion year?		<u>Y</u> es	s 📳	No X
Has	the cor	poration's Federal T2 Return been file Customs and Revenue Agency (CCF	d with			s X	No 📗
_		uesting a refund due to: the Carry-		oss?	Yes		No X
		an Overpa			Yes	s 🗍	<u>N</u> o X
				ble Tax Credit?	<u>Y</u> es	_=	No 🗵
Are	you a N	Member of a Partnership or a Joint Ve	nture?		<u>Y</u> es	3	<u>N</u> o 🗵

CT23 Page 4 of 20 **Income Tax** 

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

Net income (loss) for Ontario purposes (per reconciliation s	chedule, page 1	5)		From	690±	2,253
Subtract: Charitable donations	, 1 <u>∗_</u>					
Subtract: Gifts to Her Majesty in right of Canada or a provin	2					
Subtract: Taxable dividends deductible, per federal Schedu					3	
Subtract: Ontario political contributions (Attach schedule 2)	A) (Int.B. 3002R	).			4 -	
Subtract: Federal Part VI.1 tax	X 3				5	
Subtract: Prior years' losses applied - Non-capital losse	es			From	704	2,253
	From <b>715</b>		inclusion			
Net capital losses (page	16)	X	rate	50.000000 % =		
Farm losses					724-	
Restricted farm losses					734	
Limited partnership losse	S			From	754-	
Taxable income (Non-capital loss)					10 =	
Addition to taxable income for unused foreign tax deduction	for federal purp	oses	11			
Adjusted taxable income 10 + 11 (if 10 is negative, enter	11)		20			
Taxable Income		Number	of days ir	Taxation Year		
TUXUUTO IIIOOTTO		Days after De	ec. 31, 2002	Total Days		
		and before J	•			
	00 % X 12.5 %			73 365 =	29 +	
Ontario Allocat		Days after De		Total Days <b>73</b> 365 =	32+	
From <b>10</b> (or <b>20</b> )X <b>30</b> 100.00 Ontario Allocati	00 % X 14.0 %	A 34	305 ÷	73 303 -	32 +	
=					40 =	Marine de Sido de Marine
Income Tax Payable (before deduction of tax credits) 29	F 3Z					All If the minimum country in the
<b>Incentive Deduction for Small Business Corp</b>	orations (ID:	SBC)(s.4	<b>:1</b> )			
If this section is not completed, the IDSBC will be denie	ed.					
Did you claim the federal Small Business Deduction (fe		ne taxatioi	n year or v	vould you have cl	aimed ti	ne federal Small
Business Deduction had the provisions of fed.s.125(5.1	) not been app	licable in	the year?	( <b>√</b> ) <b>B</b> <u>Y</u> es X	<u>N</u> o	
* Income from active business carried on in Canada						
for federal purposes (fed.s.125(1)(a))			50			
Federal taxable income, less adjustment						
for foreign tax credit (fed.s.125(1)(b))	51+					
Add: Losses of other years deducted	-					
for federal purposes (fed.s.111)	<b>52</b> +	2,253				
Subtract: Losses of other years						
deducted for Ontario purposes (s.34)	53-	2,253				
	=		54	<b>一川景烈。那</b> "野居"。		
Federal Business limit (line 410 of the T2 return) for the year	ar					
before application of fed.s.125(5.1)	55+					
Ontario Business Limit Calculation						

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

320,000 X 31

Days after Dec. 31, 2003

400,000 400,000 X **34** 365 =+ 47

Percentage of Federal Business limit (from T2 Schedule 23). Enter 100%

if not associated **Business limit** 400,000 X 48 for Ontario purposes 46 + 47 = 44

Income eligible for the IDSBC

From 30 100.0000 % X 56 ***Ontario Allocation Least of 50, 54 or 45

continued on Page 5

60 =

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

^{**} Note: Adjust accordingly for a floating taxation year and use 366 for a leap year.

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

### Income Tax continued from Page 4

#### **Number of Days in Taxation Year**

Claim		From 60	X	Fro	m <b>78</b>	8.5000	%		70		
IDSBC Rate for Taxation Year	89 + 90								78	=	8.5000
		8.5 % X <b>34</b>	365		73	,	365	=	90	+	8.5000
			Days after Dec. 31, 2003		_	Total Days					
Calculation of IDSBC Rate		7.0 % X <b>31</b>		÷	73		365	=	89	+	
			and before Jan. 1, 2004			Total Days					

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount in **114** below.

#### **Surtax on Canadian-controlled private corporations (s.41.1)**

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

**Associated corporation** - The Taxable Income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

* Taxable Income of	the corporatior	1				From <b>10</b> (	or <b>20</b> if applic	cable)	80 +	7:
If you are a member	of an associate	ed group	<b>(</b> \$	81 📳 (Yes)						
Taxable income of ass	sociated corpora	tions (At	tach s	chedule)					82 +	
Aggregate Taxable Inc	gregate Taxable Income							85 =		
	Number of	days in	Taxat	ion Year						
	Days after Dec. 3 and before Jan. 1			Total Days						
320,000 X	31 Days after Dec. 3	÷ 1, 2003	73	365 =	115+		-			
400,000 X	<b>34</b> 30	65 ÷	73	365 =	116+	400,000				
	-			115 + 116	=	400,000	<b>→</b>	1	14 -	400,000
(If negative, enter nil)							-		86 =	
					Number Days after De	er of Days in Ta	axation Year Total Day			
Calculation of Specif	ied Rate for Su	rtax		4.667% X 38	-	365 ÷ <b>73</b>	3	365 =	97 +	4.6670
From 86	)	( From	97	4.6670 %	=				87 =	
From <b>87</b>	>	( From	60		+ From	114	400,000		88 =	
Surtax: Lesser of 70 o	or 88							9	100=	

^{*} Note: Short Taxation Years - Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.

continued on Page 6

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

4 4 5			
110			
110			

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

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

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

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

Eligible Canadian Profits	120+
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) From	56 -
Add: Adjustment for Surtax on Canadian-controlled private corporations  From 100 ÷ From 30100.0000 % ÷ From 788.5000 % = 121	-
Lesser of <b>56</b> or <b>121</b>	122+
120 - 56 + 122	130=
Taxable income From	10 +
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)  From	56
	122+
Subtract: Taxable income 10 X Allocation % to jurisdictions outside Canada	140
Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses	141
10 - 56 + 122 - 140 - 141	142=
Claim  Number of Days in Taxation Year Days after Dec. 31, 2002 and before Jan. 1, 2004 Total Days Total Days  Total Days  Total Days  Total Days  Total Days  Total Days  Total Days  Total Days  Total Days  Total Days  Total Days  Total Days  A Service: Ontario Allocation for M&P Credit purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))  Manufacturing and Processing Profits Credit for Electrical Generating Corporations	-
Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity	162
Credit for Foreign Taxes Paid (s.40)	
Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001R) (Attach schedule)	170
Credit for Investment in Small Business Development Corporations (SBDC)	
Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequ (Refer to the former Small Business Development Corporations Act)  Eligible Credit 175  Credit Claimed	ent years' income taxes.
Subtotal of Income Tax 40 - 70 + 100 - 110 - 160 - 161 - 162 -170 - 180	190=

continued on Page 7

#### Income Tax continued from Page 6

OR

#### Specified Tax Credits (Refer to Guide)

Ontario Innovation Tax Credit (OITC) (s.43.3) Applies to scientific research and experimental development in Ontario. Eligible Credit from 5620 OITC Claim Form (Attach original Claim Form) Co-operative Education Tax Credit (CETC) (s.43.4) Applies to employment of eligible students. Eligible Credit from 5798 CT23 Schedule 113 (Attach Schedule 113) 192+ Ontario Film & Television Tax Credit (OFTTC) (s.43.5) Applies to qualifying Ontario labour expenditures for Name of Production eligible Canadian content film and television productions. 204 Eligible Credit from 5850 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) (Attach the original Certificate of Eligibility) 193+ Graduate Transitions Tax Credit (GTTC) (s.43.6) No. of Graduates From 6596 Applies to employment of eligible unemployed post secondary graduates, for employment 194 commencing prior to July 6, 2004 and expenditures incurred prior to January 1, 2005. Eligible Credit from 6598 CT23 Schedule 115 (Attach Schedule 115) 195+ Ontario Book Publishing Tax Credit (OBPTC) (s.43.7) **Applies** to qualifying expenditures in respect of eligible literary works by eligible Canadian authors. Eligible Credit from 6900 OBPTC Claim Form (Attach both the original Claim Form and the Certificate of Eligibility) 196+ Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8) Applies to labour relating to computer animation and special effects on an eligible production. Eligible Credit from 6700 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) (Attach the original Certificate of Eligibility) 197+ Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9) Applies to qualifying R&D expenditures under an eligible research institute contract. Eligible Credit from 7100 OBRITC Claim Form (Attach original Claim Form) Ontario Production Services Tax Credit (OPSTC) (s.43.10) Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed. Eligible Credit from 7300 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) (Attach the original Certificate of Eligibility) 199+ Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11) Applies to qualifying labour expenditures of eligible products for the taxation year. Eligible Credit from 7400 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) (Attach the original Certificate of Eligibility) Ontario Sound Recording Tax Credit (OSRTC) (s.43.12) Applies to qualifying expenditures in respect of eligible Canadian sound recordings. Eligible Credit from 7500 OSRTC Claim Form (Attach **both** the original Claim Form and the Certificate of Eligibility) Apprenticeship Training Tax Credit (ATTC) (s.43.13) No. of Apprentices From 5896 Applies to employment of eligible apprentices. 202 Eligible Credit from 5898 CT23 Schedule 114 (Attach Schedule 114) 203+ Total Specified Tax Credits: 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 203 220= 225= Specified Tax Credits Applied to reduce Income Tax

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see **Determination of Applicability** section for the CMT on **Page 8**. If CMT is not applicable, transfer amount in **230** to Income Tax in **Summary** section on **Page 17**.

Income Tax 190 - 225 OR Enter NIL if reporting Non-Capital Loss (amount cannot be negative)

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the **Application of CMT Credit Carryovers** section part B, on **Page 8**.

230=

## **Corporate Minimum Tax (CMT)**

B.

Income Tax

CT23 Page 8 of 20

, ,				
Total Assets of the corporation	240+	287,605		
Total Revenue of the corporation		-	241+	329,064
The above amounts include the corporation's and associated corporation.	ations' share of any partners	ship(s) / joint ven	ture(s) total a	assets and total
If you are a member of an associated group (✔) 242 (Yes)				
Total Assets of associated corporations (Attach schedule)	243+			
Total Revenue of associated corporations (Attach schedule)			244+	
Aggregate Total Assets	249=	287,605	_	-
Aggregate Total Revenue			250=	329,064
Determination of Applicability				
Applies if either Total Assets 249 exceeds \$5,000,000 or Total Rev	enue <b>250</b> exceeds \$10.000.	000.		
<b>Short Taxation Years</b> - Special rules apply for determining total revecorporation or any fiscal period of any partnership(s) / joint venture(s) than 51 weeks.	) of which the corporation or	associated corp	oration is a r	nember, is less
Associated Corporation - The total assets or total revenue of associated corporation - The total assets or total revenue of associated corporation - The total assets or total revenue of associated Corporation - The total assets or total revenue of associated Corporation - The total assets or total revenue of associated Corporation - The total assets or total revenue of associated Corporation - The total assets or total revenue of associated Corporation - The total assets or total revenue of associated Corporation - The total assets or total revenue of associated Corporation - The total assets or total revenue of associated Corporation - The total assets or total revenue of associated Corporation - The total assets or total revenue of associated Corporation - The total - T		al assets or total	revenue for	the taxation
If CMT is applicable to current taxation year, complete section Calcu	lation: CMT below and Cor	porate Minimur	n Tax Sched	ule 101.
Calculation: CMT (Attach Schedule 101.)				
Gross CMT Payable - CMT Base From Schedule 101 2136	X From <b>30</b> 100	0.0000_% X 4%	276 =	
If negative, e	enter zero Ontario Allo	cation		
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule)			277	The state of the s
Subtract: Income Tax		Fro	m <b>190</b>	
Net CMT Payable (if negative, enter Nil on page 17.)			280=	
If <b>280</b> is less than zero and you do not have a CMT credit carryover,	transfer 230 from Page 7 to	Income Tax Su	mmary, on F	Page 17.
If <b>280</b> is less than zero and you have a CMT credit carryover, comple	<del>-</del>		•	· ·
If 280 is greater than or equal to zero, transfer 230 to Page 17 and tr		to Part 4 of Sch	nedule 101: (	Continuity of
CMT Credit Carryover available From Schedule 101		From	2333	
Application of CMT Credit Carryovers				
A. Income Tax (before deduction of specified credits)		Fro	m <b>190</b> +	
	276+	1101		
	277 -			
If 276 - 277 is negative, enter NIL in 290	=	•	290-	
Income Tax eligible for CMT Credit			300=	

320 = Transfer to Page 17

From 230+

310

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

Income Tax (after deduction of specified credits)

Subtract: CMT credit used to reduce income taxes

#### CT23 Page 9 of 20

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

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

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

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

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

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital. Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

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

Paid-up Capital		
Paid-up capital stock (Int.B. 3012R and 3015R)	350+	165,626
Retained earnings (if deficit, deduct) (Int.B. 3012R)	351 ±	(36,721)
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012R)	352+	
Loans and advances (Attach schedule)(Int.B. 3013R)	353+	
Bank loans (Int.B. 3013R)	354+	
Bankers acceptances (Int.B. 3013R)	355+	
Bonds and debentures payable (Int.B. 3013R)	356+	
Mortgages payable (Int.B. 3013R)	357+	
Lien notes payable (Int.B. 3013R)	358+	
Deferred credits (including income tax reserves, and deferred revenue where it would		
also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013R)	359 +	
Contingent, investment, inventory and similar reserves (Int.B. 3012R)	360 +	
Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012R)	361 +	
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017R)	362+	
Subtotal	370 =	128,905
Subtract: Amounts deducted for income tax purposes in excess of amounts booked		
(Retain calculations. Do not submit.) (Int.B. 3012R)	371 -	
Deductible R&D expenditures and ONTTI costs deferred for income tax if not		
already deducted for book purposes (Int.B. 3015R)	372	
Total Paid-up Capital	380 =	128,905
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	381 -	
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	382-	
Net Paid-up Capital	390=	128,905
Hot I did up out it in	1000000	.20,000

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

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

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

filecopy: NEWBURY POWER INC Ontario Account # 6820376 Year-end: 2005/12/31 Printed: 2011/11/03 09:17 Capital Tax continued from Page 9 CT23 Page 10 of 20 Total Assets (Int.B. 3015R) Total Assets per balance sheet 420 +287,605 Mortgages or other liabilities deducted from assets 421 +Share of partnership(s)/joint venture(s) total assets (Attach schedule) 422+ Subtract: Investment in partnership(s)/joint venture(s) 423 -Total Assets as adjusted 430 = 287.605 Amounts in 360 and 361 (if deducted from assets) 440 +Subtract: Amounts in 371, 372 and 381 441-Subtract: Appraisal surplus if booked 442-Add or Subtract: Other adjustments (specify on an attached schedule) 443± **Total Assets** 450= 287,605 Investment Allowance (410 ÷ 450) X 390 Not to exceed 410 460= Taxable Capital 390 - 460 470= 128,905 Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue) Gross Revenue of the corporation 329,064 Corporation's Share of partnership(s)/joint venture(s) Gross Revenue (Attach schedule) Aggregate of Gross Revenue 329.064 480 329.064 From 430 Total Assets (as adjusted) 287,605 Calculation of Capital Tax for all Corporations except Financial Institutions Note: This version (2004/2005) of the CT23 may only be used for a taxation year that commenced after December 31, 2002. Financial Institutions use calculations on page 13. Important: If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below. OR If the corporation is not a member of an associated group and/or partnership, complete Section B below, then review only the Capital Tax calculations in Section C below, selecting and completing the one specific subsection (e.g. C3) that applies to the corporation. If the corporation is a member of an associated group and/or partnership, complete Section B below and Section D on OR page 11, and if applicable, complete Section E or Section F on page 12. Note: if the corporation is a member of a connected partnership, please refer to the 2004/2005 CT23 Guide for additional instructions before completing the Capital Tax section. SECTION A This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018). Enter NIL in 550 on page 12 and complete the return from that point. SECTION B Calculation of Taxable Capital Deduction (TCD) Number of Days in Taxation Year Days before Jan. 1, 2005 Total Days = 500 +5,000,000 X 35 365 Days after Dec. 31, 2004 Total Days and before Jan.1, 2006 7,500,000 X 36 365 ÷ = 501 +7.500.000 365 Days after Dec. 31, 2005 Total Days and before Jan.1, 2007 10,000,000 X 37 365 = 502 +73 Taxable Capital Deduction (TCD) 500 + 501 + 502 503 SECTION C This section applies if the corporation is not a member of an associated group and/or partnership C1. If 430 and 480 on page 10 are both \$3,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point. C2. If Taxable Capital in 470 is equal to or less than the TCD in 503, enter NIL in 550 on page 12 and complete the return from that point. C3. If Taxable Capital in 470 exceeds the TCD in 503, complete the following calculation and transfer the amount from 523 to 543 on page 12, and complete the return from that point. + From 470

- From 503

x From

Transfer to 543 on page 12

and complete the return

from that point

523 +

Days in taxation year

365 (366 if leap year)

If floating taxation year,

refer to Guide.

x 0.3% x

Ontario Allocation

#### CT23 Page 11 of 20

#### Capital Tax Calculation continued from Page 10

#### SECTION D

This section applies ONLY to a corporation that is a member of an associated group (excluding Financial Institutions and corporations exempt from Capital Tax) and/or partnership. You must check either **509** or **524** and complete this section before you can calculate your Capital Tax calculation under either Section E or Section F.

D1. ■ 509 (✓ if applicable)

All corporations that you are associated with do **not** have a permanent establishment in Canada. If Taxable Capital **470** on page 10 is equal to or less than the TCD **503** on page 10, enter NIL in **550** on page 12 and complete the return from that point.

If Taxable Capital **470** on page 10 exceeds the TCD **503** on page 10, proceed to **Section E**, enter the TCD amount in **542** in Section E, and complete Section E and the return from that point.

D2. **■ 524** (✓ if applicable)

One or more of the corporations that you are associated with **maintains** a permanent establishment in Canada

You and your associated group may continue to allocate the TCD by completing the Calculation below. Or, the associated group **may file an election** under subsection 69(2.1) of the *Corporations Tax Act*, whereby total assets are used to allocate the TCD among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the capital tax effect relating to the TCD to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

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

Taxable Capital form 470 on page 10

From 470+

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Taxable Capital of associated corporations (Attach schedule)

531+

Aggregate Taxable Capital 470 + 531

540=

If **540** above is equal to or less than the TCD **503** on page 10, the corporation's Capital Tax for the taxation year, is NIL. Enter NIL in **523** in section E on page 12, as applicable.

If **540** above is greater than the TCD **503** on page 10, the corporation must compute its share of the TCD below in order to calculate its Capital Tax for the taxation year under Section E on page 12.

From

470

_____ + From **540** 

X From **503** 

541=

Transfer to 542 in Section E on page 12

Ss.69(2.1) Election Filed

591 (✓ if applicable)

Election filed. Attach a copy of Schedule 591 with this CT23 Return.

Proceed to Section F on page 12.

continued on Page 12

#### CT23 Page 12 of 20

### Capital Tax Calculation continued from Page 11

#### SECTION E

This section applies if the corporation is a member of an associated group and/or partnership whose total aggregate Taxable Capital 540 on page 11 exceeds the TCD 503 on page 10.

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

+ Fro - =	542 471	x From <b>30</b> Ontario	% x 0.3% x Allocation	Days in the taxation yea 555_ *365 (366 if leap year)	Total Capital Tax for the taxation year = 523 + Transfer to 543 and complete the return from that point
SECTIO	ON F		E. MARCH REPORT	Was the Revision of the Revision	
This sec	ction applies if a corpor	ation is a member of an ass	ociated group and the asso	ciated group has filed a s	s.69(2.1) election
+ Fro	om 470	X From 30 Ontario	Allocation x 0.3%		= 561 <u>+</u>
- Capita	al tax deduction from 99	95 relating to your corporat	ti <b>on's</b> Capital Tax deduction	, on Schedule 591 Fr	om 995 562=
Capital	Tax	562	X	Days in taxation year 555*365 (366 if leap year)	= 563 + Transfer to 543 and complete the return from that point
* If floati	ing taxation year, refer	to Guide			
			o salesinis atam to sing		(6) 章 5 (b) (b) (b) (b) (b)
	Tax before application				543
		applied to reduce capital to	ax payable (Refer to Guide)		546
Capita	I Tax 543 - 546 (amo	unt cannot be negative)			550=
					Transfer to Page 17

continued on Page 13

### **Calculation of Capital Tax for Financial Institutions**

1.1. Credit Unions Only For taxation years commencing after May 4, 1999 enter NIL in 550 on page 12, and complete the return from that p	point.
1.2 Other than Credit Unions (Retain details of calculations for amounts in boxes 565 and 570. Do not submit with this tax return.)	
Days in taxation year	
X SIGIO XIII GO	569 +
Lesser of adjusted Ontario Allocation (366 if leap year) Taxable Paid Up Capital and Basic Capital Amount in accordance with Division B.1	
Days in taxation year 570	574+
Adjusted Taxable Capital Tax Rate Ontario Allocation (366 if leap year) Paid Up Capital (Refer to Guide) in accordance with Division B.1 in excess of Basic Capital Amount	014.
Capital Tax for Financial Institutions - other than Credit Unions (before Section 2) 569 + 574	575=
* If floating taxation year, refer to Guide.	
2. Small Business Investment Tax Credit	
(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)	
Allowable Credit for Eligible Investments	585
Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (✔) ☐ Yes	
Capital Tax - Financial Institutions 575 - 585	586=
	Transfer to <b>543</b> on Page 12
Premium Tax (s.74.2 & 74.3) (Refer to Guide)	
	588=
(1) Uninsured Benefits Arrangements 587 x 2% x 2% Applies to Ontario-related uninsured benefits arrangements.	000
(2) Unlicensed Insurance (enter premium tax payable in 588 and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in 588.) Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated Ontario with unlicensed insurers.	in
	589-
Premium Tax 588 - 589	590=
	Transfer to Page 17

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

Net Income (loss) for federal income tax purposes, per federal T2 Schedule 1 600± 2,253 Transfer to Page 15 Add: 601 +8.209 Federal capital cost allowance Federal cumulative eligible capital deduction 602+ 603+ Ontario taxable capital gain 604+ Federal non-allowable reserves. Balance beginning of year Federal allowable reserves. Balance end of year 605 +Ontario non-allowable reserves. Balance end of year 606+ Ontario allowable reserves. Balance beginning of year 607 +Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE) 608 +Federal resource allowance (Refer to Guide) 609 +Federal depletion allowance 610 +Federal foreign exploration and development expenses 611 +Crown charges, royalties, rentals, etc. deducted for Federal purposes (Refer to Guide) 617 +Management fees, rents, royalties and similar payments to non-arms' length nonresidents Number of Days in Taxation Year Days after Dec. 31, 2002 Total Days and before Jan. 1, 2004 612 X 5/12.5 X **33** ÷73 365 = 633 +Days after Dec. 31, 2003 Total Days X 5/14.0 X **34** 365 ÷ **73** 365 = 634 +613+ Total add-back amount for Management fees, etc. 633 + 634 = Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661 excluding any negative amount in 473 from Ont. CT23 Schedule 161 615+ 616+ Add any negative amount in 473 from Ont. CT23 Schedule 161 620 +Federal allowable business investment loss Total of other items not allowed by Ontario but allowed federally (Attach schedule) 614 +Total of Additions 601 to 611 + 617 + 613 + 615 + 616 + 620 + 614 8,209 640 8,209 Transfer to Page 15 Deduct: Ontario capital cost allowance (excludes amounts deducted under 675) Ontario cumulative eligible capital deduction 651 + Federal taxable capital gain 652 +Ontario non-allowable reserves. Balance beginning of year 653 +Ontario allowable reserves. Balance end of year 654 +Federal non-allowable reserves. Balance end of year 655 +Federal allowable reserves. Balance beginning of year 656 **+** Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) (Retain calculations. Do not submit.) 657 +Ontario depletion allowance 658 +Ontario resource allowance (Refer to Guide) 659 +Ontario current cost adjustment (Attach schedule) 661+ CCA on assets used to generate electricity from natural gas, alternative or 675+ renewable resources. 8,209 Subtotal of deductions for this page 650 to 659 + 661 + 675 681 Transfer to Page 15

continued on Page 15

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

Net income (loss) for federal income tax purposes	s, per federal Schedule 1			From	600±	2,253
Fotal of Additions on page 14				From	640=	8,209
Sub Total of deductions on page 14		From	681=	8,209		
Oeduct: Ontario New Technology Tax Incentive (ONT (Applies only to those corporations whose Onta the current taxation year.)	ario allocation is less tha	n 100% in				
Capital Cost Allowance (Ontario) (CCA) on pres qualifying intellectual property deducted in the c taxation year			-			
ONTTI Gross-up deduction calculation: From Gross-up of CCA 662 x 100/ 30 100.			_663≡			
Ontario Allo	cation					
Workplace Child Care Tax Incentive (WCCT) (Applies to eligible expenditures incurred prior	to January 1, 2005.)					
Qualifying expenditures: 665		100.0000 ntario Allocatio	666 <u>=</u>			
Workplace Accessibility Tax Incentive (WATI (Applies to eligible expenditures incurred prior						
Qualifying expenditures: 667		100.0000 ntario Allocatio	668 <u>=</u>	William I		
Number of Employees accommodated 669						
Ontario School Bus Safety Tax Incentive (OS (Applies to the eligible acquisition of school bus 2006.) (Refer to Guide)		4, 1999 and b	pefore January 1	1	_	
Qualifying expenditures 670		100.0000 ario Allocation				
Educational Technology Tax Incentive (ETTI) (Applies to eligible expenditures incurred prior	to January 1, 2005.)					
Qualifying expenditures 672		100.0000 ario Allocation	673=			
Ontario allowable business investment loss			678+			
Ontario Scientific Research Expenses claime Schedule 161	ed in year in 477 from (	Ont. CT23	679 <u>+</u>			
Amount added to income federally for an am federal form T661, line 454 or 455 (if filed after	_	on	677+			
Total of other deductions allowed by Ontario	(Attach schedule)		664 +			
otal of Deductions 681 + 663 + 666 + 668 + 671 +	673 + 678 + 679 + 677 + 6	64	. =	8,209	680	8,209
Net income (loss) for Ontario Purpose	s 600 + 640 - 680				690 <u>=</u> <i>Trans</i>	2,253 sfer to Page 4

Continuity of Losses Carried Forward CT23 Page 16 of 20 Non-Capital **Total Capital** Farm Losses Restricted Farm **Listed Personal** Limited Losses Partnership Losses (1) Losses **Property Losses** Losses (6) 710 (2) 730 740 Balance at 700 (2) 720 (2) 750 **Beginning of Year** 25,136 Add: 701 711 721 731 741 751 Current year's losses (7) 702 712 722 732 752 Losses from predecessor corporations (3) 723 733 743 753 703 713 Subtotal 744 (4) Subtract: 704 (2) 715 (2)(4) 724 (2) 734 (2)(4) 754 (4) Utilized during the year to 2,253 reduce taxable income 705 725 735 745 Expired during the year Carried back to prior years 706 (2) To Pg 17 726 (2) To Pg 17 736 (2) To Pg 17 746 716 (2) To Pg 17 to reduce taxable income (5) Subtotal 707 747 757 717 727 737 2,253

729

739

749

759

#### Analysis of Balance by Year of Origin

Balance at End of Year

709 (8)

719

22.883

Year of Origin (oldest year first)	Non Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only	Farm Losses	Restricted Farm Losses	
800 9th preceeding taxation year	817 (6)	860 (6)		850	870	
801 8th preceeding taxation year	818 (6)	861 (6)		851	871	
802 7th preceeding taxation year	819 (6)	862 (6)		852	872	
803 6th preceeding taxation year	820	830	840	853	873	
804 5th preceeding taxation year 2000/12/31	821	831	841	854	874	
805 4th preceeding taxation year 2001/12/31	822	832	842	855	875	
806 3rd preceeding taxation year 2002/12/31	823 17,757	833	843	856	876	
807 2nd preceeding taxation year 2003/12/31	824	834	844	857	877	
808 1st preceeding taxation year 2004/12/31	825 5,126	835	845	858	878	
809 Current taxation year 2005/12/31	826	836	846	859	879	
Total	829 22,883	839	849	869	889	

#### Notes:

- (1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- (2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5) as made applicable by s.34.
- (3) Include losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.
- (4) To the extent of applicable gains/income/at-risk amount only.
- (5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.
- (6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.
- (7) Include amounts from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.
- (8) Amount in **709** must equal total of **829** + **839**.
- (9) Include non-capital losses incurred in taxation years ending after March 22, 2004.

#### CT23 Page 17 of 20

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

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

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

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

Application of Losses	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses		
		910	920	930	940	
Total amount of loss						
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income.  Predecessor Corporation's Taxation Year Account No. (MOF) Ending		911	921	931	941	
i) 3rd preceding	901 2002/12/31					
		912	922	932	942	
ii) 2nd preceding	902 2003/12/31		1			
		913	923	933	943	
iii) 1st preceding	903 2004/12/31					
	Booking to the second second	From <b>706</b>	From <b>716</b>	From <b>726</b>	From <b>736</b>	
Total loss to be carried back			=			
		919	929	939	949	
Balance of loss available for c	arry-forward					

### Summary

Income Tax	(	From <b>230</b> or	320+	
Corporate N	/linimum Tax	From	280+	
Capital Tax		From	550+	
Premium Ta	ЭX	From	590+	
Total Tax F	ayable		950=	
Subtract:	Payments		960-	
	Capital Gains	s Refund (s.48)	965-	
	Qualifying Er	nvironmental		
	Trust Tax Cr	edit		
	(Refer to Gui	ide)	985-	
	Specified Ta	x Credits		
	(Refer to Gui	ide)	955-	
Balance	-		970=	
If payment	due	Enclosed *	990	
If overpayn	nent: Refund (	Refer to Guide)	975=	
	Apply to		980	Marine Star Co
			(Includes	credit interest)

(Includes credit interes

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

#### Certification

PETER PAVILONIS

Name

Title

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

CHAIR		
Full Residence Address		
City		
Province	Country	Postal Code
Signature		Date

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

OS4 Schedule 4

## **Ontario loss continuity**

#### Part 1 - Non-capital loss

Determination of current-year non-capital loss	
Net income (loss) for Ontario tax purposes	2,253
Deduct: (increase a loss)	
Net capital losses deducted in the year (enter a positive amount)	
Taxable dividends deductible under ITA sections 112, 113 or subsection 138(6)	
Amount of Part VI.1 tax deductible	
·	
Subtotal - if positive, enter "0"	0
Deduct: (increase a loss)	
ITA Section 110.5 and/or subparagraph 115(1)(a)(vii) - Addition for foreign tax deductions	
Add: (decrease a loss)  Subtotal	
Current-year farm loss	
Current-year non-capital loss (if positive, enter "0")	

Non-capital loss at end of preceding taxation year		25,136		
Deduct: Non-capital loss expired	- 1			
Non-capital losses at beginning of taxation year	= =	25,136		25,136
Add: Non-capital losses transferred on an amalgamation or				
the wind-up of a subsidiary corporation			+	
Current-year non-capital loss (from calculation above)				
Deduct - Request to carry back non-capital loss to:				
First preceding taxation year to reduce taxable income				
Second preceding taxation year to reduce taxable income				
Third preceding taxation year to reduce taxable income				
Current-year non-capital loss net of carryback			+	
·		Subtotal	=	25,136
Deduct:				
Amount applied against taxable income (enter on line 704 of the CT23)		2,253		
Section 80 - adjustments for forgiven amounts				
Other adjustments				
<del></del>	0	2,253	-	2,253
Non-capital losses - Closing balance	· ·		=	22,883

#### Part 2 - Capital losses

	•	-					Gross amount
Capital losses at end of preceding	taxation year						
Capital losses transferred on an an	nalgamation or the	windup o	f a subsidiar	y corp	oration		+
Current-year capital loss		1.					+
* "						Subtotal	=
Add:							
Allowable business investment le	oss expired as a no	n-capital	loss			X 4/3	+
						Subtotal	=
Deduct:							
Amount applied against current	year capital gain						7
Section 80 adjustments for forgiven	ven amounts						<u> </u>
Other adjustments							
<del>"</del>						Subtotal	=
Deduct - Request to carry back c	apital loss to: Loss applied		sion rate		Total		
First preceding taxation year			50.0000 %			4	
Second preceding taxation year		.+	%	=		2	
Third preceding taxation year		+	%	=		_	
			Subtota	al		2	<del>*</del>

filecopy: NEWBURY POWER INC Ontario Account # 6820376 Year-end: 2005/12/31 Printed: 2011/11/03 09:17

OS4 Schedule 4

## **Ontario loss continuity**

#### Part 3 - Farm loss

Continuity of farm losses and request for a	carryba	ck	
Farm losses at end of preceding taxation year			
Deduct: Farm loss expired after 10 taxation years	2		
Farm losses at beginning of taxation year	=		
Add: Farm losses transfered on an amalgamation or the windup of a subsidiary corporation	n		+
Current-year farm loss			
Deduct - Request to carry back farm loss to:			
First preceding taxation year to reduce taxable income			
Second preceding taxation year to reduce taxable income			
Third preceding taxation year to reduce taxable income			
Subtotal			
Current-year farm loss net of carryback			+
		Subtotal	
Deduct:			
Amount applied against taxable income (enter on line 724 of the CT23)	·		
Section 80 - Adjustments for forgiven amounts	<i>17</i>		
Other adjustments	-		
	-		, <del>*</del>
Farm losses - Closing balance			=
Part 4 - Restricted farm loss			
Total losses for the year from farming business			
Minus the deductible farm loss:			
\$2,500 plus B or C, whichever is less			
(Amount A above – \$2,500) divided by 2	В		
Maximum	С	6,250	
Deductible farm loss			<u> </u>
Current-year restricted farm loss			
Continuity of restricted farm losses and request	t for a ca	rryback —	
Restricted farm losses at end of preceding taxation year  Deduct: Restricted farm loss expired after 10 taxation years	(		
	<u> </u>		
Restricted farm losses at beginning of taxation year	- <del></del>		
Add: Restricted farm losses transferred on an amalgamation or			+
the windup of a subsidiary corporation			<del>.</del>
Current-year restricted farm loss			
Deduct – Request to carry back restricted farm loss to:			
First preceding taxation year to reduce farming income			
Second preceding taxation year to reduce farming income	_		
Third preceding taxation year to reduce farming income			
Current-year restricted farm loss net of carryback			+
Deduct:			
Amount applied against taxable income (enter on line 734 of the CT23)			
Section 80 – Adjustments for forgiven amounts			
Coulon of regressions to regress announce			
Other adjustments			-

OS4 Schedule 4

## **Ontario loss continuity**

#### Part 5 - Listed personal property loss

Continuity of listed personal property loss and request for a carryback	
Listed personal property losses at end of preceding taxation year	
Deduct: Listed personal property losses expired after seven taxation years	
Listed personal property losses at beginning of taxation year	
Current-year listed personal property loss	
Deduct – Request to carry back listed personal property loss to:	
First preceding taxation year to reduce listed personal property gains	
Second preceding taxation year to reduce listed personal property gains	
Third preceding taxation year to reduce listed personal property gains	
Listed personal property losses net of carryback	+
Subtotal	
Deduct:	
Amount applied against listed personal property gain	
Other adjustments	166
Limited personal property losses - Closing balance	=

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

Year of origin	Non-capital losses *	Farm losses	Restricted farm losses	Listed personal property losses
2000/12/31				
2001/12/31				
2002/12/31	17,757			
2003/12/31				
2004/12/31	5,126			
2005/12/31	3			
Total	22,883			

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

Part 7 - Continuity of limited partnership losses

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



#### Ministry of Finance

Corporations Tax Branch PO Box 620 33 King Street West Oshawa ON L1H 8E9

#### **Ontario Capital Cost Allowance** Schedule 8

#### **ONTARIO CAPITAL COST ALLOWANCE**

1	on's Legal Name JRY POWER IN	IC							Ontario Corporation 6820376	ns Tax Account No.	(MOF) Taxatio 2005/	n Year End 12/31
Is the co	orporation electi	ng under regulat	tion 1101(5q)?	<b>101</b> 1 <u>Y</u> es	2 <u>N</u> o 🛚							
1 Class number	2 Ontario undepreciated capital cost at the beginning of the year	3 Cost of acquisitions during the the year See note 1 below	4 Net adjustments	5 Proceeds of dispositions during the year	6 Ontario undepreciated capital cost (col 2 + 3 or col 2 - 4 - 5)	7 50% rule See note 2 below	8 Reduced undepreciated capital cost (col 6 - 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (col 8 x 9 or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (col 6 - 12)
1	159,506	4,808			164,314	2,404	161,910	4			6,476	157,838
10	5,778				5,778		5,778	30			1,733	4,045
Totals	165,284	4,808				2,404	167,688				8,209	161,883

Enter in box 650 on the CT23

- Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the Income Tax Act (Canada).
- Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.
- Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.
- Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.



#### **Ministry of Finance**

Corporations Tax Branch PO Box 620 33 King Street West Oshawa, ON L1H 8E9

### **Taxable Capital of Associated Corporations**

(Applicable to an associated group that has a permanent establishment in Canada)

Schedule CT21

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
NEWBURY POWER INC	6820376	2005/12/31

This schedule must be completed in determining the aggregate taxable capital of an associated group and/or partnership that has a permanent establishment (PE) in Canada.

Name of Associated Corporation (Must have a PE in Canada)	Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
Village of Newbury			
NEWBURY COMMUNITY SERVICES INC			
	Ag	gregate of taxable capital	

Transfer to 540 of the CT23



## **MPDC – Newbury**

Attachment 6
Decision and Order for
EB-2008-0332/EB-2008-0350



EB-2008-0332 EB-2008-0350

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998,* S.O. 1998, c.15, Schedule B;

**AND IN THE MATTER OF** an application by Middlesex Power Distribution Corporation under section 86(2)(a) of the *Ontario Energy Board Act, 1998* seeking an order for leave to acquire Dutton Hydro Limited and Newbury Power Inc.;

**AND IN THE MATTER OF** an application by Middlesex Power Distribution Corporation under section 74 of the *Ontario Energy Board Act, 1998* seeking an order to amend Middlesex Power Distribution Corporation's distribution licence;

**AND IN THE MATTER OF** a request by Middlesex Power Distribution Corporation under section 77(5) of the *Ontario Energy Board Act*, 1998 seeking the cancellation of the distribution licences of Dutton Hydro Limited and Newbury Power Inc.

**BEFORE:** Pamela Nowina

Vice-Chair and Presiding Member

Paul Vlahos Member

Paul Sommerville

Member

**DECISION AND ORDER** 

Middlesex Power Distribution Corporation ("Middlesex Power" or the "Applicant"), a licensed electricity distributor, filed an application with the Ontario Energy Board, received on October 15, 2008, under section 86(2)(a) of the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15 (Schedule B) (the "Act"), seeking leave to acquire Dutton Hydro Limited ("Dutton Hydro") and Newbury Power Inc. ("Newbury Power"). The Board has assigned file number EB-2008-0332 to the application to acquire Dutton Hydro and file number EB-2008-0350 to the application to acquire Newbury Power. Pursuant to its power under section 21(5) of the Act, the Board will consider these applications together through a consolidated hearing.

Middlesex Power has requested, under section 77(5) of the Act, that the electricity distribution licenses of Dutton Hydro and Newbury Power be canceled and, pursuant to section 74 of the Act, that its distribution licence be amended to include in its service area the areas currently served by Dutton Hydro and Newbury Power. The closing date for the proposed transactions is March 31, 2009.

#### THE APPLICATION

Middlesex Power is wholly owned by Chatham-Kent Energy Inc. The Municipality of Chatham-Kent and Corix Utilities own 90% and 10% of the shares of Chatham-Kent Energy Inc. respectively. Dutton Hydro is wholly owned by the Municipality of Dutton/Dunwich. The Village of Newbury holds 80% of the shares of Newbury Power, and Newbury Community Services owns 20% of the shares of Newbury Power. Middlesex Power, Dutton Hydro, Newbury Power and their respective shareholders are parties to the proposed transaction.

Upon completion of the proposed transactions, Middlesex Power will purchase 100% of the issued and outstanding shares of Dutton Hydro and Newbury Power and the two electrical distribution companies will be merged into Middlesex Power.

Middlesex Power has stated that the proposed acquisitions will improve the reliability and quality of electricity service for Dutton Hydro and Newbury Power customers and will result, over the long term, in lower rates than would otherwise be the case if the utilities remained as stand alone entities.

Middlesex Power states that the purchase price for acquiring shares of Dutton Hydro is expected to be approximately \$490,000. The purchase price for acquiring shares of Newbury Power is approximately \$163,350. Middlesex Power expects to incur approximately \$45,000 in transaction costs to complete the proposed transactions. Middlesex Power states that as part of its transaction with the Village of Newbury, it expects to pay an amount of \$71,000 which represents a Long Term Note payable to The Village of Newbury. This amount will be paid upon completion of the proposed transaction.

Currently, the rates charged for the delivery of electricity to customers in Middlesex Power, Dutton Hydro and Newbury Power service areas are not equal. The application states that Middlesex Power will seek to harmonize rates within five years from the date of closing the proposed transactions. The *Board Report on Ratemaking Associated with Distributor Consolidation* (EB-2007-0028) (the "Board Report") permits a merged utility to forego rebasing for a period of five years following the closing date of the transaction. Middlesex Power states that it plans to file for rate rebasing on a merged basis in 2014.

#### THE PROCEEDING

A Notice of Application and Hearing was issued on October 30, 2008 and published on November 12, 2008 in the affected service areas as directed by the Board. No persons requested intervenor status in this proceeding.

Procedural Order No. 1, along with Board staff interrogatories, was issued on December 19, 2008. The Applicant filed responses to the interrogatories on January 9, 2009.

#### **BOARD FINDINGS**

#### The "No Harm" Test

Section 86(2)(a) of the Act provides that no person, without first obtaining an order from the Board granting leave, shall acquire such number of voting securities of a transmitter or distributor that together with voting securities already held by such person and one or more affiliates or associates of that person, will in the aggregate exceed 20 percent of the voting securities of the transmitter or distributor.

In determining whether to approve this application, the Board has been guided by the principles set out in the Board's decision in the combined MAADs proceeding (Board File Numbers RP-2005-0018/EB-2005-0234/EB-2005-0254/EB-2005-0257). In that decision, the Board ruled that the "no harm" test is the relevant test for purposes of applications for leave to acquire shares or amalgamate under section 86 of the Act. The "no harm" test consists of a consideration as to whether the proposed transaction would have an adverse effect relative to the status quo in relation to the Board's statutory objectives. If the proposed transaction would have a positive or neutral effect on the attainment of the statutory objectives, then the application should be granted. The factors to be considered are those set out in section 1 of the Act, namely:

- to protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service; and
- 2. to promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry.

Middlesex Power provided the following information in support of its application:

- Dutton Hydro has been found deficient in its compliance with some of the standards promulgated by the Electrical Safety Authority. Through the adoption of Middlesex Power's operating practices and engineering expertise, Dutton Hydro will become compliant within a reasonable period of time;
- Following the proposed transaction, Middlesex Power will make investments to reduce system losses, implement Supervising Control and Data Acquisition ("SCADA") systems and provide conservation and demand management programs ("CDM") for the areas currently served by Dutton Hydro and Newbury Power;
- Service levels will be maintained for Middlesex Power customers and improved for Dutton Hydro and Newbury Power customers;
- Middlesex Power's service centre is situated in the Township of Strathroy-Caradoc. The distance between the service centre and the newly proposed service areas is 44 km. As such it will not impede Middlesex Power's ability to meet the Board's service quality indicator guidelines for Dutton Hydro's and Newbury Power's service areas;
- The roll out of Middlesex Power's smart meter solution will also be applied to the Newbury and Dutton service areas and will meet the Ministry of Energy's guidelines for installing smart meters by 2010; and

 The proposed transaction will enable fixed costs to be allocated over more customers, thereby resulting in lower rates for Dutton Hydro and Newbury Power's customers in the long term.

In summary, Middlesex Power states that the proposed transactions will improve the reliability and quality of electricity service and will result in lower rates for Dutton Hydro and Newbury Power customers over the long term than would be the case if the utilities remained stand alone entities.

Based on the evidence in this proceeding, and the Board's findings elsewhere in this decision regarding a proposal for a deferral account and the plan to apply for an adjustment in rates for Dutton, the Board concludes that the proposed acquisitions will not have an overall adverse effect in terms of the factors identified in the Board's objectives in section 1 of the Act. Accordingly, the Board finds that the proposed transactions reasonably meet the "no harm" test.

#### Rate Rebasing and Rate Harmonization for the Consolidated Entity

The Board finds that the Applicant's proposal to delay rebasing and rate harmonization for the consolidated entity for up to five years is acceptable. This proposal is consistent with the Board's Report referenced above. However, as discussed below, the Applicant is proposing an adjustment to Dutton Hydro's rates in the near term.

### Rate Rebasing Proposal for Dutton Hydro

Dutton Hydro's rates have not been adjusted since 2001. Most distributors updated their base distribution rates in 2006 based on an historical test year cost of service application. In the interim period 2002-2005, most distributors received rate adjustments related to (among other matters) regulatory asset recoveries and an updating of their respective Payments in Lieu of Taxes proxies. Since 2006, distributors that have not rebased based on a future test year application have received rate adjustments based on the 2nd generation Incentive Regulatory Mechanism ("IRM").

In its application, Middlesex Power has proposed to address this matter by proposing to file a cost of service application solely for Dutton Hydro based on an historical test year. In response to Board staff interrogatory #3, Middlesex Power stated that the proposed acquisitions are based on the rationale of providing a safe and reliable system that would benefit the customers and the public generally. Specifically, Middlesex Power stated that Dutton Hydro is facing the following issues:

- It is not compliant with certain Electricity Safety Authority standards;
- It has not been engaged in removing PCB contaminated transformers;
- It has not generated much information respecting its service quality standards;
   and
- The line losses are 6.6% which is above the threshold that the Board has established as an action level.

Middlesex Power stated that it intends to propose rates for Dutton Hydro's service area at a level that will recover the costs and earn a fair and reasonable return. Middlesex Power further stated that it believes a rate application for Dutton Hydro using the 2006 EDR model and then implementing the 2nd generation IRM adjustments for 2007, 2008 and 2009, will provide the necessary financial underpinning to ensure that a safe and reliable distribution system is provided to the customers and the community. This level of rates would bring the customers in the Dutton Hydro service area into a position comparable to that experienced by consumers in Newbury and Middlesex.

The Board notes that Dutton Hydro submitted a letter dated January 26, 2009 confirming its intention to submit rate applications in accordance with the proposed rate plan above regardless of the outcome of this application. Therefore, it is reasonable to view such rate adjustments in Dutton's service area as being unaffected by the proposed transaction. Further, the Board makes the following comments.

The Board notes that the Board Report presumes that distributors would have rebased in 2006 and would therefore be eligible to participate in the Board's 2nd generation IRM plan (sec. 2.2.1, p.6). The proposal by Middlesex Power is aimed at rationalizing Dutton Hydro's rates using the identical rate adjustment processes that were used by Middlesex Power and Newbury Power over the 2006 to 2009 period. This would bring Dutton Hydro to the same level as the other two service areas so that a rebasing of the consolidated entity would be possible in the future. The proposal does not involve a future test year application but is designed to enable the Applicant to deal with the technical and financial obligations arising out of the Dutton Hydro service area going forward to 2014.

The Board notes that this situation is different than the recent amalgamation proceeding for PowerStream Inc. and Barrie Hydro Distribution Inc. (EB-2008-0335). In that proceeding one of the distributors had already had rates reset under a cost-of-service hearing. In this case all three entities will have their first rebasing after the 2006 test year delayed until 2014.

#### **Deferral Account for Transaction Costs**

Middlesex Power has requested that a deferral account be established to cover the transaction costs for the newly merged utility. In response to Board staff interrogatory #4, the Applicant stated that the transaction costs are relatively significant due to the small size of Dutton Hydro and Newbury Power and the fact that the majority of the transaction costs are fixed. Middlesex Power further stated that the synergies required to create savings on a forward going basis may not transpire in this case.

The transactions are intended to provide the customers of Dutton Hydro and Newbury Power with a safe and reliable system while meeting regulatory requirements. Consequently, Middlesex Power stated that the customers of Dutton Hydro and Newbury Power should share in some of the transaction costs if Middlesex Power does not attain additional benefits arising from the consolidation to cover the costs of the transactions.

Furthermore, Middlesex Power stated that it will only seek recovery of those transaction costs that are over and above any benefits that may be attained through the transaction.

The Board finds that it is appropriate in the specific circumstances of this case to allow the Applicant to track the transaction costs related to the acquisition of Dutton Hydro and Newbury Power in a deferral account, the disposition of which will be dealt with in a future proceeding. The Board notes that the Board Report indicates that either a distributor retains the benefits of consolidation over the deferral period to offset the costs or the distributor can apply to recover the costs net of the benefits in rates (sec. 2.2.2, p.7). In this case, Middlesex Power has indicated that despite the delaying of the rebasing of the consolidated entity for up to five years, benefits may not arise out of this transaction. If however benefits do arise, Middlesex Power will ensure that the costs will be offset accordingly when requesting disposition of the deferral account.

Middlesex Power may wish to track its transaction costs in Account 1508, Other Regulatory Assets, Sub-account MAADs Transaction Costs. Consideration of the disposition of the deferral account will occur in the normal manner in the rate setting process. The Board's finding that the amounts may be tracked in a deferral account should not be construed in any manner or degree as predictive of its authorization to dispose of the amounts so tracked in a future proceeding. For example, the disposition of any net costs will consider to what extent the "no harm" test has been reasonably met or will be reasonably met.

## **Net Metering Thresholds**

The current net metering thresholds for Middlesex Power, Dutton Hydro and Newbury Power are 368 kW, 19 kW, and 8 kW respectively. Middlesex Power has submitted that there are no special circumstances that warrant using a different methodology to determine the net metering threshold. The Board accepts that there are no special circumstances present in this regard and will therefore add together the net metering thresholds for Middlesex Power, Dutton Hydro and Newbury Power to determine the net metering threshold for the newly merged utility.

#### THE BOARD ORDERS THAT:

- Middlesex Power Distribution Corporation is hereby granted leave to acquire Dutton Hydro Limited and Newbury Power Inc. pursuant to section 86 of the Act.
- 2. The Board's leave to acquire shall expire 18 months from the date of this Decision and Order. If the transaction has not been completed by that date, a new application for leave to acquire will be required in order for the transaction to proceed.
- 3. Middlesex Power Distribution Corporation shall promptly notify the Board of the completion of the transaction.
- 4. Once the notice referred to in number 3 above has been provided to the Board, the Board will amend the electricity distribution licence of Middlesex Power Distribution Corporation to include the service areas formerly served by Dutton Hydro Limited and Newbury Power Inc.
- 5. Once the notice referred to in number 3 above has been provided to the Board, the Board will cancel the electricity distribution licences of Dutton Hydro Limited (ED-2003-0025) and Newbury Power Limited (ED-2002-0526).

Once the notice referred to in number 3 above has been provided to the Board, the net metering threshold for the newly merged Middlesex Power Distribution Corporation will be 395 kW.

**DATED** at Toronto, February 9, 2009

### **ONTARIO ENERGY BOARD**

Original signed by

Kirsten Walli Board Secretary

# **MPDC – Newbury**

Attachment 7
MPDC Letter to Board dated
November 16, 2011



November 16, 2011

Ms. Kirsten Walli Ontario Energy Board PO Box 2319 27th Floor, 2300 Yonge Street Toronto, Ontario M4P 1E4

Re: Middlesex Power Distribution Corporation, 2012 IRM3 Application Board File No.: EB-2011-0148, EB-2011-0149, EB-2011-0150

Dear Ms. Walli,

On August 2, 2011, the Board issued a letter with respect to the process and deadlines for 2012 IRM applications. This letter established a filing deadline of November 25, 2011 for Middlesex Power Distribution Corp ("MPDC"), for an application to include rates for MPDC's three service territories – MPDC-Main, MPDC-Dutton and MPDC-Newbury. With the exception of a proposal for disposition of Account 1562 Deferred PILs, MPDC expects to file its 2012 IRM application for MPDC-Main, MPDC-Dutton and MPDC-Newbury rates by the November 25, 2011 deadline.

With respect to Account 1562 Deferred PILs, MPDC acknowledges that in the EB-2008-0381 Combined Deferred PILs proceeding decision of June 24, 2011, the Board indicated its expectation that distributors would apply for the final disposition of Account 1562 Deferred PILs with their next rate applications. However, an initial lack of historical accounting and taxation records has made the determination and validation of the MPDC-Main, MPDC-Dutton and MPDC-Newbury Account 1562 balances challenging.

As background, MPDC-Main was acquired by its current owner (Chatham-Kent Energy) on June 30, 2005, pursuant to approval granted by the OEB in its June 24, 2005 decision in EB-2005-0255. MPDC-Main subsequently obtained OEB approval (EB-2008-0332 and EB-2008-0350, Decision and Order issued February 9, 2009) to acquire, and then amalgamate, MPDC-Dutton and MPDC-Newbury. These transactions were completed on April 30, 2009. Many of the preacquisition accounting records from the former Middlesex Power, Dutton Hydro and Newbury Power utilities that would assist in the respective Account 1562 dispositions have been difficult to locate. We now believe that we have located all available records, and are currently in the



process of interpreting and validating these records. This includes assessing whether additional information requirements will be necessary, and, if additional information is required, how we might obtain it. To-date, the process has involved extensive searches of corporate archives, numerous information requests to predecessor public accountants and detailed discussions with the Ministry of Finance. Additional information requirements may include further inquiries of predecessor public accountants and /or the previous owners of the acquired distributors.

In the result, despite diligent effort, we will not be in a position to file for Account 1562 disposition at the time that the respective 2012 IRM applications are filed. We therefore respectfully request that the Board grant an extension to January 23, 2012 for MPDC-Main, MPDC-Dutton and MPDC-Newbury to file for disposition of their Account 1562 balances.

If you have any further questions please do not hesitate to contact me at (519) 352-6300, extension 558 or davidferguson@ckenergy.com.

Regards,

[Original Signed By]

David C. Ferguson
Director of Regulatory Affairs & Risk Management

Phone: 519-352-6300 Ext 558

Email: DavidFerguson@ckenergy.com

cc: Dan Charron, President of Middlesex Power Distribution Corp. Chris Cowell, Chief Financial and Regulatory Officer



# **MPDC – Newbury**

Attachment 8
Reply Letter from Board dated
November 23, 2011

**Ontario Energy Board** 

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BY E-MAIL

November 23, 2011

David C. Ferguson Director of Regulatory Affairs & Risk Management Middlesex Power Distribution Corporation 351 Frances Street Strathroy ON N7G 2L7

Dear Mr. Ferguson:

Re: Middlesex Power Distribution Corporation ("MPDC") **Applications for Rates - 2012 IRM3 Applications** Board File Numbers EB-2011-0148, EB-2011-0149, EB-2011-0150

The Board is in receipt of your letter dated November 16, 2011 wherein you requested an extension until January 23, 2012 for MPDC-Main, MPDC-Dutton and MPDC-Newbury (the "Applicants") to file their respective evidence supporting the disposition of account 1562 (PILs) balances. You indicated that following acquisition and amalgamation activity, the Applicants were having difficulty locating the pre-acquisition accounting records of the predecessor utilities. You also indicated that, despite diligent effort, the Applicants would not be in a position to file for the disposition of account 1562 at the time that the respective 2012 IRM applications are filed. Further, you stated that MPDC expects to file the 2012 IRM applications for MPDC-Main, MPDC-Dutton and MPDC-Newbury, excluding the disposition of account 1562, by the due date of November 25, 2011.

The Board has considered the extension sought by MPDC and has determined that it will not grant the extension request. The Board is of the view that until the impacts of disposing of the account 1562 balances are known, the Board cannot provide proper notice to the Applicants' ratepayers of the rate impacts associated with the Applicants' 2012 IRM applications. In light of the Applicants' post-amalgamation circumstances, and in order not to jeopardize a May 1, 2012 implementation date for the other aspects of the 2012 IRM applications, the Board directs the Applicants to proceed with filing their 2012 IRM applications excluding the disposition of account 1562. The Board directs the Applicants to file stand-alone applications, by no later than April 1, 2012, for the disposition of account 1562.

Please direct any questions relating to this matter to Pascale Duguay, Manager, Electricity Rates Applications, at (416) 440-7739 or e-mail pascale.duguay@ontarioenergyboard.ca.

Yours truly,

Original signed by

John Pickernell Assistant Board Secretary