



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

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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

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.

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 from 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

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

NEWBURY POWER INC.

**AUDITORS' REPORT
AND FINANCIAL STATEMENTS**

DECEMBER 31, 2001

AUDITORS' REPORT

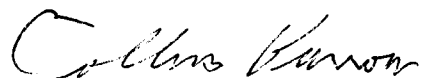
To the Shareholders of
Newbury Power Inc.

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

NEWBURY POWER INC.
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

NEWBURY POWER INC.**STATEMENT OF INCOME****YEAR ENDED DECEMBER 31, 2001**

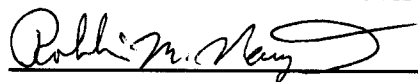
	2001	2000
<hr/>		
SERVICE REVENUE		
General	\$ 160,247	\$ 45,219
Residential	119,170	27,718
Street lighting	<u>4,414</u>	<u>1,033</u>
	283,831	73,970
 COST OF POWER	 <u>253,804</u>	 <u>67,162</u>
 GROSS PROFIT	 <u>30,027</u>	 <u>6,808</u>
 EXPENSES		
Administration	18,443	7,546
Amortization	11,462	2,783
Billing and collection	2,491	1,215
Distribution	16,738	4,858
Interest on long-term debt	<u>3,625</u>	<u>-</u>
	<u>52,759</u>	<u>16,402</u>
 INCOME (LOSS) BEFORE OTHER INCOME	 (22,732)	 (9,594)
 OTHER INCOME	 <u>13,344</u>	 <u>5,647</u>
 NET INCOME (LOSS)	 <u>\$ (9,388)</u>	 <u>\$ (3,947)</u>

NEWBURY POWER INC.**STATEMENT OF RETAINED EARNINGS****YEAR ENDED DECEMBER 31, 2001**

	2001	2000
<hr/>		
BALANCE (DEFICIT), BEGINNING	\$ (3,947)	\$ -
NET INCOME (LOSS)	<u>(9,388)</u>	<u>(3,947)</u>
BALANCE (DEFICIT), ENDING	<u>\$ (13,335)</u>	<u>\$ (3,947)</u>

NEWBURY POWER INC.**BALANCE SHEET****DECEMBER 31, 2001**

	2001	2000
<hr/>		
ASSETS		
CURRENT ASSETS		
Cash	\$ 60,285	\$ 71,182
Accounts receivable (note 3)	46,217	44,134
Deferred charges	5,200	5,200
Prepaid expenses	<u>3,270</u>	<u>1,840</u>
	114,972	122,356
CAPITAL ASSETS (note 4)	179,933	186,845
OTHER ASSETS (note 5)	<u>7,944</u>	<u>8,844</u>
	<u><u>\$ 302,849</u></u>	<u><u>\$ 318,045</u></u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued charges	\$ 50,558	\$ 56,366
LONG-TERM DEBT (note 6)	<u>100,000</u>	<u>100,000</u>
	<u>150,558</u>	<u>156,366</u>
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (note 7)	165,626	165,626
DEFICIT	<u>(13,335)</u>	<u>(3,947)</u>
	<u>152,291</u>	<u>161,679</u>
	<u><u>\$ 302,849</u></u>	<u><u>\$ 318,045</u></u>

ON BEHALF OF THE BOARD


Director_____
Director

NEWBURY POWER INC.**STATEMENT OF CASH FLOWS****YEAR ENDED DECEMBER 31, 2001**

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

NEWBURY POWER INC.**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.

NEWBURY POWER INC.

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	\$ 37,258	\$ 31,321
Sundry	7,353	6,130
GST	<u>1,606</u>	<u>6,683</u>
	<u>\$ 46,217</u>	<u>\$ 44,134</u>

4. CAPITAL ASSETS			2001	2000
	Cost	Accumulated Amortization	Net	Net
Distribution system - overhead	\$ 135,788	\$ 40,683	\$ 95,105	\$ 100,612
Distribution system - underground	41,445	8,911	32,534	34,144
Line transformers	53,394	18,248	35,146	37,283
Meters	18,413	5,630	12,783	13,520
Office equipment	<u>7,091</u>	<u>2,726</u>	<u>4,365</u>	<u>1,286</u>
	<u>\$ 256,131</u>	<u>\$ 76,198</u>	<u>\$ 179,933</u>	<u>\$ 186,845</u>

NEWBURY POWER INC.**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2001**

5. OTHER ASSETS	2001	2000
<hr/>		
Incorporation costs	<u>\$ 7,944</u>	<u>\$ 8,844</u>

6. LONG-TERM DEBT	2001	2000
<hr/>		
7.25% Note payable in annual instalments, due June 2016	<u>\$ 100,000</u>	<u>\$ 100,000</u>

7. CAPITAL STOCK	2001	2000
<hr/>		

AUTHORIZED

Unlimited common shares without par value

ISSUED

165,626 common shares	<u>\$ 165,626</u>	<u>\$ 165,626</u>
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NEWBURY POWER INC.**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	\$ (29,397)	\$ (16,820)
Unbilled revenue	27,313	(27,313)
Deferred charges	-	(5,200)
Prepaid expenses	(1,430)	(1,840)
Accounts payable and accrued charges	(5,807)	56,365
Other assets	-	(8,844)
Less working capital acquired September 30, 2000	<u>-</u>	<u>16,927</u>
	<u>\$ (9,321)</u>	<u>\$ 13,275</u>

b) Interest Received

Interest on short-term investments

<u>\$ 1,021</u>	<u>\$ 544</u>
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Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

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.

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 Return** (see page 2).

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

☒ Yes ☐ No

Page 1 of 24

Ministry Use

Corporation's Legal Name (including punctuation) NEWBURY POWER INC			Ontario Corporations Tax Account No. (MOF) 6820376														
Mailing Address 22910 HAGERTY ROAD NEWBURY ON CA N0L-1Z0			This CT23 Return covers the Taxation Year Start <table border="1"><tr><td>year</td><td>month</td><td>day</td></tr><tr><td>2001</td><td>01</td><td>01</td></tr></table> End <table border="1"><tr><td>year</td><td>month</td><td>day</td></tr><tr><td>2001</td><td>12</td><td>31</td></tr></table>			year	month	day	2001	01	01	year	month	day	2001	12	31
year	month	day															
2001	01	01															
year	month	day															
2001	12	31															
Has the mailing address changed since last filed CT23 Return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Date of Change <table border="1"><tr><td>year</td><td>month</td><td>day</td></tr><tr><td></td><td></td><td></td></tr></table>			year	month	day				Date of Incorporation or Amalgamation <table border="1"><tr><td>year</td><td>month</td><td>day</td></tr><tr><td>2000</td><td>01</td><td>12</td></tr></table>			year	month	day	2000	01	12
year	month	day															
year	month	day															
2000	01	12															
Registered/Head Office Address 22910 HAGERTY ROAD NEWBURY ON CA N0L-1Z0			Ontario Corporation No. (MCBS) 1394004														
Location of Books and Records 22910 HAGERTY ROAD NEWBURY ON CA N0L-1Z0			Canada Customs and Revenue Agency (formerly Revenue Canada) Business No. If applicable, enter 879744126RC0001														
Name of person to contact regarding this CT23 Return ROBBIE MCNAUGHTON		Telephone No.	Fax No.														
Address of Principal Office in Ontario (Extra-Provincial Corporations only) (MCBS) ON CA			Jurisdiction Incorporated ONTARIO														
Former Corporation Name (Extra-Provincial Corporations only) <input checked="" type="checkbox"/> Not Applicable (MCBS)			If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased: Commenced <table border="1"><tr><td>year</td><td>month</td><td>day</td></tr><tr><td></td><td></td><td></td></tr></table> Ceased <table border="1"><tr><td>year</td><td>month</td><td>day</td></tr><tr><td></td><td></td><td></td></tr></table> <input checked="" type="checkbox"/> Not Applicable			year	month	day				year	month	day			
year	month	day															
year	month	day															
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). If there is no change to the Directors/Officers/Administrators' information previously submitted to MCBS, please <input checked="" type="checkbox"/> this box. Schedule(s) A and K are not required (MCBS). No. of Schedule(s) <table border="1"><tr><td>0</td></tr></table> <input checked="" type="checkbox"/> No change			0	Preferred Language/Langue de préférence <input checked="" type="checkbox"/> English anglais <input type="checkbox"/> French français Ministry use 													
0																	

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)

ROBBIE MCNAUGHTON

Title: ☐ Director ☒ 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 statements or omissions.

NEWBURY POWER INC

6820376

2001-12-31

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation – Please "X" box(es) if applicable in sections 1 & 2

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

2 ☒ Other Private

3 ☐ Public

4 ☐ Non-share Capital

5 ☐ Other (specify)

Share Capital with full voting rights
owned by Canadian Residents (nearest percent) %

Ontario Retail Sales Tax Vendor Permit No.
(Use Head Office no.)

if applicable, enter

Ontario Employer Health Tax Account No.
(Use Head Office no.)

if applicable, enter

Specify major business activity

2 ☐ Family Farm Corporation s.1 (2)
☐ Family Fishing Corporation s.1 (2)
☐ Mortgage Investment Corporation s.47
☐ Credit Union s.51
☐ Bank Mortgage Subsidiary s.61 (4)
☐ Bank s.1 (2)
☐ Loan and Trust Corporation s.61 (4)
☐ Non-resident Corporation
s.2(2)(a) or (b)
☐ Non-resident Corporation s.2(2)(c)
☐ Mutual Fund Corporation s.48
☐ Non-resident owned investment
Corporation s.49
☐ Non-resident ship or aircraft under
reciprocal agreement with Canada s.28(b)

☐ Bare Trustee Corporation
☐ Branch of Non-resident s.63(1)
☐ Financial institution prescribed by
Regulation only
☐ Investment Dealer
☐ Generator of electrical energy for sale or
producer of steam for use in the generation
of electrical energy for sale
☒ Hydro successor, Municipal Electrical Utility
or subsidiary of either
☐ Producer and seller of steam for uses other
than for the generation of electricity
☐ Insurance Exchange s.74.4
☐ Farm Feeder Finance Co-operative
Corporation
☐ Professional Corporation
(incorporated professionals only)

Please "X" box(es) if applicable:

☐ First Year of Filing

☐ Amended Return

☐ Taxation Year End has changed - Canada Customs
and Revenue Agency (formerly Revenue Canada)
approval required

☐ 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)

Date Control was acquired

year month day

	Yes	No
Was the corporation inactive throughout the taxation year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are you requesting a refund due to: the Carry-back of a Loss?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
an Overpayment?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
a Specified Refundable Tax Credit?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are you a Member of a Partnership or Joint Venture?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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).

DOLLARS ONLY

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	±	From	690	-5,990.
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)	-		4	0.
Subtract: Federal Part VI.1 tax	0. X 9/4		5	0.
Subtract: Prior years' losses applied –		From	704	0.
Non-capital losses				
Net capital losses	From 715 (page 16) 0. X inclusion rate 50.000000% = -		714	0.
Farm losses		From	724	0.
Restricted farm losses		From	734	0.
Limited partnership losses		From	754	0.
Taxable Income (Non-capital loss)			10	-5,990.
Addition to taxable income for unused foreign tax deduction for federal purposes	+		11	0.
Adjusted Taxable Income	10 + 11 (if 10 is negative, enter 11)		20	0.

Taxable Income		Number of Days in Taxation Year	
From 10 (or 20 if applicable)	0. X 30 100.0000% X 12.5000% X 33 92 ÷ 73 365 = + 29 0.	Days after Sept. 30, 2001 and before Jan. 1, 2004	Total Days
	Ontario Allocation		
From 10 (or 20 if applicable)	0. X 30 100.0000% X 14.0000% X 34 0 ÷ 73 365 = + 32 0.	Days after Dec. 31, 2003 and before Jan. 1, 2005	Total Days
	Ontario Allocation		
Income Tax Payable (before deduction of tax credits)	29 + 32		40 0.

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

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

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

(X) ☐ Yes ☒ No

Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))	50	0.
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.
Subtract: Losses of other years deducted for Ontario purposes (s.34)	- 53	0.
Federal Business limit for the year before the application of fed.s.125(5.1) (not exceeding \$200,000)	= 54	0.
	+ 55	0.

Add: Ontario enhancement of federal business limit	
Number of Days in Taxation Year	
0 x 28 0 ÷ 73 365	
X From 55 0 ÷ 200,000	=+ 43 0.
0 x 31 0 ÷ 73 365	
X From 55 0 ÷ 200,000	=+ 46 0.
0 x 31 0 ÷ 73 365	
X From 55 0 ÷ 200,000	=+ 47 0.
Ontario enhancement of federal business limit	43 + 46 + 47 = 0. + 44 0.
Business Limit for Ontario purposes	55 + 44 = 0. + 45 0.
Income eligible for the IDSBC	From 30 100.0000% X 56 0. = 60 0.

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

continued on Page 5

Income Tax *continued from Page 4*

Calculation of IDSBC Rate

		Number of Days in Taxation Year			
		Days after Sept. 30, 2001 and before Jan. 1, 2003	Total Days		
.....	6.50%	28	92 ÷ 73	365	= + 79 1.6384
		Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days		
.....	7.00%	31	0 ÷ 73	365	= + 89 .0000
		Days after Dec. 31, 2003 and before Jan. 1, 2005	Total Days		
.....	8.50%	34	0 ÷ 73	365	= + 90 .0000

IDSBC Rate for Taxation Year **79** + **89** + **90** = **78** **7.2480**

Claim From **60** **0.** X From **78** **7.2480%** = **70** **0.**

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** From **10** (or **20** if applicable) + **80** **0.**

If you are a member of an associated group (X) **81** ☒ (Yes)

Name of associated corporation (Canadian & foreign) (if insufficient space, attach schedule)	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	** Taxable Income (if loss, enter nil)
.....	+ 82 0.
.....	+ 83 0.
.....	+ 84 0.
Aggregate Taxable Income 80 + 82 + 83 + 84 , etc.			= 85 0.

Number of Days in Taxation Year

		Days after Sept. 30, 2001 and before Jan. 1, 2003	Total Days		
Subtract: 0 X		28	0 ÷ 73	365	= + 113 0.
		Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days		
0 X		31	0 ÷ 73	365	= + 115 0.
		Days after Dec. 31, 2003 and before Jan. 1, 2005	Total Days		
0 X		34	0 ÷ 73	365	= + 116 0.

113 + **115** + **116** = **0.** - **114** **0.**

(If negative, enter nil) = **86** **0.**

Calculation of Specified Rate for Surtax

		Number of Days in Taxation Year			
		Days after Sept. 30, 2001 and before Jan. 1, 2003	Total Days		
.....	4.3330%	28	92 ÷ 73	365	= + 95 1.0922
		Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days		
.....	4.6670%	31	0 ÷ 73	365	= + 96 .0000
		Days after Dec. 31, 2003 and before Jan. 1, 2005	Total Days		
.....	4.6670%	34	0 ÷ 73	365	= + 97 .0000

Specified rate of surtax for Taxation Year **95** + **96** + **97** = **94** **.0000**

From **86** **0.** X From **94** **.0000%** = **87** **0.**

From **87** **0.** X From **60** **0.** ÷ From **114** **0.** = **88** **0.**

Surtax Lesser of **70** or **88** = **100** **0**

Continued on Page 6

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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 productions.

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)**

Applies to employment of eligible unemployed post secondary graduate.

Eligible Credit From 6598 Summary Schedule G + 195 0.

No. of Graduates From 6596

194

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 Certification 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 been 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 Form) + 201 0.

Other (specify) + 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 Tax** 190 - 225 OR Enter NIL if reporting Non-Capital Loss (amount cannot be negative) = 230 0.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**.

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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.

* 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]	302,849.	
* Total Revenue of the corporation					+ [241]	297,175.	
<p>If you are a member of an associated group (x) [242] <input type="checkbox"/> (Yes)</p>							
Name of associated corporation (Canadian & foreign) (if insufficient space, attach schedule)	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	* Total Assets			* Total Revenue	
			+ [243]		+ [244]		
			+ [245]		+ [246]		
			+ [247]		+ [248]		
Aggregate Total Assets	[240] + [243] + [245] + [247], etc.		= [249]	302,849.			
Aggregate Total Revenue	[241] + [244] + [246] + [248], etc.		= [250]	297,175.			

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]	0.	X From [30]	100.0000%	X 4.0000	= [276]	0.
	If negative, enter zero		Ontario Allocation				
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule)						[277]	0.
Subtract: Income Tax						From [190]	0.
Net CMT Payable (If negative, enter Nil on Page 17.)						[280]	0.

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] 0.

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits)		+ From [190]	0.
Gross CMT Payable	+ From [276]	0.	
Subtract: Foreign Tax Credit for CMT purposes	- From [277]	0.	
If [276] - [277] is negative, enter NIL in [290]	=	0.	
Income Tax eligible for CMT Credit		[290]	0.
		[300]	0.
B. Income tax (after deduction of specified credits)		+ From [230]	0.
Subtract: CMT credit used to reduce income taxes		[310]	0.
Income Tax		[320]	0.

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].

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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 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 (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	0.
Retained earnings (if deficit, deduct) (Int.B. 3012)	±	351	0.
Capital and other surpluses, excluding appraisal surplus (Inf.B.3012)	+	352	0.
Loans and advances (Attach schedule) (Int.B. 3013)	+	353	0.
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	0.
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	0.
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, (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.

continued on Page 10

Attached Sch.
2001-12-31

Capital Tax *continued from Page 9*
Total Assets (Int.B. 3015)

Total Assets per balance sheet	+	420	302,849.
Mortgages or other liabilities deducted from assets	+	421	0.
Share of partnership(s)/joint venture(s) total assets (<i>Attach schedule</i>)	+	422	0.
Subtract: Investment in partnership(s)/joint venture(s)	-	423	0.
Total Assets as adjusted	=	430	302,849.
Amounts in 360 and 361 (if deducted from assets)	+	440	0.
Subtract: Amounts in 371, 372 and 381	-	441	0.
Subtract: Appraisal surplus if booked	-	442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	0.
Total Assets	=	450	302,849.

Investment Allowance	(410 ÷ 450) × 390	Not to exceed 410	= 460	0.
Taxable Capital	390 - 460		= 470	0.

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	297,175.
Total Assets (as adjusted)	From 430	302,849.

Calculation of Capital Tax for all corporations except Financial Institutions

Note: This version (2003) of the CT23 may only be used for a taxation year that commenced after September 30, 2001.

(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, review only the capital tax calculations in Section B below and select and complete the one specific subsection (e.g. B3) that applies to the corporation.
- OR** If the corporation IS a member of an associated group and/or partnership, complete Section C on page 11, and if applicable, complete Section D or Section E on page 12. **Note: if the corporation is a member of a connected partnership, please refer to the 2003 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

This section applies if the corporation is NOT a member of an associated group and/or partnership.

- B1.** If the taxation year commences after September 30, 2001 and 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.
- B2.** 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.
- B3.** If taxable capital, 470 on page 10 exceeds \$5,000,000, complete the following calculation and transfer the amount From 523 to 543 on page 12, and complete the return from that point.

+	From 470	0.						
-		0.						
=	471	0.	× From 30	100.0000%	×	.3000%	× 555	365
				Ontario Allocation			** 365	
								(366 if 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

Corporation's Legal Name
NEWBURY POWER INC

Ontario Corporations Tax Account No. (MOF)
6820376

Taxation Year End
2001-12-31

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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 (X if applicable) **All corporations that you are associated with do not have a permanent establishment in Canada.**

If taxable capital on page 10 is \$5,000,000 or less, enter NIL in on page 12 and complete the return from that point.

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

C2. ☒ 524 (X if applicable) **One or more of the corporations that you are associated with maintains 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 From on page 10 + From 0.

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

Names of associated corporations (excluding financial institutions and corporations exempt from capital tax) or related partners having a permanent establishment in Canada (if insufficient space, attach schedule)

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

Taxation Year End

Taxable Capital

See attached

			+	<input type="text" value="531"/>	0.						
			+	<input type="text" value="532"/>	.						
			+	<input type="text" value="533"/>	.						
Aggregate Taxable Capital	<input type="text" value="470"/>	+	<input type="text" value="531"/>	+	<input type="text" value="532"/>	+	<input type="text" value="533"/>	, etc.	=	<input type="text" value="540"/>	0.

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

If 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 0. ÷ From 0. × 5,000,000 = 0.
Transfer to in Section D on page 12

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.

continued on Page 12

SECTION D

$$\begin{array}{r}
 + \text{ From } \boxed{470} \quad \underline{\quad 0 \quad} \\
 - \quad \boxed{542} \quad \underline{\quad 0 \quad} \\
 = \quad \boxed{471} \quad \underline{\quad 0 \quad}
 \end{array}
 \times \text{ From } \boxed{30} \quad \boxed{100.0000} \% \times .3000 \% \times \frac{\boxed{555} \quad \boxed{365}}{\boxed{365}} \times \dots \dots \dots = + \boxed{523} \quad \underline{\quad 0 \quad}$$

Ontario Allocation Days in taxation year Total Capital Tax for the taxation year
(366 if leap year) Transfer to 543 and complete the return from that point

SECTION E

Transfer to Page 17

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.)

565 <u>0.</u>	X	0.6%	X From	30	%	X	555 <u>0.</u>	÷	** <u>0.</u>	(366 if leap year)	=	+	569 <u>0.</u>	
Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1 <div style="float: right; text-align: right;"> Days in taxation year Ontario Allocation </div>														
570 <u>0.</u>	X	571 <u>0.00</u>	%	X From	30	%	X	555 <u>0.</u>	÷	** <u>0.</u>	(366 if leap year)	=	+	574 <u>0.</u>
Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount <div style="float: right; text-align: right;"> Days in taxation year Capital Tax Rate (Refer to Guide) Ontario Allocation </div>														

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

569 + **574** = **575** 0.

**** 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 <u>0.</u>
Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (x) <input type="checkbox"/> Yes		

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	587 <u>0.</u>	X 2%	.....	=	588 <u>0.</u>
Applies to Ontario-related uninsured benefits arrangements.					
(2) Unlicensed Insurance (enter premium tax payable in 588 and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in 588 .)					
Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.					
Deduct: Specified Tax Credits applied to reduce premium tax (Refer to Guide)	-	589 <u>0.</u>			
Premium Tax 588 - 589	=	590 <u>0.</u>	<i>Transfer to page 17</i>		

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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

+ 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-arm's length non-residents

Number of Days in Taxation Year

Days after Sept. 30, 2001 and before Jan. 1, 2004 Total Days

612 0 X 5 ÷ 12.5000 X 33 92 + 73 365 = + 633 0

Days after Dec. 31, 2003 and before Jan. 1, 2005 Total Days

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

Add any negative amount in 473 from Ont. CT23 Schedule 161 + 616 0

Federal allowable business investment loss + 620 0

Total of other items not allowed by Ontario but allowed federally (Attach schedule) + 614 0

Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614 = 8,064 640 8,064

Transfer to Page 15

Deduct:

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	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	658	0
Ontario resource allowance	659	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 8,064

Transfer to Page 15

continued on Page 15

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

continued from Page 14

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1	From	+	600	-5,990.
Total of Additions	From	=	640	8,064.
Subtotal of deductions on page 14	From	=	681	8,064.

Deduct:

Ontario New Technology Tax Incentive (ONTTI) Gross-up

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

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

662 0.

ONTTI Gross-up deduction calculation:

From 662	Gross-up of CCA	0.	x	100	- From 662	0.	=	663	0.
		From 30		.0000					
				Ontario Allocation					

Workplace Child Care Tax Incentive

Qualifying expenditures:	665	0.	x	30.00%	x	100	=	666	0.
				From 30		100.0000			
						Ontario Allocation			

Workplace Accessibility Tax Incentive

Qualifying expenditures:	667	0.	x	100.00%	x	100	=	668	0.
				From 30		100.0000			
						Ontario Allocation			

Number of Employees accommodated 669 0.

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.	x	30.00%	x	100	=	671	0.
				From 30		100.0000			
						Ontario Allocation			

Educational Technology Tax Incentive: (Applies to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures:	672	0.	x	15.00%	x	100	=	673	0.
				From 30		100.0000			
						Ontario Allocation			

Ontario allowable business investment loss + 678 0.

Ontario Scientific Research Expenses claimed in year in from Ont. CT23 Schedule 161 477 + 679 0.

Amount added to income federally for an amount that was negative in line 454 of federal form T661 + 677 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 = 8,064. 680 8,064.

Net income (loss) for Ontario Purposes 600 + 640 - 680 = 690 -5,990.

Transfer to Page 4

Continuity of Losses Carried 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) 8,794	710 (2) 0	720 (2) 0	730 0	740 0	750 0
Add:						
Current year's losses (7)	701 5,990	711 0	721 0	731 0	741 0	751 0
Losses from predecessor corporations (3)	702 0	712 0	722 0	732 0		752 0
Subtotal	703 5,990	713 0	723 0	733 0	743 0	753 0
Subtract:						
Utilized during the year to reduce taxable income	704 (2) 0	715 (2) (4) 0	724 (2) 0	734 (2) (4) 0	744 (4) 0	754 (4) 0
Expired during the year	705 0		725 0	735 0	745 0	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17 0	716 (2) to Page 17 0	726 (2) to Page 17 0	736 (2) to Page 17 0	746 0	
Subtotal	707 0	717 0	727 0	737 0	747 0	757 0
Balance at End of Year	709 (8) 14,784	719 0	729 0	739 0	749 0	759 0

Notes:

- (1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- (2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.
- (3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.
- (4) To the extent of applicable gains/income/at-risk amount only.
- (5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.
- (6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.
- (7) Include amount from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.
- (8) Amount in 709 must equal total of 829 + 839.
- (9) 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 1993-01-11				850 0	870 0
801 8th preceding taxation year 1994-01-11				851 0	871 0
802 7th preceding taxation year 1995-01-11				852 0	872 0
803 6th preceding taxation year 1996-01-11	820 0	830 0	840 0	853 0	873 0
804 5th preceding taxation year 1997-01-11	821 0	831 0	841 0	854 0	874 0
805 4th preceding taxation year 1998-01-11	822 0	832 0	842 0	855 0	875 0
806 3rd preceding taxation year 1999-01-11	823 0	833 0	843 0	856 0	876 0
807 2nd preceding taxation year 2000-01-11	824 0	834 0	844 0	857 0	877 0
808 1st preceding taxation year 2000-12-31	825 0	835 0	845 0	858 0	878 0
809 Current taxation year 2001-12-31	826 5,990	836 0	846 0	859 0	879 0
Total	829 5,990	839 0	849 0	869 0	889 0

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

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

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

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

Application of Losses

	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss	910 5,990	920 0	930 0	940 0
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income				
Predecessor Ontario Corporation's Tax Account No. (MOF)				
Taxation Year Ending year month day				
i) 3rd preceding 901	911 0	921 0	931 0	941 0
ii) 2nd preceding 902	912 0	922 0	932 0	942 0
iii) 1st preceding 903	913 0	923 0	933 0	943 0
Total loss to be carried back	From 706 0	From 716 0	From 726 0	From 736 0
Balance of loss available for carry-forward	919 5,990	929 0	939 0	949 0

Summary

Income tax	+ From 230 or 320	0.
Corporate Minimum Tax	+ From 280	0.
Capital Tax	+ From 550	0.
Premium Tax	+ From 590	0.
Total Tax Payable	= 950	0.
Subtract: Payments	- 960	0
Capital Gains Refund (s.48)	- 965	0.
Qualifying Environmental Trust Tax Credit (Refer to Guide)	- 985	0.
Specified Tax Credits (Refer to Guide)	- 955	0.
Other (specify)	-	0.
Balance	= 970	0.
If payment due	Enclosed * 990	0.
If overpayment: Refund (Refer to Guide)	** = 975	0.
Apply to year month day	980	0.

(Includes credit interest)

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

Certification

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

Name (please print)

ROBBIE MCNAUGHTON

Title

PRESIDENT

Full Residence Address

Signature

Date

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:

Attached Sch.
2001-12-31

amts deducted for tax in excess of amts booked

CCA
amortization[illegible]

Total

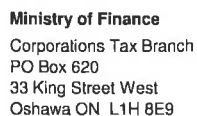
0.00

Summary of Capital Cost Allowance

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

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



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

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

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			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
Aggregate of taxable capital			=

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



T2 CORPORATION INCOME TAX RETURN

200

Code 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

Identification

Business Number (BN) 001 879744126RC0001

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 ☒If Yes, do you have a copy of the articles of amendment? 004 1 Yes ☐ 2 No ☐

Address of head office

Has the address changed since the last time we were notified? 010 1 Yes ☐ 2 No ☒

011 22910 HAGERTY ROAD

012 City Province, territory, or state

015 NEWBURY 016 ON

Country (other than Canada) Postal code/ZIP code

017 018 N0L-1Z0

Mailing address (if different from head office address)

Has the address changed since the last time we were notified?

020 1 Yes ☐ 2 No ☒

021 c/o

022

023 City Province, territory, or state

025 026

Country (other than Canada) Postal code/ZIP code

027 028

Location of books and records

031 22910 HAGERTY ROAD

032 City Province, territory, or state

035 NEWBURY 036 ON

Country (other than Canada) Postal code/ZIP code

037 038 N0L-1Z0

040 Type of corporation at the end of the taxation year

- | | |
|---|---|
| 1 <input type="checkbox"/> Canadian-controlled private corporation (CCPC) | 4 <input type="checkbox"/> Corporation controlled by a public corporation |
| 2 <input checked="" type="checkbox"/> Other private corporation | 5 <input type="checkbox"/> Other corporation (specify, below) |
| 3 <input type="checkbox"/> Public corporation | |

If the type of corporation changed during the taxation year, provide the effective date of the change 043

YYYY/MM/DD

To which taxation year does this return apply?

Taxation year start

Taxation year-end

060 2001-01-01
YYYY/MM/DD061 2001-12-31
YYYY/MM/DDHas there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 1 Yes ☐ 2 No ☒If Yes, give the date control was acquired 065
YYYY/MM/DDIs the corporation a professional corporation that is a member of a partnership? 067 1 Yes ☐ 2 No ☒

Is this the first year of filing after:

Incorporation? 070 1 Yes ☐ 2 No ☒Amalgamation? 071 1 Yes ☐ 2 No ☒

If Yes, complete and attach Schedule 24.

Has there been a windup of a subsidiary under section 88 during the current taxation year? 072 1 Yes ☐ 2 No ☒

If yes, complete and attach Schedule 24.

Is this the final taxation year before amalgamation? 076 1 Yes ☐ 2 No ☒Is this the final return up to dissolution? 078 1 Yes ☐ 2 No ☒

Is the corporation a resident of Canada?

080 1 Yes ☒ 2 No ☐ If No, give the country of residence.081 Is the non-resident corporation claiming an exemption under an income tax treaty? 082 1 Yes ☐ 2 No ☒

If yes, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

- | | | |
|-----|----------------------------|--|
| 085 | 1 <input type="checkbox"/> | Exempt under paragraph 149(1)(e) or (l) |
| | 2 <input type="checkbox"/> | Exempt under paragraph 149(1)(j) |
| | 3 <input type="checkbox"/> | Exempt under paragraph 149(1)(t) |
| | 4 <input type="checkbox"/> | Exempt under other paragraphs of section 149 |

Attachments**Financial statement information:** For taxation years ending in 2000 and later, use GIFI schedules 100, 125, and 141.

* We do not print these schedules.

Schedules – Answer the following questions. For each Yes response, attach to the T2 return the schedule that applies.**Guide item**

		Yes	Schedule
27	Is the corporation related to any other corporations?	<input checked="" type="checkbox"/>	9
28	Does the corporation have any non-resident shareholders?	<input type="checkbox"/>	19
29	Is the corporation an associated Canadian-controlled private corporation?	<input type="checkbox"/>	23
30	Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	<input type="checkbox"/>	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	<input type="checkbox"/>	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?	<input type="checkbox"/>	44
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	<input type="checkbox"/>	14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	<input type="checkbox"/>	15
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	<input type="checkbox"/>	T5004
38	Is the corporation a member of a partnership for which a partnership identification number has been assigned?	<input type="checkbox"/>	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?	<input type="checkbox"/>	22
41	Did the corporation have any foreign affiliates during the year?	<input type="checkbox"/>	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> ?	<input type="checkbox"/>	29
43	Has the corporation had any non-arm's length transactions with a non-resident?	<input type="checkbox"/>	T106
47	Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year?	<input type="checkbox"/>	
46	For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	<input checked="" type="checkbox"/>	50
55	Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	<input checked="" type="checkbox"/>	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?	<input type="checkbox"/>	2
82,104	Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	<input type="checkbox"/>	3
69-76	Is the corporation claiming any type of losses?	<input checked="" type="checkbox"/>	4
132	Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	<input type="checkbox"/>	5
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	<input type="checkbox"/>	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 ii) is the corporation claiming the refundable portion of Part I tax?	<input type="checkbox"/>	7
57	Does the corporation have any property that is eligible for capital cost allowance?	<input checked="" type="checkbox"/>	8
58	Does the corporation have any property that is eligible capital property?	<input type="checkbox"/>	10
59	Does the corporation have any resource-related deductions?	<input type="checkbox"/>	12
60	Is the corporation claiming reserves of any kind?	<input type="checkbox"/>	13
61	Is the corporation claiming a patronage dividend deduction?	<input type="checkbox"/>	16
62	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	<input type="checkbox"/>	17
150	Is the corporation an investment corporation or a mutual fund corporation?	<input type="checkbox"/>	18
131	Was the corporation carrying on business in Canada as a non-resident corporation?	<input type="checkbox"/>	20
118	Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	<input type="checkbox"/>	21
155	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	<input type="checkbox"/>	26 *
111	Does the corporation have any Canadian manufacturing and processing profits?	<input type="checkbox"/>	27
121	Is the corporation claiming an investment tax credit?	<input type="checkbox"/>	31
63	Is the corporation claiming any scientific research and experimental development expenditures?	<input type="checkbox"/>	T661
124	Is the corporation subject to gross Part I.3 tax?	<input type="checkbox"/>	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?	<input type="checkbox"/>	36
124	Is the corporation claiming a surtax credit?	<input type="checkbox"/>	37
128	Is the corporation subject to gross Part VI tax on capital of financial institutions?	<input type="checkbox"/>	38
128	Is the corporation claiming a Part I tax credit?	<input type="checkbox"/>	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?	<input type="checkbox"/>	43
129	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	<input type="checkbox"/>	45
125	Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	<input type="checkbox"/>	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?	<input type="checkbox"/>	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?	<input type="checkbox"/>	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?	<input type="checkbox"/>	41
152	Is the corporation claiming a Canadian film or video production tax credit refund?	<input type="checkbox"/>	T1131

Attachments – continued from page 2**Guide item****Yes Schedule**

130	Is the corporation subject to Part XIII.1 tax?	<input type="checkbox"/>	92 *
153	Is the corporation claiming a film or video production services tax credit refund?	<input type="checkbox"/>	T1177
44	Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	<input type="checkbox"/>	T1134-A
44	Did the corporation have any controlled foreign affiliates?	<input type="checkbox"/>	T1134-B
44	Did the corporation own specified foreign property in the year with a cost amount over \$100,000?	<input type="checkbox"/>	T1135
44	Did the corporation transfer or loan property to a non-resident trust?	<input type="checkbox"/>	T1141
44	Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	<input type="checkbox"/>	T1142
—	Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	<input type="checkbox"/>	T1145
—	Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	<input type="checkbox"/>	T1146
—	Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	<input type="checkbox"/>	T1174
—	Is the corporation claiming the BC mining exploration tax credit?	<input type="checkbox"/>	421
—	Is the corporation claiming the BC SR&ED tax credit?	<input type="checkbox"/>	T666

Additional information

Is the corporation inactive? ☐ 1 Yes ☐ 2 No ☒ X

Has the major business activity changed since the last return was filed? (enter Yes for first-time filers) ☐ 1 Yes ☐ 2 No ☒ X

What is the corporation's major business activity? (Only complete if Yes was entered at line 281.) **282** _____

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, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	POWER	285	100%
286		287	0%
288		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 GIF **300** -5,990 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	0
Ecological gifts from Schedule 2	314	0
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320	0
Part VI.1 tax deduction from Schedule 43	325	0
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	334	0
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	0
Prospector's and grubstaker's shares	350	0
Subtotal		0

Subtotal (amount A minus 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) **370** 0

Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) 0 Z

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

Small business deduction**Canadian-controlled private corporations (CCPCs) throughout the taxation year**Income from active business carried on in Canada from Schedule 7 **400** **0** ATaxable income from line 360 on page 3, **minus** 10/3 of the amount at line 632* on page 7, **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax ... **405** **0** 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	<u>365</u>	=	.....	<u>0</u>	1
		Number of days in the taxation year	<u>0</u>				
225,000	x	Number of days in the taxation year in 2003	<u>0</u>	=	.....	<u>0</u>	2
		Number of days in the taxation year	<u>0</u>				
250,000	x	Number of days in the taxation year in 2004	<u>0</u>	=	.....	<u>0</u>	3
		Number of days in the taxation year	<u>0</u>				
275,000	x	Number of days in the taxation year in 2005	<u>0</u>	=	.....	<u>0</u>	3.1
		Number of days in the taxation year	<u>0</u>				

Add amounts at lines 1, 2, 3, and 3.1 **0** 4Business limit (see notes 1 and 2 below) **410** **0** C

Notes: 1. For CCPCs that are not 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 days 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 reduction:Amount C **0** x **415** *** **0** D = **0** EReduced business limit (amount C minus amount E) (if negative, enter "0") **425** **0** F

Small business deduction - 16.00% of whichever amount is least: A, B, C, or F **430** **0** G
(enter amount G on line 9 of page 7)

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

** Calculate the amount of foreign business income tax credit deductible 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, which is the amount before deducting the surtax credits, increased to reflect a full-year tax liability if the taxation year is less than 51 weeks. For the purpose of the business limit reduction, the gross Part I.3 tax is equal 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 the preceding taxation years, enter the corporation's gross Part I.3 tax for its **preceding** taxation year.
- 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:
 - starts before December 21, 2002, enter the corporation's gross Part I.3 tax for its **preceding** taxation year; or
 - starts after December 20, 2002, enter the corporation's gross Part I.3 tax for its **current** taxation year.
- For corporations associated in the current taxation year, see Schedule 23 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) **0** x $\frac{300,000}{\text{line 4 above}}$ = **0** ANet active business income (amount from line 400) * **0** BTaxable 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 **0** C**Deduct:**Aggregate investment income (amount from line 440 of page 6) **0** DAmount C minus amount D (if negative, enter "0") **0** EAmount A, B, or E above, whichever is less **0** FAmount Z from Part 9 of Schedule 27 **0** x 100/7 = **0** GAmount QQ from Part 13 of Schedule 27 **0** HTaxable resource income from line 435 of page 5 **0** IAmount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) .. **0** JAmount on line 400, 405, 410, or 425 of the small business deduction, whichever is less .. **0** KTotal of amounts G, H, I, J, and K **0** LAmount F minus amount L (if negative, enter "0") **0** 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 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.

Resource deduction

Taxable resource income				<u>435</u>	<u>0</u> A
Amount A	<u>0</u>	x	Number of days in the taxation year in 2003 Number of days in the taxation year	<u>0</u> 365	x 1% = <u>0</u> B
Amount A	<u>0</u>	x	Number of days in the taxation year in 2004 Number of days in the taxation year	<u>0</u> 365	x 2% = <u>0</u> C
Amount A	<u>0</u>	x	Number of days in the taxation year in 2005 Number of days in the taxation year	<u>0</u> 365	x 3% = <u>0</u> C.1
Resource deduction – total of amounts B, C, and C.1 (enter amount D on line 10 of page 7)				<u>438</u>	<u>0</u> D

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

Taxable income from line 360 on page 3				<u>0</u> E	
Amount Z from Part 9 of Schedule 27	<u>0</u>	x 100/7	<u>0</u> F		
Amount QQ from Part 13 of Schedule 27	<u>0</u>		<u>0</u> G		
Taxable resource income from line 435 above	<u>0</u>		<u>0</u> H		
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)	<u>0</u>		<u>0</u> I		
Amount on line 400, 405, 410, or 425 on page 4, whichever is less	<u>0</u>		<u>0</u> J		
Aggregate investment income from line 440 of page 6	<u>0</u>		<u>0</u> K		
Amount used to calculate the accelerated tax reduction (amount M of page 4)	<u>0</u>		<u>0</u> L		
Total of amounts F, G, H, I, J, K, and L	<u>0</u>		<u>0</u> M		
Amount E minus amount M (if negative, enter "0")				<u>0</u> N	
Amount N	<u>0</u>	x	Number of days in the taxation year in 2001 Number of days in the taxation year	<u>365</u> 365	x 1% = <u>0</u>
Amount N	<u>0</u>	x	Number of days in the taxation year in 2002 Number of days in the taxation year	<u>0</u> 365	x 3% = <u>0</u> O
Amount N	<u>0</u>	x	Number of days in the taxation year in 2003 Number of days in the taxation year	<u>0</u> 365	x 5% = <u>0</u> P
Amount N	<u>0</u>	x	Number of days in the taxation year after 2003 Number of days in the taxation year	<u>0</u> 365	x 7% = <u>0</u> Q
General tax reduction for Canadian-controlled private corporations - total of amounts year 2001, O, P, and Q (enter amount R on line 638 of page 7)				<u>0</u> R	

General tax reduction**Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation**

Taxable income from line 360 of page 3				<u>0</u> S	
Amount Z from Part 9 of Schedule 27	<u>0</u>	x 100/7	<u>0</u> T		
Amount QQ from Part 13 of Schedule 27	<u>0</u>		<u>0</u> U		
Taxable resource income from line 435 above	<u>0</u>		<u>0</u> V		
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)	<u>0</u>		<u>0</u> W		
Total of amounts T, U, V, and W	<u>0</u>		<u>0</u> X		
Amount S minus amount X (if negative, enter "0")				<u>0</u> Y	
Amount Y	<u>0</u>	x	Number of days in the taxation year in 2001 Number of days in the taxation year	<u>365</u> 365	x 1% = <u>0</u>
Amount Y	<u>0</u>	x	Number of days in the taxation year in 2002 Number of days in the taxation year	<u>0</u> 365	x 3% = <u>0</u> Z
Amount Y	<u>0</u>	x	Number of days in the taxation year in 2003 Number of days in the taxation year	<u>0</u> 365	x 5% = <u>0</u> AA
Amount Y	<u>0</u>	x	Number of days in the taxation year after 2003 Number of days in the taxation year	<u>0</u> 365	x 7% = <u>0</u> BB
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	

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

Aggregate investment income **440** 0 x 26 2/3% = 0 A
(amount P from Part 1 of Schedule 7)

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") 0 B

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

Foreign non-business
income tax credit from
line 632 of page 7 0 x 25/9 = 0

Foreign business income
tax credit from line 636
of page 7 0 x 3 = 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) 0

Deduct: Corporate surtax from line 600 of page 7 0

Net amount 0 E

Refundable portion of Part I tax – Amount C, D, or E, whichever is less **450** 0 F

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding taxation year **460** 0
Deduct: Dividend refund for the previous taxation year **465** 0
0 A

Add the total of:

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 0

Net refundable dividend tax on hand transferred from a predecessor
corporation on amalgamation, or from a wound-up subsidiary corporation **480** 0
0 B

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

Refundable dividend tax on hand at the end of the taxation year from line 485 above 0 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** **0** A

Corporate surtax calculation

Base amount from line A above	<u>0</u>	1
Deduct:		
10% of taxable income (line 360 or amount Z, whichever applies) from page 3	<u>0</u>	2
Investment corporation deduction from line 620 below	<u>0</u>	3
Federal logging tax credit from line 640 below	<u>0</u>	4
Federal qualifying environmental trust tax credit from line 648 below	<u>0</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	<u>0</u> a	}	<u>0</u> 6
28.00% of taxed capital gains	<u>0</u> b		
Part I tax otherwise payable	<u>0</u> c		
(line A plus lines C and D minus line F)			
Total of lines 2 to 6	<u>0</u>	7	
Net amount (line 1 minus line 7)	<u>0</u>	8	

Corporate surtax – 4.00% of the amount on line 8 **600** **0** B

Recapture of investment tax credit from line PPP in Part 21 of Schedule 31 **602** **0** 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	<u>0</u>	i
Taxable income from line 360 on page 3	<u>0</u>	
Deduct:		
Amount on line 400, 405, 410, or 425 of page 4, whichever is less	<u>0</u>	
Net amount	<u>0</u>	ii

Refundable tax on CCPC's investment income – 6 2/3% of the lesser of amounts i or ii **604** **0** D

Subtotal (add lines A, B, C, and D) **0** E

Deduct:

Small business deduction from line 430 of page 4	<u>0</u>	9
Federal tax abatement	608	<u>0</u>
Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27	616	<u>0</u>
Investment corporation deduction	620	<u>0</u>
(taxed capital gains 624 <u>0</u>)		
Additional deduction – credit unions from Schedule 17	628	<u>0</u>
Federal foreign non-business income tax credit from Schedule 21	632	<u>0</u>
Federal foreign business income tax credit from Schedule 21	636	<u>0</u>
Accelerated tax reduction from amount N of page 4	637	<u>0</u>
Resource deduction from line 438 of page 5	<u>0</u>	10
General tax reduction for CCPCs from amount R of page 5	638	<u>0</u>
General tax reduction from amount CC of page 5	639	<u>0</u>
Federal logging tax credit from Schedule 21	640	<u>0</u>
Federal political contribution tax credit	644	<u>0</u>
Federal political contributions 646 <u>0</u>		
Federal qualifying environmental trust tax credit	648	<u>0</u>
Investment tax credit from Schedule 31	652	<u>0</u>
Subtotal	<u>0</u>	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	0
Part I.3 tax payable from Schedule 33, 34, or 35	704	0
Part II surtax payable from Schedule 46	708	0
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	728	0
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 and territorial tax payable (except Quebec, Ontario, and Alberta)	760	0
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	0
		0
Total tax payable	770	0 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	0
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
Total payments on which tax has been withheld	801	0
Allowable refund for non-resident-owned investment corporations from Schedule 26	804	0
Provincial and territorial capital gains refund from Schedule 18	808	0
Provincial and territorial refundable tax credits from Schedule 5	812	0
Royalties deductible under Syncrude Remission Order	815	0
Tax remitted under Syncrude Remission Order	816	0
Tax instalments paid	840	0
Total credits	890	0 B

Refund code **894** **0** Overpayment **0** Balance (line A minus line B) **0**

Direct deposit request

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

☐ Start ☐ Change information **910** Branch number
914 Institution number **918** Account number

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

Balance unpaid **0**

Enclosed payment **898** **0**

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 ☒

Certification

I, **950** MCNAUGHTON Last name in block letters **951** ROBBIE First name in block letters **954** PRESIDENT Position, office or rank

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

955 Date (yyyy/mm/dd) **956** Telephone number

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

957 1 Yes ☒ 2 No ☐

958 Name in block letters **959** 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 ☒ 2 Français/French ☐

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 on 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
Additions:				
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	
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	
Total Deductions	510	8,064	8,064	
Net income (loss) for income tax purposes			-5,990	
(enter on line 300 on the T2 return)				

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)	0	
Taxable dividends deductible under sections 112, 113, or subsection 138(6)	0	
Amount of Part VI.1 tax deductible	0	
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
	Subtotal	-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 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

Continuity of non-capital losses and request for a carryback (cont'd)**Deduct:**

Amount applied against taxable income (enter on line 331 of the T2 return)	130	0	
Amount applied against taxable dividends subject to Part IV tax	135	0	
Section 80 - Adjustments for forgiven amounts	140	0	
Subsection 111(10) - Adjustments for fuel tax rebate		0	
Other adjustments	150	0	0
			<hr/>
		Subtotal	14,784

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 income	902	0	
Third preceding taxation year to reduce taxable income	903	0	
First preceding taxation year to reduce taxable dividends subject to Part IV tax	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
			<hr/>
Non-capital losses - Closing balance	180		14,784
			<hr/>

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator 190 Yes []

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

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

Capital losses at end of preceding taxation year	200	0	
Capital losses transferred on amalgamation or wind-up of subsidiary corporation	205	0	
Current-year capital loss (from Schedule 6 calculation)	210	0	0
Add:			
Allowable business investment loss expired as non-capital loss	0 x 4/3	220	0
			<hr/>
		Subtotal	0

Deduct:

Amount applied against current-year capital gain (see note 1)	225	0	
Section 80 - Adjustments for forgiven amounts	240	0	
Other adjustments	250	0	0
			<hr/>
		Subtotal	0

Deduct - Request to carry back capital loss to: (see note 2)

	Capital gain (100%)		Amount carried back (100%)	
First preceding taxation year	0	951	0	
Second preceding taxation year	0	952	0	
Third preceding taxation year	0	953	0	0
				<hr/>
Capital losses - Closing balance		280		0
				<hr/>

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 determined 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 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	0	
Farm losses at beginning of taxation year	302	0	
Add: Farm losses transferred on amalgamation or wind-up of subsidiary corporation	305	0	
Current-year farm loss	310	0	0
Deduct:			
Amount applied against taxable income (enter on line 334 of the T2 return)	330	0	
Amount applied against taxable dividends subject to Part IV tax	335	0	
Section 80 - Adjustment forgiven amount	340	0	
Other adjustments	350	0	0
		Subtotal	0
Deduct - Request to carry back farm loss to:			
First preceding taxation year to reduce taxable income	921	0	
Second preceding taxation year to reduce taxable income	922	0	
Third preceding taxation year to reduce taxable income	923	0	
First preceding taxation year to reduce taxable dividends subject to Part IV tax	931	0	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	932	0	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	933	0	0
Farm losses - Closing balance	380		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]

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

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at end of preceding taxation year		0	
Deduct: Restricted farm loss expired after 10 taxation years	400	0	
Restricted farm losses at beginning of taxation year	402	0	
Add: Restricted farm losses transferred on amalgamation or wind-up of subsidiary corporation	405	0	
Current-year restricted farm loss (enter on line 233 of Schedule 1)	410	0	0
Deduct:			
Amount applied against farming income (enter on line 333 of the T2 return)	430	0	
Section 80 - Adjustments for forgiven amounts	440	0	
Other adjustments	450	0	0
			Subtotal
			0
Deduct - Request to carry back restricted farm loss to:			
First preceding taxation year to reduce farming income	941	0	
Second preceding taxation year to reduce farming income	942	0	
Third preceding taxation year to reduce farming income	943	0	0
Restricted farm losses - Closing balance	480		0

Note

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

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

Listed personal property losses at end of preceding taxation year		0	
Deduct: Listed personal property loss expired after seven taxation years	500	0	
Listed personal property losses at beginning of taxation year	502	0	
Add: Current-year listed personal property loss (from Schedule 6)	510	0	
			Subtotal
			0
Deduct:			
Amount applied against listed personal property gains (enter on line 655 of Schedule 6)	530	0	
Other adjustments	550	0	0
			Subtotal
			0
Deduct - Request to carry back listed personal property loss to:			
First preceding taxation year to reduce listed personal property gains	961	0	
Second preceding taxation year to reduce listed personal property gains	962	0	
Third preceding taxation year to reduce listed personal property gains	963	0	0
Listed personal property losses - Closing balance	580		0

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

Non-capital losses							
Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back Parts I & 4	Applied to Reduce		Balance at End of Year
					Taxable Income	Part IV Tax	
Current	N/A	5,990	0	0	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	0	14,784

Farm losses							
Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back Parts I & 4	Applied to Reduce		Balance at End of Year
					Taxable Income	Part IV Tax	
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

Restricted farm losses							
Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back	Applied to Reduce		Balance at End of Year
					Taxable Income	Part IV Tax	
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	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
1993	0	N/A	0	N/A	0	N/A	0
1992	0	N/A	0	N/A	0	N/A	0 *
Total	0	0	0	0	0	N/A	0

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

Summary of Capital Cost Allowance

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

Class No.	UCC at Beginning of Year	Cost of Additions During Year	Adjustments	Lesser of Cost or Proceeds	1/2 of [203]-[207]	Rate	Recapture of Capital Cost Allowance	Terminal Loss	Capital Cost Allowance	Undepreciated Capital Cost end of year
[200]	[201]	[203]	[205]	[207]	[211]	[212]	[213]	[215]	[217]	[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
Total	181,473	3,650	0	0	1,825		0	0	8,064	177,059

Corporate Taxprep / Taxprep des sociétés - TP-08

NEWBURY POWER INC

Account/Business No.: 879744126RC0001 Year Ended:

2001-12-31

Sch. 009

RELATED AND ASSOCIATED CORPORATIONS

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

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

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

THE CORP OF 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

Corporate Taxprep / Taxprep des sociétés - TP-08

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
	(note 1)	(note 2)		
	100	200	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

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.



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 release of information to a representative

Client's name: NEWBURY POWER INC Business Number: 879744126RC0001

I consent to the release of confidential information about my BN account(s) by the Canada Customs and Revenue Agency to the representative named below.

COLLINS BARROW, CHARTERED ACCOUNTANTS

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 specify 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 consent

A. Which accounts?

I request that this consent apply to all accounts. ☒ OR

I request that this consent apply only to the following accounts.

(Check the appropriate box or boxes. If you wish to authorize access to more than one account of the same type, for example RP0002 and RP0003, please print the account numbers in the spaces provided.)

Corporate income tax	RC0001	<input type="checkbox"/>	RC	<input type="text"/>	RC	<input type="text"/>
GST/HST	RT0001	<input type="checkbox"/>	RT	<input type="text"/>	RT	<input type="text"/>
Payroll deductions	RP0001	<input type="checkbox"/>	RP	<input type="text"/>	RP	<input type="text"/>
Import/Export	RM0001	<input type="checkbox"/>	RM	<input type="text"/>	RM	<input type="text"/>

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
- All year-ends beginning in: and all years after that.
Year Month Day
- The following year-ends only:
Year Month Day Year Month Day

Year Month Day Year Month Day

Part 3 - Cancellation of consent to release of information to a representativeClient's name: NEWBURY POWER INCBusiness Number: 879744126RC0001I cancel all previous consents for all representatives. ☐ OR

I cancel my consent to the release of confidential information about my BN account(s) by the Canada Customs and Revenue Agency to the representative named below.

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 cancel the consent for a particular individual of that firm, enter that individual's first and last name.

Representative's telephone number Representative's fax number **Part 4 - Details of cancellation of consent****A. Which accounts?**I request that this cancellation of consent apply to all accounts. ☐ OR

I request that this cancellation of consent apply only to the following accounts.

(Check the appropriate box or boxes. If you wish to cancel access to more than one account of the same type, for example RP0002 and RP0003, please print the account numbers in the spaces provided.)

Corporate income tax	RC0001	<input type="checkbox"/>	RC	<input type="text"/>	RC	<input type="text"/>
GST/HST	RT0001	<input type="checkbox"/>	RT	<input type="text"/>	RT	<input type="text"/>
Payroll deductions	RP0001	<input type="checkbox"/>	RP	<input type="text"/>	RP	<input type="text"/>
Import/Export	RM0001	<input type="checkbox"/>	RM	<input type="text"/>	RM	<input type="text"/>

B. Which years?I request that this cancellation of consent apply to all years. ☐ OR

I request that this cancellation of consent apply only to the following years:

- All year-ends up to:
Year Month Day
- All year-ends beginning in: and all years after that.
Year Month Day
- The following year-ends only:

<input type="text"/>	<input type="text"/>
Year Month Day	Year Month Day
<input type="text"/>	<input type="text"/>
Year Month Day	Year Month Day

Part 5 - SignaturePrint your name ROBBIE MCNAUGHTONTitle PRESIDENT

This form must be signed by an owner, partner, director, trustee, or officer.

Sign here Date
Year Month Day**WE WILL NOT PROCESS THIS FORM IF IT IS NOT SIGNED**

MPDC – Newbury

Attachment 2
2002 Supporting Documentation

NEWBURY POWER INC.

AUDITORS' REPORT
AND FINANCIAL STATEMENTS

DECEMBER 31, 2002

JUN 17 2003



Collins Barrow
Chartered Accountants

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

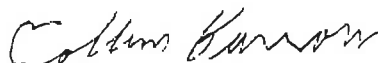
To the Shareholders of
Newbury Power Inc.

We have audited the balance sheet of Newbury Power Inc., as at December 31, 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



A member of
Moore Rowland International
an association of independent
accounting firms throughout
the world

NEWBURY POWER INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2002

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

NEWBURY POWER INC.

STATEMENT OF INCOME

YEAR ENDED DECEMBER 31, 2002

	2002	2001
SERVICE REVENUE		
Residential	\$ 321,138	\$ 279,417
Street lighting	<u>1,529</u>	<u>4,415</u>
	322,667	283,832
COST OF POWER	<u>290,238</u>	<u>253,804</u>
GROSS PROFIT	<u>32,429</u>	<u>30,028</u>
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	<u>10,734</u>	<u>3,625</u>
	<u>75,404</u>	<u>52,759</u>
INCOME (LOSS) BEFORE OTHER INCOME	(42,975)	(22,731)
OTHER INCOME	<u>17,843</u>	<u>13,344</u>
NET INCOME (LOSS)	<u>\$ (25,132)</u>	<u>\$ (9,387)</u>

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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)	<u>(25,132)</u>	<u>(9,387)</u>
BALANCE (DEFICIT), ENDING	<u>\$ (38,465)</u>	<u>\$ (13,333)</u>

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NEWBURY POWER INC.**BALANCE SHEET****DECEMBER 31, 2002**

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

ON BEHALF OF THE BOARD_____
Director_____
Director

NEWBURY POWER INC.**STATEMENT OF CASH FLOWS****YEAR ENDED DECEMBER 31, 2002**

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

NEWBURY POWER INC.**NOTES TO FINANCIAL STATEMENTS****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	25 years
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.

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	\$ 36,597	\$ 37,258
Sundry	2,443	7,353
GST	(377)	1,606
	<u>\$ 38,663</u>	<u>\$ 46,217</u>

4. REGULATED ASSET	2002	2001
Excess power cost	<u>\$ 5,620</u>	<u>\$ -</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.

7

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2002

5. CAPITAL ASSETS	2002		2001	
	Cost	Accumulated Amortization	Net	Net
Distribution system - overhead	\$ 142,936	\$ 46,455	\$ 96,481	\$ 95,105
Distribution system - underground	41,445	10,520	30,925	32,534
Line transformers	56,992	20,527	36,465	35,147
Meters	18,413	6,366	12,047	12,783
Office equipment	7,091	3,318	3,773	4,365
	<u>\$ 266,877</u>	<u>\$ 87,186</u>	<u>\$ 179,691</u>	<u>\$ 179,934</u>
6. OTHER ASSETS	2002		2001	
Incorporation costs, net of accumulated amortization	<u>\$ 7,044</u>		<u>\$ 7,944</u>	

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

1,423\$ 91,910 \$ 100,000

The instalments required to be paid over the next five years are as follows:

2003	\$ 1,423
2004	4,490
2005	4,816
2006	5,165
2007	<u>5,539</u>
Total	<u>\$ 21,433</u>

8. CAPITAL STOCK**2002****2001****AUTHORIZED**

Unlimited common shares without par value

ISSUED

165,626 common shares

\$ 165,626 \$ 165,626

NEWBURY POWER INC.

NOTES TO FINANCIAL STATEMENTS

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	\$ 7,553	\$ (29,397)
Unbilled revenue	-	27,313
Prepaid expenses	2,028	(1,430)
Accounts payable and accrued charges	<u>9,353</u>	<u>(5,807)</u>
	<u>\$ 18,934</u>	<u>\$ (9,321)</u>
b) Interest Received		
Interest on short-term investments	<u>\$ 882</u>	<u>\$ 1,021</u>

10. FINANCIAL INSTRUMENTS

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

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.

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 Return (see page 2).

MCBS Annual Return Required?

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

☒ Yes ☐ No

Page 1 of 24

Ministry Use

Corporation's Legal Name (including punctuation)

NEWBURY POWER INC

Mailing Address

22910 HAGERTY ROAD

NEWBURY

ON CA N0L-1Z0

Has the mailing address changed
since last filed CT23 Return? ☐ Yes

Date of Change year month day

Registered/Head Office Address

22910 HAGERTY ROAD

NEWBURY

ON CA N0L-1Z0

Location of Books and Records

22910 HAGERTY ROAD

NEWBURY

ON CA N0L-1Z0

Name of person to contact regarding this CT23 Return

Telephone No.

Fax No.

PETER PAVILONIS

Address of Principal Office in Ontario (Extra-Provincial Corporations only)

(MCBS)

ON CA -

Former Corporation Name (Extra-Provincial Corporations only)

☒ Not Applicable

(MCBS)

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).

No. of Schedule(s)

0

If there is no change to the Directors/Officers/Administrators' information previously submitted to MCBS, please ☒ this box. Schedule(s) A and K are not required (MCBS).

☒ No change

Ontario Corporations Tax Account No. (MOF)

6820376

This CT23 Return covers the Taxation Year

Start year month day
2002-01-01

End year month day
2002-12-31

Date of Incorporation or Amalgamation

year month day
2000-01-12

Ontario
Corporation No.
(MCBS)

1394004

Canada Customs and Revenue Agency
(formerly Revenue Canada) Business No.

If applicable, enter

879744126RC0001

Jurisdiction
Incorporated

ONTARIO

If not incorporated in Ontario, indicate the
date Ontario business activity commenced
and ceased:

Commenced year month day

Ceased year month day

☒ Not Applicable

Preferred Language/Langue de préférence

☒ English
anglais ☐ French
français

Ministry use



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)

PETER PAVILONIS

Title: ☐ Director ☒ 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 statements or omissions.

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 applicable in sections 1 & 2

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

2 ☒ Other Private

3 ☐ Public

4 ☐ Non-share Capital

5 ☐ Other (specify)

Share Capital with full voting rights
owned by Canadian Residents (nearest percent) %

2 1 ☐ Family Farm Corporation s.1 (2)
2 ☐ Family Fishing Corporation s.1 (2)
3 ☐ Mortgage Investment Corporation s.47
4 ☐ Credit Union s.51
5 ☐ Bank Mortgage Subsidiary s.61 (4)
6 ☐ Bank s.1 (2)
7 ☐ Loan and Trust Corporation s.61 (4)
8 ☐ Non-resident Corporation
s.2(2)(a) or (b)
9 ☐ Non-resident Corporation s.2(2)(c)
10 ☐ Mutual Fund Corporation s.48
11 ☐ Non-resident owned investment
Corporation s.49
12 ☐ Non-resident ship or aircraft under
reciprocal agreement with Canada s.28(b)

14 ☐ Bare Trustee Corporation
15 ☐ Branch of Non-resident s.63(1)
16 ☐ Financial institution prescribed by
Regulation only
17 ☐ Investment Dealer
18 ☐ Generator of electrical energy for sale or
producer of steam for use in the generation
of electrical energy for sale
19 ☒ Hydro successor, Municipal Electrical Utility
or subsidiary of either
20 ☐ Producer and seller of steam for uses other
than for the generation of electricity
21 ☐ Insurance Exchange s.74.4
22 ☐ Farm Feeder Finance Co-operative
Corporation
23 ☐ Professional Corporation
(incorporated professionals only)

Ontario Retail Sales Tax Vendor Permit No.
(Use Head Office no.)

if applicable, enter

Ontario Employer Health Tax Account No.
(Use Head Office no.)

if applicable, enter

Specify major business activity

Please "X" box(es) if applicable:

☐ First Year of Filing

☐ Amended Return

☐ Taxation Year End has changed - Canada Customs
and Revenue Agency (formerly Revenue Canada)
approval required

☐ 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)

Date Control was acquired

year month day

	Yes	No
Was the corporation inactive throughout the taxation year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are you requesting a refund due to: the Carry-back of a Loss?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
an Overpayment?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
a Specified Refundable Tax Credit?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are you a Member of a Partnership or Joint Venture?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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).

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Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	±	From	690	-21,883.
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)	-		4	0.
Subtract: Federal Part VI,1 tax	0.	X 9/4	5	0.
Subtract: Prior years' losses applied –				
Non-capital losses	-	From	704	0.
Net capital losses	-	From	715	0.
Farm losses	-	From	724	0.
Restricted farm losses	-	From	734	0.
Limited partnership losses	-	From	754	0.
Taxable Income (Non-capital loss)			10	-21,883.
Addition to taxable income for unused foreign tax deduction for federal purposes	+		11	0.
Adjusted Taxable Income			10 + 11	0.

Taxable Income		Number of Days in Taxation Year	
From	10 (or 20 if applicable)	Days after Sept. 30, 2001 and before Jan. 1, 2004	Total Days
	0. x 30	100.0000% x 33	365
		Ontario Allocation	73
			365
			29
			0.
From	10 (or 20 if applicable)	Days after Dec. 31, 2003 and before Jan. 1, 2005	Total Days
	0. x 30	100.0000% x 34	0
		Ontario Allocation	73
			365
			32
			0.
Income Tax Payable (before deduction of tax credits)		29 + 32	40
			0.

Incentive Deduction for Small Business Corporations (IDSBC) (s.41)**(If this section is not completed, the IDSBC will be denied.)**

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

(X) ☐ Yes ☒ No

Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))	50	0.
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.
Subtract: Losses of other years deducted for Ontario purposes (s.34)	- 53	0.
	= 54	0.
Federal Business limit for the year before the application of fed.s.125(5.1) (not exceeding \$200,000)	+ 55	0.

Number of Days in Taxation Year	
Days after Sept. 30, 2001 and before Jan. 1, 2003	Total Days
0 x 28	0
X From 55	0 ÷ 200,000
	43
	0.
Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days
0 x 31	0
X From 55	0 ÷ 200,000
	46
	0.
Days after Dec. 31, 2003 and before Jan. 1, 2005	Total Days
0 x 31	0
X From 55	0 ÷ 200,000
	47
	0.
Ontario enhancement of federal business limit	43 + 46 + 47
	136
Business Limit for Ontario purposes	55 + 44
	99
Income eligible for the IDSBC	From 30
	100.0000% x 56
	0.
	60
	0.

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

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Income Tax *continued from Page 4***Calculation of IDSBC Rate**

		Number of Days in Taxation Year			
		Days after Sept. 30, 2001 and before Jan. 1, 2003	Total Days		
.....	6.50 %	X [28]	365	= + [79]	6.5000
		Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days		
.....	7.00 %	X [31]	0	= + [89]	.0000
		Days after Dec. 31, 2003 and before Jan. 1, 2005	Total Days		
.....	8.50 %	X [34]	0	= + [90]	.0000

IDSBC Rate for Taxation Year [79] + [89] + [90] = [78] 6.5000

Claim From [60] 0. X From [78] 6.5000 % = [70] 0.

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** From [10] (or [20] if applicable) + [80] 0.

If you are a member of an associated group (X) [81] [X] (Yes)

Name of associated corporation (Canadian & foreign)
(if insufficient space, attach schedule)Ontario Corporations Tax
Account No. (MOF)
(if applicable)

Taxation Year End

**** Taxable Income**
(if loss, enter nil)

.....	+ [82]	0.
.....	+ [83]	.....
.....	+ [84]	.....
Aggregate Taxable Income [80] + [82] + [83] + [84], etc.	= [85]	0.

Number of Days in Taxation Year

		Days after Sept. 30, 2001 and before Jan. 1, 2003	Total Days		
Subtract: 0 X	[28]	0	365	= + [113]	0.
		Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days		
0 X	[31]	0	365	= + [115]	0.
		Days after Dec. 31, 2003 and before Jan. 1, 2005	Total Days		
0 X	[34]	0	365	= + [116]	0.

[113] + [115] + [116] = 0. - [114] 0.

(If negative, enter nil)

..... = [86] 0.

Calculation of Specified Rate for Surtax

		Number of Days in Taxation Year			
		Days after Sept. 30, 2001 and before Jan. 1, 2003	Total Days		
.....	4.3330 %	X [28]	365	= + [95]	4.3330
		Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days		
.....	4.6670 %	X [31]	0	= + [96]	.0000
		Days after Dec. 31, 2003 and before Jan. 1, 2005	Total Days		
.....	4.6670 %	X [34]	0	= + [97]	.0000

Specified rate of surtax for Taxation Year [95] + [96] + [97] = [94] .0000

From [86] 0. X From [94] .0000 % = [87] 0.

From [87] 0. X From [60] 0. + From [114] 0. = [88] 0.

Surtax Lesser of [70] or [88] = [100] 0

Continued on Page 6

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.

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	0.
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	.....	-	From 56	0.
Add: Adjustment for Surtax on Canadian-controlled private corporations	.....	+	
From 100 0. ÷ From 30 100.0000% ÷ From 78 6.5000% = 121				0.
	* Ontario Allocation			
Lesser of 56 or 121	.....	+	122	0.
120 - 56 + 122	.....	=	130	0.
Taxable Income	.....	+	From 10	-21,883.
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	.....	-	From 56	0.
Add: Adjustments for Surtax on Canadian-controlled private corporations	.....	+	From 122	0.
Subtract: Taxable Income 10 -21,883. X Allocation % to jurisdictions outside Canada .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

143 0. X From 30 100.0000% X 1.5000% X	<table border="1"> <tr> <td>Days after Sept 30, 2001 and before Jan 1, 2004</td> <td>Total Days</td> </tr> <tr> <td>33 0 + 73</td> <td>365</td> </tr> </table>	Days after Sept 30, 2001 and before Jan 1, 2004	Total Days	33 0 + 73	365	= + 154 0.
Days after Sept 30, 2001 and before Jan 1, 2004	Total Days					
33 0 + 73	365					
Lesser of 130 or 142						
143 0. X From 30 100.0000% X 2.0000% X	<table border="1"> <tr> <td>Days after Dec 31, 2003 and before Jan 1, 2005</td> <td>Total Days</td> </tr> <tr> <td>34 0 + 73</td> <td>365</td> </tr> </table>	Days after Dec 31, 2003 and before Jan 1, 2005	Total Days	34 0 + 73	365	= + 156 0.
Days after Dec 31, 2003 and before Jan 1, 2005	Total Days					
34 0 + 73	365					
Lesser of 130 or 142						

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

= **162** 0.

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 0.

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** 0. Credit Claimed **180** 0.

Subtotal of Income Tax **40** - **70** + **100** - **110** - **160** - **161** - **162** - **170** - **180** = **190** 0.

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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 productions.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)***Applies* to employment of eligible unemployed post secondary graduate.No. of Graduates From **6596****194** 0Eligible 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 Certification 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 been 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 Form)* + **201** 0.Other (specify) + **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 Tax** **190** - **225** **OR Enter NIL if reporting Non-Capital Loss** *(amount cannot be negative)* = **230** 0.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]		280,405.		
* Total Revenue of the corporation		+ [241]		340,510.	

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
			+ [243]	+ [244]
			+ [245]	+ [246]
			+ [247]	+ [248]
Aggregate Total Assets	[240] + [243] + [245] + [247] etc.		= [249]	280,405.
Aggregate Total Revenue	[241] + [244] + [246] + [248] etc.			= [250] 340,510.

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]	0.	X From [30]	100.0000%	x 4.0000	= [276] 0.
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule)						- [277] 0.
Subtract: Income Tax						- From [190] 0.
Net CMT Payable (If negative, enter Nil on Page 17.)						= [280] 0.

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] 0.

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits)	+ From [190]		0.
Gross CMT Payable	+ From [276]		0.
Subtract: Foreign Tax Credit for CMT purposes	- From [277]		0.
If [276] - [277] is negative, enter NIL in [290]		=	0.
Income Tax eligible for CMT Credit			= [290] 0.
			[300] 0.
B. Income tax (after deduction of specified credits)	+ From [230]		0.
Subtract: CMT credit used to reduce income taxes	- [310]		0.
Income Tax		=	[320] 0.

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].

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	-38,465.
Capital and other surpluses, excluding appraisal surplus (Int.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 electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	-	382	0.
Net Paid-up Capital	=	390	220,494.

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, (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.

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Capital Tax *continued from Page 9*
Total Assets (Int.B. 3015)

Total Assets per balance sheet	+	420	280,405.
Mortgages or other liabilities deducted from assets	+	421	0.
Share of partnership(s)/joint venture(s) total assets (<i>Attach schedule</i>)	+	422	0.
Subtract: Investment in partnership(s)/joint venture(s)	-	423	0.
Total Assets as adjusted	=	430	280,405.
Amounts in 360 and 361 (if deducted from assets)	+	440	0.
Subtract: Amounts in 371, 372 and 381	-	441	0.
Subtract: Appraisal surplus if booked	-	442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	0.
Total Assets	=	450	280,405.

Investment Allowance	(410 ÷ 450) × 390	Not to exceed 410	= 460	0.
Taxable Capital	390 - 460		= 470	220,494.

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	340,510.
Total Assets (as adjusted)	From 430	280,405.

Calculation of Capital Tax for all corporations except Financial Institutions

Note: This version (2003) of the CT23 may only be used for a taxation year that commenced after September 30, 2001.

(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, review only the capital tax calculations in Section B below and select and complete the one specific subsection (e.g. B3) that applies to the corporation.
- OR** If the corporation IS a member of an associated group and/or partnership, complete Section C on page 11, and if applicable, complete Section D or Section E on page 12. **Note:** if the corporation is a member of a connected partnership, please refer to the 2003 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

This section applies if the corporation is NOT a member of an associated group and/or partnership.

- B1.** If the taxation year commences after September 30, 2001 and 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.
- B2.** 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.
- B3.** If taxable capital, 470 on page 10 exceeds \$5,000,000, complete the following calculation and transfer the amount From 523 to 543 on page 12, and complete the return from that point.

+	From 470	0.							
-		0.							
=	471	0.	×	From 30	100.0000%	×	.3000%	×	555 365
					Ontario Allocation				** 365
									(366 if leap year)
								+	523
									0.

Transfer to 543 on page 12 and complete the return from that point

**** If floating taxation year, refer to Guide.**

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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** (X 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 \$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. ☒ **524** (X if applicable) **One or more of the corporations that you are associated with maintains 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 From **470** on page 10 + From **470** 220,494.

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

Names of associated corporations (excluding financial institutions and corporations exempt from capital tax) or related partners having a permanent establishment in Canada (if insufficient space, attach schedule)

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

Taxation Year End

Taxable Capital

See attached

_____	_____	_____	+ 531	<u>0.</u>
_____	_____	_____	+ 532	_____
_____	_____	_____	+ 533	_____
Aggregate Taxable Capital 470 + 531 + 532 + 533 , etc.			= 540	<u>220,494.</u>

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** 220,494. ÷ From **540** 220,494. × 5,000,000 = **541** 5,000,000.

Transfer to **542** in Section D on page 12

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.

SECTION D

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

$$\begin{aligned}
 &+ \text{From } \boxed{470} \quad \underline{220,494.} \\
 &- \quad \boxed{542} \quad \underline{5,000,000.} \\
 &= \quad \boxed{471} \quad \underline{0.} \quad \times \text{ From } \boxed{30} \quad \underline{100.0000\%} \quad \times \quad \underline{.3000\%} \quad \times \quad \frac{\text{Days in taxation year}}{\boxed{555}} \quad \underline{365} \quad \dots\dots\dots = + \quad \boxed{523} \quad \underline{0.}
 \end{aligned}$$

Ontario Allocation
365
(366 if leap year)
Transfer to 543 and complete the return from that point

SECTION E
$$+ \text{ From } 470 \text{ } 0. \times \text{ From } 30 \text{ } 100.0000\% \times .3000\% = + 561 \text{ } 0.$$

Ontario Allocation

Capital tax deduction From **995** relating to *your corporation's* capital tax deduction, on ss.69(2.1) election form From **995** **0**
= **562** **0**

Capital Tax

..... 562 0.

x

Days in taxation year

555 365
.. 365 ..
(366 if leap year)

= 563 0.

Transfer to 543 and complete the return from that point.

** If floating taxation year, refer to Guide.

Capital Tax before application of specified credits	=	543	0.	
Subtract: Specified Tax Credits applied to reduce capital tax payable (<i>Refer to Guide</i>)	=	546	0.	
Capital Tax 543 - 546 (<i>amount cannot be negative</i>)	=	550	0.	

Transfer to Page 1

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.)

$$\begin{array}{l} \text{565 } 0. \times 0.6\% \times \text{From } 30 \text{ Ontario Allocation } \times \text{555 } 0 \div \text{Days in taxation year } 0 \text{ (366 if leap year)} = + \text{569 } 0. \\ \text{Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1} \end{array}$$

$$\begin{array}{l} \text{570 } 0. \times \text{571 } 0.00\% \times \text{From } 30 \text{ Ontario Allocation } \times \text{555 } 0 \div \text{Days in taxation year } 0 \text{ (366 if leap year)} = + \text{574 } 0. \\ \text{Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount} \end{array}$$

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

$$\text{569} + \text{574} = \text{575 } 0.$$

**** 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.)

$$\text{Allowable Credit for Eligible Investments} = \text{585 } 0.$$

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

Capital Tax – Financial Institutions

$$\text{575} - \text{585} = \text{586 } 0.$$

Transfer to **543** on Page 12

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

$$\begin{array}{l} \text{(1) Uninsured Benefits Arrangements } \text{587 } 0. \times 2\% = \text{588 } 0. \\ \text{Applies to Ontario-related uninsured benefits arrangements.} \end{array}$$

(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.

$$\text{Deduct: Specified Tax Credits applied to reduce premium tax (Refer to Guide)} = \text{589 } 0.$$

$$\text{Premium Tax } \text{588} - \text{589} = \text{590 } 0.$$

Transfer to page 17

NEWBURY POWER INC

6820376

2002-12-31

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 -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-arm's length non-residents

Number of Days in Taxation Year

Days after Sept. 30, 2001 and before Jan. 1, 2004

612 0 X 5 ÷ 12.5000 X 33 365 + 73 365 = 633 0

Days after Dec. 31, 2003 and 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

Add any negative amount in 473 from Ont. CT23 Schedule 161 + 616 0

Federal allowable business investment loss + 620 0

Total of other items not allowed by Ontario but allowed federally (Attach schedule) + 614 0

Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614 = 9,681 640 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	653	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	658	0
Ontario resource allowance	659	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

continued on Page 15

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

continued from Page 14

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 From \pm 600 -21,883

Total of Additions From = 640 9,681.

Subtotal of deductions on page 14 From **# 681** 9,681.

Deduct:

Ontario New Technology Tax Incentive (ONTTI) Gross-up

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

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

662 0.

ONTTI Gross-up deduction calculation:

From 662 \times 100 = 663 0000

From 30 0000

Ontario Allocation

Workplace Child Care Tax Incentive

Qualifying expenditures: $\left[\frac{665}{100} \times 30.00\% \times \frac{100}{100.0000} \right] = \frac{666}{100} \times 0$

From 30 Ontario Allocation

Workplace Accessibility Tax Incentive

$$\text{Qualifying expenditures: } \left[\frac{667}{0} \times 100.00\% \times \frac{100}{100.0000} \right] = \frac{668}{0}$$

From 30 Ontario Allocation

Number of Employees accommodated 669 0

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: $\left[\frac{670}{100} \times 30.00\% \times \frac{100}{100} \right] = \left[\frac{671}{100} \right] \times 0$

From $\left[\frac{30}{100} \right] \left[\frac{100.0000}{100} \right]$

Ontario Allocation

Educational Technology Tax Incentive: (*Applies* to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures: $\left[\frac{672}{0.15} \times 15.00\% \times \frac{100}{100.0000} \right] = 673$

Ontario allowable business investment loss	+	678	0
--	-------	---	-----	---

Ontario Scientific Research Expenses claimed in year in
from Ont. CT23 Schedule 161 + 679 0

Amount added to income federally for an amount that was negative
in line 454 of federal form T661 + 677 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 ... = 9.681. 680 9.681.

Net income (loss) for Ontario Purposes 600 + 640 - 680 = 690 -21,883.

Transfer to Page 4

Continuity of Losses Carried 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) 14,784	710 (2) 0	720 (2) 0	730 0	740 0	750 0
Add:						
Current year's losses (7)	701 21,883	711 0	721 0	731 0	741 0	751 0
Losses from predecessor corporations (3)	702 0	712 0	722 0	732 0	742 0	752 0
Subtotal	703 21,883	713 0	723 0	733 0	743 0	753 0
Subtract:						
Utilized during the year to reduce taxable income	704 (2) 0	715 (2) (4) 0	724 (2) 0	734 (2) (4) 0	744 (4) 0	754 (4) 0
Expired during the year	705 0	716 0	725 0	735 0	745 0	755 0
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17 0	717 (2) to Page 17 0	726 (2) to Page 17 0	736 (2) to Page 17 0	746 0	756 0
Subtotal	707 0	717 0	727 0	737 0	747 0	757 0
Balance at End of Year	709 (8) 36,667	719 0	729 0	739 0	749 0	759 0

Notes:

- Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- 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.
- 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.
- To the extent of applicable gains/income/at-risk amount only.
- Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.
- Where a limited partner has limited partnership losses, attach loss calculations for each partnership.
- Include amount from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.
- Amount in 709 must equal total of 829 + 839.
- 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.
- 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 1994-01-11				850 0	870 0
801 8th preceding taxation year 1995-01-11				851 0	871 0
802 7th preceding taxation year 1996-01-11				852 0	872 0
803 6th preceding taxation year 1997-01-11	820 0	830 0	840 0	853 0	873 0
804 5th preceding taxation year 1998-01-11	821 0	831 0	841 0	854 0	874 0
805 4th preceding taxation year 1999-01-11	822 0	832 0	842 0	855 0	875 0
806 3rd preceding taxation year 2000-01-11	823 0	833 0	843 0	856 0	876 0
807 2nd preceding taxation year 2000-12-31	824 0	834 0	844 0	857 0	877 0
808 1st preceding taxation year 2001-12-31	825 5,990	835 0	845 0	858 0	878 0
809 Current taxation year 2002-12-31	826 21,883	836 0	846 0	859 0	879 0
Total	829 27,873	839 0	849 0	869 0	889 0

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

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

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

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

Application of Losses

	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss	910 21,883	920 0	930 0	940 0
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income				
Predecessor Ontario Corporation's Tax Account No. (MOF)				
Taxation Year Ending				
	911	921	931	941
i) 3rd preceding	901 0	0	0	0
ii) 2nd preceding	902 0	0	0	0
iii) 1st preceding	903 0	0	0	0
Total loss to be carried back	From 706 0	From 716 0	From 726 0	From 736 0
Balance of loss available for carry-forward	919 21,883	929 0	939 0	949 0

Summary

Income tax	..... + From 230 or 320	0.
Corporate Minimum Tax	..... + From 280	0.
Capital Tax	..... + From 550	0.
Premium Tax	..... + From 590	0.
Total Tax Payable	..... = 950	0.
Subtract: Payments	..... - 960	0.
Capital Gains Refund (s.48)	- 965	0.
Qualifying Environmental Trust Tax Credit (Refer to Guide)	- 985	0.
Specified Tax Credits (Refer to Guide)	- 955	0.
Other (specify)	-	0.
Balance	..... = 970	0.
If payment due	..... Enclosed *	990 0.
If overpayment: Refund (Refer to Guide)	.. = 975	0.
year month day		
Apply to	..... 980	0.

(Includes credit interest)

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

Certification

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

Name (please print)

PETER PAVILONIS

Title

CHAIR

Full Residence Address

Signature

Date

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:

Attached Sch.
2002-12-31

amts deducted for tax in excess of amts booked

[illegible]

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 number	Ontario undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the prior year's CCA schedule)	Cost of acquisitions during the year (new property must be available for use)	Net adjustments (show negative amounts in brackets)	Proceeds of dispositions during the year (amount not to exceed the capital cost)	Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)	Reduced undepreciated capital cost (column 6 minus column 7)	CCA rate %	Recapture of capital cost allowance	Terminal loss	Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	Ontario undepreciated capital cost at the end of the year (column 6 minus column 12)
		See note 1 below				See note 2 below						
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
Total	177,059	10,746	0	0	187,805	5,373	182,432		0	0	9,681	178,124
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).
- 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.



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

Schedule CT21

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.

Transfer to box **540** of the CT23

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

Identification

Business Number (BN) 001 879744126RC0001

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

Has the address changed since the last time we were notified? 010 1 Yes 2 No X

011 22910 HAGERTY ROAD

012 City Province, territory, or state

015 NEWBURY 016 ON Country (other than Canada) Postal code/ZIP code

017 018 N0L-1Z0

Mailing address (if different from head office address)

Has the address changed since the last time we were notified?

020 1 Yes 2 No X

021 c/o

022 City Province, territory, or state

025 026 Country (other than Canada) Postal code/ZIP code

027 028

Location of books and records

031 22910 HAGERTY ROAD

032 City Province, territory, or state

035 NEWBURY 036 ON Country (other than Canada) Postal code/ZIP code

037 038 N0L-1Z0

040 Type of corporation at the end of the taxation year

- 1 Canadian-controlled private corporation (CCPC) 4 Corporation controlled by a public corporation
2 X Other private corporation 5 Other corporation (specify, below)
3 Public corporation

If the type of corporation changed during the taxation year, provide the effective date of the change 043 YYYY/MM/DD

To which taxation year does this return apply?

Taxation year start Taxation year-end
060 2002-01-01 061 2002-12-31
YYYY/MM/DD YYYY/MM/DD

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

If Yes, give the date control was acquired 065 YYYY/MM/DD

Is the corporation a professional corporation that is a member of a partnership?

067 1 Yes 2 No X

Is this the first year of filing after:

Incorporation? 070 1 Yes 2 No X
Amalgamation? 071 1 Yes 2 No X

If Yes, complete and attach Schedule 24.

Has there been a windup of a subsidiary under section 88 during the current taxation year?

072 1 Yes 2 No X

If yes, complete and attach Schedule 24.

Is this the final taxation year before amalgamation?

076 1 Yes 2 No X

Is this the final return up to dissolution?

078 1 Yes 2 No X

Is the corporation a resident of Canada?

080 1 Yes X 2 No If No, give the country of residence.

081 Is the non-resident corporation claiming an exemption under an income tax treaty? 082 1 Yes 2 No X

If yes, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

- 085 1 Exempt under paragraph 149(1)(e) or (l)
2 Exempt under paragraph 149(1)(j)
3 Exempt under paragraph 149(1)(t)
4 Exempt under other paragraphs of section 149

Attachments

Financial statement information: For taxation years ending in 2000 and later, 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.

* We do not print these schedules.

Guide item	Yes	Schedule
27 Is the corporation related to any other corporations?	150 <input checked="" type="checkbox"/>	9
28 Does the corporation have any non-resident shareholders?	151 <input type="checkbox"/>	19
29 Is the corporation an associated Canadian-controlled private corporation?	160 <input type="checkbox"/>	23
30 Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161 <input type="checkbox"/>	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 <input type="checkbox"/>	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 <input type="checkbox"/>	44
34 Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164 <input type="checkbox"/>	14
35 Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165 <input type="checkbox"/>	15
37 Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166 <input type="checkbox"/>	T5004
38 Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167 <input type="checkbox"/>	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 <input type="checkbox"/>	22
41 Did the corporation have any foreign affiliates during the year?	169 <input type="checkbox"/>	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 <input type="checkbox"/>	29
43 Has the corporation had any non-arm's length transactions with a non-resident?	171 <input type="checkbox"/>	T106
47 Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year?	172 <input type="checkbox"/>	
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 <input checked="" type="checkbox"/>	50
55 Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201 <input checked="" type="checkbox"/>	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 <input type="checkbox"/>	2
82,104 Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203 <input type="checkbox"/>	3
69-76 Is the corporation claiming any type of losses?	204 <input checked="" type="checkbox"/>	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 <input type="checkbox"/>	5
56 Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206 <input type="checkbox"/>	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 ii) is the corporation claiming the refundable portion of Part I tax?	207 <input type="checkbox"/>	7
57 Does the corporation have any property that is eligible for capital cost allowance?	208 <input checked="" type="checkbox"/>	8
58 Does the corporation have any property that is eligible capital property?	210 <input type="checkbox"/>	10
59 Does the corporation have any resource-related deductions?	212 <input type="checkbox"/>	12
60 Is the corporation claiming reserves of any kind?	213 <input type="checkbox"/>	13
61 Is the corporation claiming a patronage dividend deduction?	216 <input type="checkbox"/>	16
62 Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217 <input type="checkbox"/>	17
150 Is the corporation an investment corporation or a mutual fund corporation?	218 <input type="checkbox"/>	18
131 Was the corporation carrying on business in Canada as a non-resident corporation?	220 <input type="checkbox"/>	20
118 Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221 <input type="checkbox"/>	21
155 Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226 <input type="checkbox"/>	26 *
111 Does the corporation have any Canadian manufacturing and processing profits?	227 <input type="checkbox"/>	27
121 Is the corporation claiming an investment tax credit?	231 <input type="checkbox"/>	31
63 Is the corporation claiming any scientific research and experimental development expenditures?	232 <input type="checkbox"/>	T661
124 Is the corporation subject to gross Part I.3 tax?	233 <input type="checkbox"/>	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 <input type="checkbox"/>	36
124 Is the corporation claiming a surtax credit?	237 <input type="checkbox"/>	37
128 Is the corporation subject to gross Part VI tax on capital of financial institutions?	238 <input type="checkbox"/>	38
128 Is the corporation claiming a Part I tax credit?	242 <input type="checkbox"/>	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 <input type="checkbox"/>	43
129 Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244 <input type="checkbox"/>	45
125 Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	249 <input type="checkbox"/>	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?	250 <input type="checkbox"/>	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?	251 <input type="checkbox"/>	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 <input type="checkbox"/>	41
152 Is the corporation claiming a Canadian film or video production tax credit refund?	253 <input type="checkbox"/>	T1131

Attachments – continued from page 2

Guide Item	Yes	Schedule
130 Is the corporation subject to Part XIII.1 tax?	<input type="checkbox"/>	92 *
153 Is the corporation claiming a film or video production services tax credit refund?	<input type="checkbox"/>	T1177
44 Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	<input type="checkbox"/>	T1134-A
44 Did the corporation have any controlled foreign affiliates?	<input type="checkbox"/>	T1134-B
44 Did the corporation own specified foreign property in the year with a cost amount over \$100,000?	<input type="checkbox"/>	T1135
44 Did the corporation transfer or loan property to a non-resident trust?	<input type="checkbox"/>	T1141
44 Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	<input type="checkbox"/>	T1142
— Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	<input type="checkbox"/>	T1145
— Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	<input type="checkbox"/>	T1146
— Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	<input type="checkbox"/>	T1174
— Is the corporation claiming the BC mining exploration tax credit?	<input type="checkbox"/>	421
— Is the corporation claiming the BC SR&ED tax credit?	<input type="checkbox"/>	T666

Additional information

Is the corporation inactive? ☐ 280 1 Yes ☐ 2 No ☒ X

Has the major business activity changed since the last return was filed? (enter Yes for first-time filers) ☐ 281 1 Yes ☐ 2 No ☒ X

What is the corporation's major business activity? (Only complete if Yes was entered at line 281.) 282

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, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	POWER	285	100%
286		287	0%
288		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 GIFL 300 -21,883 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	0
Ecological gifts from Schedule 2	314	0
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320	0
Part VI.1 tax deduction from Schedule 43	325	0
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	334	0
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	0
Prospector's and grubstaker's shares	350	0
Subtotal		0

Subtotal (amount A minus amount B) (if negative, enter "0") 0 B

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) 370 0

Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) 0 Z

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

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

Income from active business carried on in Canada from Schedule 7 400 0 A

Taxable income from line 360 on page 3, **minus** 10/3 of the amount at line 632* on page 7, **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax ... 405 0 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	<u>365</u>	=	.....	<u>0</u>	1
		Number of days in the taxation year	<u>0</u>				
225,000	x	Number of days in the taxation year in 2003	<u>0</u>	=	.....	<u>0</u>	2
		Number of days in the taxation year	<u>0</u>				
250,000	x	Number of days in the taxation year in 2004	<u>0</u>	=	.....	<u>0</u>	3
		Number of days in the taxation year	<u>0</u>				
275,000	x	Number of days in the taxation year in 2005	<u>0</u>	=	.....	<u>0</u>	3.1
		Number of days in the taxation year	<u>0</u>				

Add amounts at lines 1, 2, 3, and 3.1 0 4Business limit (see notes 1 and 2 below) 410 0 C

Notes: 1. For CCPCs that are not 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 days 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 reduction:

Amount C 0 x 415*** 0 D = 0 E

11,250

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

Small business deduction - 16.00% of whichever amount is least: A, B, C, or F 430 0 G
(enter amount G on line 9 of page 7)

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

** Calculate the amount of foreign business income tax credit deductible 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, which is the amount before deducting the surtax credits, increased to reflect a full-year tax liability if the taxation year is less than 51 weeks. For the purpose of the business limit reduction, the gross Part I.3 tax is equal 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 the preceding taxation years, enter the corporation's gross Part I.3 tax for its **preceding** taxation year.
- 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:
 - starts before December 21, 2002, enter the corporation's gross Part I.3 tax for its **preceding** taxation year; or
 - starts after December 20, 2002, enter the corporation's gross Part I.3 tax for its **current** taxation year.
- For corporations associated in the current taxation year, see Schedule 23 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) 0 x 300,000 line 4 above = 0 A

Net active business income (amount from line 400) * 0 B

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 0 C

Deduct:Aggregate investment income (amount from line 440 of page 6) 0 DAmount C minus amount D (if negative, enter "0") 0 0 EAmount A, B, or E above, whichever is less 0 0 FAmount Z from Part 9 of Schedule 27 0 x 100/7 = 0 GAmount QQ from Part 13 of Schedule 27 0 HTaxable resource income from line 435 of page 5 0 IAmount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) 0 JAmount on line 400, 405, 410, or 425 of the small business deduction, whichever is less 0 KTotal of amounts G, H, I, J, and K 0 0 LAmount F minus amount L (if negative, enter "0") 0 0 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 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.

Resource deduction

Taxable resource income		435		0 A	
Amount A	0	x	Number of days in the taxation year in 2003	0	x 1% =
			Number of days in the taxation year	365	
Amount A	0	x	Number of days in the taxation year in 2004	0	x 2% =
			Number of days in the taxation year	365	
Amount A	0	x	Number of days in the taxation year in 2005	0	x 3% =
			Number of days in the taxation year	365	
Resource deduction - total of amounts B, C, and C.1 (enter amount D on line 10 of page 7)		438		0 D	

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

Taxable income from line 360 on page 3		0 E			
Amount Z from Part 9 of Schedule 27	0	x 100/7	0 F		
Amount QQ from Part 13 of Schedule 27			0 G		
Taxable resource income from line 435 above			0 H		
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			0 I		
Amount on line 400, 405, 410, or 425 on page 4, whichever is less			0 J		
Aggregate investment income from line 440 of page 6			0 K		
Amount used to calculate the accelerated tax reduction (amount M of page 4)			0 L		
Total of amounts F, G, H, I, J, K, and L			0 M		
Amount E minus amount M (if negative, enter "0")			0 N		
Amount N	0	x	Number of days in the taxation year in 2001	0	x 1% =
			Number of days in the taxation year	365	
Amount N	0	x	Number of days in the taxation year in 2002	365	x 3% =
			Number of days in the taxation year	365	
Amount N	0	x	Number of days in the taxation year in 2003	0	x 5% =
			Number of days in the taxation year	365	
Amount N	0	x	Number of days in the taxation year after 2003	0	x 7% =
			Number of days in the taxation year	365	
General tax reduction for Canadian-controlled private corporations - total of amounts year 2001, O, P, and Q (enter amount R on line 638 of page 7)			0 R		

General tax reduction**Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation**

Taxable income from line 360 of page 3		0 S			
Amount Z from Part 9 of Schedule 27	0	x 100/7	0 T		
Amount QQ from Part 13 of Schedule 27			0 U		
Taxable resource income from line 435 above			0 V		
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			0 W		
Total of amounts T, U, V, and W			0 X		
Amount S minus amount X (if negative, enter "0")			0 Y		
Amount Y	0	x	Number of days in the taxation year in 2001	0	x 1% =
			Number of days in the taxation year	365	
Amount Y	0	x	Number of days in the taxation year in 2002	365	x 3% =
			Number of days in the taxation year	365	
Amount Y	0	x	Number of days in the taxation year in 2003	0	x 5% =
			Number of days in the taxation year	365	
Amount Y	0	x	Number of days in the taxation year after 2003	0	x 7% =
			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)			0 CC		

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

Aggregate investment income **440** 0 x 26 2/3% = 0 A
 (amount P from Part 1 of Schedule 7)

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") 0 B

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

Foreign non-business
income tax credit from
line 632 of page 7 0 x 25/9 = 0

Foreign business income
tax credit from line 636
of page 7 0 x 3 = 0
 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) 0

Deduct: Corporate surtax from line 600 of page 7 0

Net amount 0 E

Refundable portion of Part I tax – Amount C, D, or E, whichever is less **450** 0 F

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding taxation year **460** 0

Deduct: Dividend refund for the previous taxation year **465** 0

..... 0 A

Add the total of:

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 0

Net refundable dividend tax on hand transferred from a predecessor
corporation on amalgamation, or from a wound-up subsidiary corporation **480** 0

..... 0 B

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

Refundable dividend tax on hand at the end of the taxation year from line 485 above 0 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** 0 A

Corporate surtax calculation

Base amount from line A above 0 1

Deduct:

10% of taxable income (line 360 or amount Z, whichever applies) from page 3 0 2

Investment corporation deduction from line 620 below 0 3

Federal logging tax credit from line 640 below 0 4

Federal qualifying environmental trust tax credit from line 648 below 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 0 a

28.00% of taxed capital gains 0 b

Part I tax otherwise payable 0 c

(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 B

Recapture of investment tax credit from line PPP in Part 21 of Schedule 31 **602** 0 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 0 i

Taxable income from line 360 on page 3 0

Deduct:

Amount on line 400, 405, 410, or 425 of page 4, whichever is less 0

Net amount 0 ii

Refundable tax on CCPC's investment income – 6 2/3% of the lesser of amounts i or ii **604** 0 D

Subtotal (add lines A, B, C, and D) 0 E

Deduct:

Small business deduction from line 430 of page 4 0 9

Federal tax abatement **608** 0

Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27 **616** 0

Investment corporation deduction **620** 0

(taxed capital gains **624** 0)

Additional deduction – credit unions from Schedule 17 **628** 0

Federal foreign non-business income tax credit from Schedule 21 **632** 0

Federal foreign business income tax credit from Schedule 21 **636** 0

Accelerated tax reduction from amount N of page 4 **637** 0

Resource deduction from line 438 of page 5 0 10

General tax reduction for CCPCs from amount R of page 5 **638** 0

General tax reduction from amount CC of page 5 **639** 0

Federal logging tax credit from Schedule 21 **640** 0

Federal political contribution tax credit **644** 0

Federal political contributions **646** 0

Federal qualifying environmental trust tax credit **648** 0

Investment tax credit from Schedule 31 **652** 0

Subtotal 0 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	0
Part I.3 tax payable from Schedule 33, 34, or 35	704	0
Part II surtax payable from Schedule 46	708	0
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	728	0
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 and territorial tax payable (except Quebec, Ontario, and Alberta)	760	0
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	0
Total tax payable	770	0 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	0
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
Total payments on which tax has been withheld	801	0
Allowable refund for non-resident-owned investment corporations from Schedule 26	804	0
Provincial and territorial capital gains refund from Schedule 18	808	0
Provincial and territorial refundable tax credits from Schedule 5	812	0
Royalties deductible under Syncrude Remission Order	815	0
Tax remitted under Syncrude Remission Order	816	0
Tax instalments paid	840	0
Total credits	890	0 B
Refund code	894	0
Overpayment	0	
Balance (line A minus line B)		0

Direct deposit request

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

<input type="checkbox"/> Start	<input type="checkbox"/> Change information	910
		Branch number
914	918	
Institution number	Account number	

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

Balance unpaid 0

Enclosed payment 898 0

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 ☒

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

955 Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation 956 Telephone number

Is the contact person the same as the authorized signing officer? If No, complete the information below 957 1 Yes ☒ 2 No ☐

958 Name in block letters 959 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 ☒ 2 Français/French ☐

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 on 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

-25,132 A

Additions:Amortization of tangible assets **104** 12,930

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

Subtotal of Deductions 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**

-21,883

(enter on line 300 on the T2 return)

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)	0	
Taxable dividends deductible under sections 112, 113, or subsection 138(6)	0	
Amount of Part VI.1 tax deductible	0	
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

Subtotal		-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	100	0	
Non-capital losses at beginning of			
taxation year	102	14,784	
Add: Non-capital losses transferred on amalgamation or			
wind-up of subsidiary corporation	105	0	
Current-year non-capital loss (from calculation above)	110	21,883	36,667

Continuity of non-capital losses and request for a carryback (cont'd)**Deduct:**

Amount applied against taxable income (enter on line 331 of the T2 return)	130	0	
Amount applied against taxable dividends subject to Part IV tax	135	0	
Section 80 - Adjustments for forgiven amounts	140	0	
Subsection 111(10) - Adjustments for fuel tax rebate		0	
Other adjustments	150	0	0
		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 income	902	0	
Third preceding taxation year to reduce taxable income	903	0	
First preceding taxation year to reduce taxable dividends subject to Part IV tax	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
Non-capital losses - Closing balance	180		36,667
			=====

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator ☒ 190 Yes []

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

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

Capital losses at end of preceding taxation year	200	0	
Capital losses transferred on amalgamation or wind-up of subsidiary corporation	205	0	
Current-year capital loss (from Schedule 6 calculation)	210	0	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)	225	0	
Section 80 - Adjustments for forgiven amounts	240	0	
Other adjustments	250	0	0
		Subtotal	0

Deduct - Request to carry back capital loss to: (see note 2)

	Capital gain (100%)		Amount carried back (100%)	
First preceding taxation year	0	951	0	
Second preceding taxation year	0	952	0	
Third preceding taxation year	0	953	0	0
Capital losses - Closing balance		280		0
				=====

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 determined 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 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	0	
Farm losses at beginning of taxation year	302	0	
Add: Farm losses transferred on amalgamation or wind-up of subsidiary corporation	305	0	
Current-year farm loss	310	0	0
Deduct:			
Amount applied against taxable income (enter on line 334 of the T2 return)	330	0	
Amount applied against taxable dividends subject to Part IV tax	335	0	
Section 80 - Adjustment forgiven amount	340	0	
Other adjustments	350	0	0
		Subtotal	0
Deduct - Request to carry back farm loss to:			
First preceding taxation year to reduce taxable income	921	0	
Second preceding taxation year to reduce taxable income	922	0	
Third preceding taxation year to reduce taxable income	923	0	
First preceding taxation year to reduce taxable dividends subject to Part IV tax	931	0	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	932	0	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	933	0	0
Farm losses - Closing balance	380		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]

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

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at end of preceding taxation year		0	
Deduct: Restricted farm loss expired after 10 taxation years	400	0	
Restricted farm losses at beginning of taxation year	402	0	
Add: Restricted farm losses transferred on amalgamation or wind-up of subsidiary corporation	405	0	
Current-year restricted farm loss (enter on line 233 of Schedule 1)	410	0	0
Deduct:			
Amount applied against farming income (enter on line 333 of the T2 return)	430	0	
Section 80 - Adjustments for forgiven amounts	440	0	
Other adjustments	450	0	0
			Subtotal
			0
Deduct - Request to carry back restricted farm loss to:			
First preceding taxation year to reduce farming income	941	0	
Second preceding taxation year to reduce farming income	942	0	
Third preceding taxation year to reduce farming income	943	0	0
Restricted farm losses - Closing balance	480		0

Note

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

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

Listed personal property losses at end of preceding taxation year		0	
Deduct: Listed personal property loss expired after seven taxation years	500	0	
Listed personal property losses at beginning of taxation year	502	0	
Add: Current-year listed personal property loss (from Schedule 6)	510	0	
			Subtotal
			0
Deduct:			
Amount applied against listed personal property gains (enter on line 655 of Schedule 6)	530	0	
Other adjustments	550	0	0
			Subtotal
			0
Deduct - Request to carry back listed personal property loss to:			
First preceding taxation year to reduce listed personal property gains	961	0	
Second preceding taxation year to reduce listed personal property gains	962	0	
Third preceding taxation year to reduce listed personal property gains	963	0	0
Listed personal property losses - Closing balance	580		0

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

Non-capital losses

Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back Parts I & 4	Applied to Reduce		Balance at End of Year
					Taxable Income	Part IV Tax	
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
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 *
Total	14,784	21,883	0	0	0	0	36,667

Farm losses

Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back Parts I & 4	Applied to Reduce		Balance at End of Year
					Taxable Income	Part IV Tax	
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	0	0	0 *
Total	0	0	0	0	0	0	0

Restricted farm losses

Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back	Applied to Reduce		Balance at End of Year
					Taxable Income	Part IV Tax	
Current	N/A	0	0	0	N/A	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
1993	0	N/A	0	N/A	0	N/A	0 *
Total	0	0	0	0	0	N/A	0

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

Summary of Capital Cost Allowance

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

Class	UCC at Beginning No.	Cost of Additions During Year	Adjustments	Lesser of Cost or Proceeds	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]
[200]	[201]	[203]	[205]	[207]	[211]	[212]	[213]	[215]	[217]	[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

Corporate Taxprep / Taxprep des sociétés - TP-08

NEWBURY POWER INC

Sch. 009

Account/Business No.: 879744126RC0001 Year Ended:

2002-12-31

RELATED AND ASSOCIATED CORPORATIONS

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

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

Name	Ctry of resi- dence	Business Number (Note)	Rela- tion- ship Code	Number		Number	% of	Book value of capital stock
				of common shares owned	% of common shares owned	of preferred shares owned	pre- ferred shares owned	
				[100]	[200]	[300]	[400]		[500]	[600]	[700]
<hr/>								
THE CORP OF 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

Corporate Taxprep / Taxprep des sociétés - TP-08

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
	(note 1)	(note 2)		
<input type="text" value="100"/>	<input type="text" value="200"/>	<input type="text" value="300"/>	<input type="text" value="400"/>	<input type="text" value="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

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.

[Blank page inserted for two-sided printing purposes.]

MPDC – Newbury

Attachment 3
2003 Supporting Documentation

APR 20 2004

NEWBURY POWER INC.

AUDITORS' REPORT
AND FINANCIAL STATEMENTS

DECEMBER 31, 2003

APR 20 2004

**Collins Barrow**

Chartered Accountants

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, 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

A member of
Moore Rowland International
an association of independent
accounting firms throughout
the world

NEWBURY POWER INC.
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	<u>6,989</u>	<u>3,150</u>
	279,366	322,667
COST OF POWER	<u>238,678</u>	<u>290,238</u>
GROSS PROFIT	<u>40,688</u>	<u>32,429</u>
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	<u>6,865</u>	<u>10,734</u>
	59,814	75,404
INCOME (LOSS) BEFORE OTHER INCOME	(19,126)	(42,975)
OTHER INCOME	<u>13,568</u>	<u>7,843</u>
NET INCOME (LOSS)	<u>\$ (5,558)</u>	<u>\$ (25,132)</u>

NEWBURY POWER INC.

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STATEMENT OF RETAINED EARNINGS

YEAR ENDED DECEMBER 31, 2003

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

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NEWBURY POWER INC.**BALANCE SHEET****DECEMBER 31, 2003**

	2003	2002
ASSETS		
CURRENT ASSETS		
Cash	\$ 43,210	\$ 43,985
Accounts receivable (note 4)	62,310	58,142
Deferred charges	3,120	4,160
Prepaid expenses	<u>2,742</u>	<u>1,242</u>
	111,382	107,529
REGULATED ASSET (note 5)	5,620	5,620
CAPITAL ASSETS (note 6)	168,700	179,688
OTHER ASSETS (note 7)	<u>6,144</u>	<u>7,044</u>
	<u>\$ 291,846</u>	<u>\$ 299,881</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued charges	\$ 61,620	\$ 59,911
Current portion of long-term debt	<u>1,727</u>	<u>1,423</u>
	63,347	61,334
LONG-TERM DEBT (note 8)	<u>87,420</u>	<u>91,910</u>
	<u>150,767</u>	<u>153,244</u>
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (note 9)	165,626	165,526
DEFICIT	<u>(24,547)</u>	<u>(18,789)</u>
	<u>141,079</u>	<u>146,737</u>
	<u>\$ 291,846</u>	<u>\$ 299,881</u>

ON BEHALF OF THE BOARD_____
Director_____
Director

NEWBURY POWER INC.

STATEMENT OF CASH FLOWS

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	<u>12,930</u>	<u>12,931</u>
	7,372	(12,201)
Net change in non-cash working capital items affecting operations (note 10)	<u>(3,959)</u>	<u>18,934</u>
	<u>3,413</u>	<u>6,733</u>
INVESTING		
Purchase of capital assets	-	(10,748)
Increase in regulated asset	<u>-</u>	<u>(5,620)</u>
	<u>-</u>	<u>(16,368)</u>
FINANCING		
Repayment of long-term debt	<u>(4,188)</u>	<u>(6,667)</u>
INCREASE (DECREASE) IN CASH POSITION	(775)	(16,302)
CASH POSITION, BEGINNING	<u>43,985</u>	<u>60,287</u>
CASH POSITION, ENDING	<u>\$ 43,210</u>	<u>\$ 43,985</u>

NEWBURY POWER INC.

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NOTES TO FINANCIAL STATEMENTS**DECEMBER 31, 2003**

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 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, 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	\$ 41,231	\$ 36,597
Water and sewer	17,667	19,479
Sundry	3,551	2,443
GST	(139)	(377)
	<u>\$ 62,310</u>	<u>\$ 58,142</u>

NEWBURY POWER INC.

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	Accumulated Amortization	Net	Net
Distribution system - overhead	\$ 142,936	\$ 52,227	\$ 90,709	\$ 96,480
Distribution system - underground	41,445	12,130	29,315	30,924
Line transformers	56,992	22,807	34,185	36,465
Meters	18,413	7,103	11,310	12,047
Office equipment	7,091	3,910	3,181	3,772
	<u>\$ 266,877</u>	<u>\$ 98,177</u>	<u>\$ 168,700</u>	<u>\$ 179,688</u>

7. OTHER ASSETS

2003

2002

Incorporation costs, net of accumulated amortization

\$ 6,144 \$ 7,044

NEWBURY POWER INC.**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2003****8. LONG-TERM DEBT****2003****2002**

7.25% note payable to shareholder, in annual instalments
of \$11,153 principal and interest, due June 2016

\$ 89,147 \$ 93,333

Current portion

1,727 1,423

\$ 87,420 \$ 91,910

The instalments required to be paid over the next five years are as follows:

2004	\$ 1,727
2005	4,816
2006	5,165
2007	5,539
2008	<u>5,940</u>
Total	<u>\$ 23,187</u>

9. CAPITAL STOCK**2003****2002****AUTHORIZED**

Unlimited common shares without par value

ISSUED

165,626 common shares

\$ 165,626 \$ 165,626

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	\$ (4,168)	\$ 7,553
Prepaid expenses	(1,500)	2,028
Accounts payable and accrued charges	<u>1,709</u>	<u>9,353</u>
	<u>\$ (3,959)</u>	<u>\$ 18,934</u>

b) Interest Received/Paid

Interest on short-term investments	<u>\$ 1,273</u>	<u>\$ 882</u>
Interest paid	<u>\$ 6,967</u>	<u>\$ 7,250</u>

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.

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

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.

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 Return** (see page 2).

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

☒ Yes ☐ No

Page 1 of 24

Ministry Use

Corporation's Legal Name (including punctuation) NEWBURY POWER INC			Ontario Corporations Tax Account No. (MOF) 6820376														
Mailing Address 22910 HAGERTY ROAD NEWBURY ON CA N0L-1Z0			This CT23 Return covers the Taxation Year Start <table><tr><td>year</td><td>month</td><td>day</td></tr><tr><td>2003</td><td>01</td><td>01</td></tr></table> End <table><tr><td>year</td><td>month</td><td>day</td></tr><tr><td>2003</td><td>12</td><td>31</td></tr></table>			year	month	day	2003	01	01	year	month	day	2003	12	31
year	month	day															
2003	01	01															
year	month	day															
2003	12	31															
Has the mailing address changed since last filed CT23 Return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Date of Change <table><tr><td>year</td><td>month</td><td>day</td></tr><tr><td></td><td></td><td></td></tr></table>			year	month	day				Date of Incorporation or Amalgamation <table><tr><td>year</td><td>month</td><td>day</td></tr><tr><td>2000</td><td>01</td><td>12</td></tr></table>			year	month	day	2000	01	12
year	month	day															
year	month	day															
2000	01	12															
Registered/Head Office Address 22910 HAGERTY ROAD NEWBURY ON CA N0L-1Z0			Ontario Corporation No. (MCBS) 1394004														
Location of Books and Records 22910 HAGERTY ROAD NEWBURY ON CA N0L-1Z0			Canada Customs and Revenue Agency (formerly Revenue Canada) Business No. If applicable, enter 879744126RC0001														
Name of person to contact regarding this CT23 Return PETER PAVILONIS		Telephone No.	Fax No.														
Address of Principal Office in Ontario (Extra-Provincial Corporations only) (MCBS) ON CA -			Jurisdiction Incorporated ONTARIO														
Former Corporation Name (Extra-Provincial Corporations only) <input checked="" type="checkbox"/> Not Applicable (MCBS)			If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased: Commenced <table><tr><td>year</td><td>month</td><td>day</td></tr><tr><td></td><td></td><td></td></tr></table> Ceased <table><tr><td>year</td><td>month</td><td>day</td></tr><tr><td></td><td></td><td></td></tr></table> <input checked="" type="checkbox"/> Not Applicable			year	month	day				year	month	day			
year	month	day															
year	month	day															
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). If there is no change to the Directors/Officers/Administrators' information previously submitted to MCBS, please <input checked="" type="checkbox"/> this box. Schedule(s) A and K are not required (MCBS). No. of Schedule(s) <table><tr><td>0</td></tr></table> <input checked="" type="checkbox"/> No change			0	Preferred Language/Langue de préférence <input checked="" type="checkbox"/> English anglais <input type="checkbox"/> French français Ministry use 													
0																	

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)

PETER PAVILONIS

Title: ☐ Director ☒ 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 statements or omissions.

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation – Please "X" box(es) if applicable in sections 1 & 2

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

2 ☒ Other Private

3 ☐ Public

4 ☐ Non-share Capital

5 ☐ Other (specify)

Share Capital with full voting rights
owned by Canadian Residents (nearest percent) %

- 2**
- 1** ☐ Family Farm Corporation s.1 (2)
- 2** ☐ Family Fishing Corporation s.1 (2)
- 3** ☐ Mortgage Investment Corporation s.47
- 4** ☐ Credit Union s.51
- 5** ☐ Bank Mortgage Subsidiary s.61 (4)
- 6** ☐ Bank s.1 (2)
- 7** ☐ Loan and Trust Corporation s.61 (4)
- 8** ☐ Non-resident Corporation
s.2(2)(a) or (b)
- 9** ☐ Non-resident Corporation s.2(2)(c)
- 10** ☐ Mutual Fund Corporation s.48
- 11** ☐ Non-resident owned investment
Corporation s.49
- 12** ☐ Non-resident ship or aircraft under
reciprocal agreement with Canada s.28(b)

- 14** ☐ Bare Trustee Corporation
- 15** ☐ Branch of Non-resident s.63(1)
- 16** ☐ Financial institution prescribed by
Regulation only
- 17** ☐ Investment Dealer
- 18** ☐ Generator of electrical energy for sale or
producer of steam for use in the generation
of electrical energy for sale
- 19** ☒ Hydro successor, Municipal Electrical Utility
or subsidiary of either
- 20** ☐ Producer and seller of steam for uses other
than for the generation of electricity
- 21** ☐ Insurance Exchange s.74.4
- 22** ☐ Farm Feeder Finance Co-operative
Corporation
- 23** ☐ Professional Corporation
(incorporated professionals only)

Ontario Retail Sales Tax Vendor Permit No.
(Use Head Office no.)

if applicable, enter

Ontario Employer Health Tax Account No.
(Use Head Office no.)

if applicable, enter

Specify major business activity

Please "X" box(es) if applicable:

☐ First Year of Filing

☐ Amended Return

☐ Taxation Year End has changed - Canada Customs
and Revenue Agency (formerly Revenue Canada)
approval required

☐ 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)

Date Control was acquired

year month day

	Yes	No
Was the corporation inactive throughout the taxation year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are you requesting a refund due to: the Carry-back of a Loss?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
an Overpayment?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
a Specified Refundable Tax Credit?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are you a Member of a Partnership or Joint Venture?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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).

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Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	±	From	690	16,657.
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)	-		4	0.
Subtract: Federal Part VI.1 tax	0. X 9/4		5	0.
Subtract: Prior years' losses applied –				
Non-capital losses	-	From	704	16,657.
Net capital losses	From 715 (page 16) 0. X inclusion rate 50.000000% = -		714	0.
Farm losses	-	From	724	0.
Restricted farm losses	-	From	734	0.
Limited partnership losses	-	From	754	0.
			10	0.
Taxable Income (Non-capital loss)				
Addition to taxable income for unused foreign tax deduction for federal purposes	+		11	0.
Adjusted Taxable Income	10 + 11 (if 10 is negative, enter 11)		20	0.

		Number of Days in Taxation Year	
Taxable Income			
From 10 (or 20 if applicable)	0. X 30 100.0000% X 12.5000% X 33 365 ÷ 73 365 = + 29 0.		
	Ontario Allocation		
From 10 (or 20 if applicable)	0. X 30 100.0000% X 14.0000% X 34 0 ÷ 73 365 = + 32 0.		
	Ontario Allocation		
Income Tax Payable (before deduction of tax credits)	29 + 32		40 0.

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

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

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

(X) ☐ Yes ☒ No

Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))	50	0.
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.
Subtract: Losses of other years deducted for Ontario purposes (s.34)	- 53	0.
	=	0.
Federal Business limit for the year before the application of fed.s.125(5.1) (not exceeding \$200,000)	54	0.
	+ 55	0.

Add: Ontario enhancement of federal business limit	
Number of Days in Taxation Year	
0 X 28 0 ÷ 73 365	
X From 55 0 ÷ 200,000	= + 43 0.
0 X 31 0 ÷ 73 365	
X From 55 0 ÷ 200,000	= + 46 0.
0 X 31 0 ÷ 73 365	
X From 55 0 ÷ 200,000	= + 47 0.
Ontario enhancement of federal business limit	43 + 46 + 47 = 0. + 44 0.
Business Limit for Ontario purposes	55 + 44 = 0. + 45 0.
Income eligible for the IDSBC	From 30 100.0000% X 56 0. = 60 0.

* Ontario Allocation

Least of 50, 54 or 45

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

continued on Page 5

Income Tax *continued from Page 4*

Calculation of IDSBC Rate

		Number of Days in Taxation Year			
		Days after Sept. 30, 2001 and before Jan. 1, 2003	Total Days		
.....	6.50%	28	0	73	365
		= +		79	.0000
		Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days		
.....	7.00%	31	365	73	365
		= +		89	7.0000
		Days after Dec. 31, 2003 and before Jan. 1, 2005	Total Days		
.....	8.50%	34	0	73	365
		= +		90	.0000

IDSBC Rate for Taxation Year **79** + **89** + **90** = **78** **7.0000**

Claim From **60** **0.** X From **78** **7.0000%** = **70** **0.**

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** From **10** (or **20** if applicable) + **80** **0.**

If you are a member of an associated group (X) **81** ☒ (Yes)

Name of associated corporation (Canadian & foreign) (if insufficient space, attach schedule)	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	** Taxable Income (if loss, enter nil)
.....	.....	.....	+ 82 0.
.....	.....	.....	+ 83 0.
.....	.....	.....	+ 84 0.
Aggregate Taxable Income	80 + 82 + 83 + 84 , etc.	.....	= 85 0.

Number of Days in Taxation Year

		Days after Sept. 30, 2001 and before Jan. 1, 2003	Total Days		
Subtract: 0	X	28	0	73	365
		= +		113	0.
		Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days		
0	X	31	0	73	365
		= +		115	0.
		Days after Dec. 31, 2003 and before Jan. 1, 2005	Total Days		
0	X	34	0	73	365
		= +		116	0.

113 + **115** + **116** = **0.** - **114** **0.**

(If negative, enter nil) = **86** **0.**

Calculation of Specified Rate for Surtax

		Number of Days in Taxation Year			
		Days after Sept. 30, 2001 and before Jan. 1, 2003	Total Days		
.....	4.3330%	28	0	73	365
		= +		95	.0000
		Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days		
.....	4.6670%	31	365	73	365
		= +		96	4.6670
		Days after Dec. 31, 2003 and before Jan. 1, 2005	Total Days		
.....	4.6670%	34	0	73	365
		= +		97	.0000

Specified rate of surtax for Taxation Year **95** + **96** + **97** = **94** **.0000**

From **86** **0.** X From **94** **.0000%** = **87** **0.**

From **87** **0.** X From **60** **0.** ÷ From **114** **0.** = **88** **0.**

Surtax Lesser of **70** or **88** = **100** **0**

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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 productions.*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)***Applies to employment of eligible unemployed post secondary graduate.*Eligible Credit From 6598 Summary Schedule G + 195 0.No. of Graduates From 6596194 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 Certification 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 been 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 Form)* + 201 0.Other (specify) + 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 Tax** 190 - 225 **OR Enter NIL if reporting Non-Capital Loss** *(amount cannot be negative)* = 230 0.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]		291,846.		
* Total Revenue of the corporation	+ [241]		279,366.		

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
			+ [243]	+ [244]
			+ [245]	+ [246]
			+ [247]	+ [248]
Aggregate Total Assets	[240] + [243] + [245] + [247] etc.		= [249]	291,846.
Aggregate Total Revenue	[241] + [244] + [246] + [248] etc.		= [250]	279,366.

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]	0.	X From [30]	100.0000%	X 4.0000	= [276]	0.
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule)						- [277]	0.
Subtract: Income Tax						- From [190]	0.
Net CMT Payable (If negative, enter Nil on Page 17.)						= [280]	0.

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] 0.

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits)			+ From [190]	0.
Gross CMT Payable		+ From [276]	0.	
Subtract: Foreign Tax Credit for CMT purposes		- From [277]	0.	
If [276] - [277] is negative, enter NIL in [290]		=	0.	- [290]
Income Tax eligible for CMT Credit				[300] 0.
B. Income tax (after deduction of specified credits)			+ From [230]	0.
Subtract: CMT credit used to reduce income taxes			- [310]	0.
Income Tax				[320] 0.

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].

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 (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)	+	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	230,226.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012)	-	371	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 electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	-	382	167,933.
Net Paid-up Capital	=	390	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, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+	402	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.

continued on Page 10

Attached Sch.
2003-12-31

	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
Total	----- 767.00 =====

Capital Tax *continued from Page 9*
Total Assets (Int.B. 3015)

Total Assets per balance sheet	+	420	291,846.
Mortgages or other liabilities deducted from assets	+	421	0.
Share of partnership(s)/joint venture(s) total assets (<i>Attach schedule</i>)	+	422	0.
Subtract: Investment in partnership(s)/joint venture(s)	-	423	0.
Total Assets as adjusted	=	430	291,846.
Amounts in 360 and 361 (if deducted from assets)	+	440	0.
Subtract: Amounts in 371, 372 and 381	-	441	767.
Subtract: Appraisal surplus if booked	-	442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	0.
Total Assets	=	450	291,079.

Investment Allowance	(410 ÷ 450) × 390	Not to exceed 410	=	460	0.
Taxable Capital	390 - 460		=	470	61,526.

Gross Revenue (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.

Calculation of Capital Tax for all corporations except Financial Institutions

Note: This version (2003) of the CT23 may only be used for a taxation year that commenced after September 30, 2001.

(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, review only the capital tax calculations in Section B below and select and complete the one specific subsection (e.g. B3) that applies to the corporation.
- OR** If the corporation IS a member of an associated group and/or partnership, complete Section C on page 11, and if applicable, complete Section D or Section E on page 12. **Note:** if the corporation is a member of a connected partnership, please refer to the 2003 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

This section applies if the corporation is NOT a member of an associated group and/or partnership.

- B1.** If the taxation year commences after September 30, 2001 and 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.
- B2.** 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.
- B3.** If taxable capital, 470 on page 10 exceeds \$5,000,000, complete the following calculation and transfer the amount From 523 to 543 on page 12, and complete the return from that point.

+	From 470	0.						
-		0.						
=	471	0.	X	From 30	100.0000%	X	.3000% X	555 365
					Ontario Allocation			** 365
								(366 if leap year)
								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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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 (X 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 \$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. ☒ 524 (X if applicable) **One or more of the corporations that you are associated with maintains 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 From ☐ 470 on page 10 + From ☐ 470 61,526.

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

Names of associated corporations (excluding financial institutions and corporations exempt from capital tax) or related partners having a permanent establishment in Canada
(if insufficient space, attach schedule)

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

Taxation Year End

Taxable Capital

See attached

+ ☐ 531 0.+ ☐ 532 .+ ☐ 533 .Aggregate Taxable Capital ☐ 470 + ☐ 531 + ☐ 532 + ☐ 533, etc...... = ☐ 540 61,526.

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 61,526. ÷ From ☐ 540 61,526. × 5,000,000 = ☐ 541 5,000,000.

Transfer to ☐ 542 in Section D on page 12

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.

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.

$$\begin{array}{rcl}
 + \text{ From } & \boxed{470} & \underline{61,526.} \\
 - & \boxed{542} & \underline{5,000,000.} \\
 = & \boxed{471} & \underline{0.}
 \end{array}
 \times \text{ From } \boxed{30} \frac{100.0000}{\text{Ontario Allocation}} \% \times .3000 \% \times \frac{\boxed{555} \quad \boxed{365}}{\text{Days in taxation year}} = + \boxed{523} \underline{0.}$$

**
365
(366 if leap year)

Total Capital Tax for the taxation year
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 group has filed a ss.69(2.1) election

$$+ \quad \text{From } \boxed{470} \quad \underline{\hspace{1cm}} \quad 0. \quad \times \quad \text{From } \boxed{30} \quad \underline{\hspace{1cm}} \quad \boxed{100.0000} \% \quad \times \quad \boxed{.3000} \% \quad \dots\dots\dots = + \boxed{561} \quad \underline{\hspace{1cm}} \quad 0.$$

Ontario Allocation

- Capital tax deduction From 995 relating to *your corporation's* capital tax deduction, on ss.69(2.1) election form From 995 0.
= 562 0.

Capital Tax

.....	562	_____	0.
-------	-----	-------	----

x

555	_____	365	.....
		**	365
(366 if leap year)			

=

563	_____	0.
-----	-------	----

Transfer to 543 and complete the return from that point.

**** If floating taxation year, refer to Guide.**

Capital Tax before application of specified credits	=	543	0.
Subtract: Specified Tax Credits applied to reduce capital tax payable (Refer to Guide)	-	546	0.
Capital Tax 543 - 546 (amount cannot be negative)	=	550	0.

Transfer to Page 17

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.)

565	<u>0.</u>	x	0.6%	X From	30	%	X	555	<u>0</u>	÷	555	<u>0</u>	÷	555	<u>0</u>	(366 if leap year)	=	+	569	<u>0.</u>
Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1																				
Ontario Allocation																				

570	<u>0.</u>	x	571	<u>0.00</u>	%	X From	30	%	X	555	<u>0</u>	÷	555	<u>0</u>	÷	555	<u>0</u>	(366 if leap year)	=	+	574	<u>0.</u>
Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount																						
Capital Tax Rate (Refer to Guide)																						
Ontario Allocation																						

Capital Tax for Financial Institutions – other than Credit Unions (before Section II) **569** + **574** = **575** 0.

** 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) ☐ Yes

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 **587** 0. x 2% = **588** 0.
Applies to Ontario-related uninsured benefits arrangements.

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

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

Deduct: Specified Tax Credits applied to reduce premium tax (Refer to Guide) - **589** 0.
Premium Tax **588** - **589** = **590** 0.
Transfer to page 17

NEWBURY POWER INC

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:

Federal capital cost allowance	601	10,191
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-arm's length non-residents

Number of Days in Taxation Year

Days after Sept. 30, 2001 and before Jan. 1, 2004	Total Days
33	365

$$612 \quad 0 \times 5 \div 12.5000 \times 33 \quad 365 \div 73 \quad 365 = + 633 \quad 0$$

Days after Dec. 31, 2003 and before Jan. 1, 2005	Total Days
34	0

$$612 \quad 0 \times 5 \div 14.0000 \times 34 \quad 0 \div 73 \quad 365 = + 634 \quad 0$$

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

Add any negative amount in 473 from Ont. CT23 Schedule 161 + 616 0

Federal allowable business investment loss + 620 0

Total of other items not allowed by Ontario but allowed federally (Attach schedule) + 614 0

Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614 = 10,191 640 10,191

Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	650	10,191
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	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	658	0
Ontario resource allowance	659	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 10,191

Transfer to Page 15

continued on Page 15

Corporation's Legal Name
NEWBURY POWER INC.

Ontario Corporations Tax Account No. (MOF)
6820376

Taxation Year End
2003-12-31

CT23 Page 15 of 24

DOLLARS ONLY

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 From + 600 16,657.

Total of Additions From = 640 10,191.

Subtotal of deductions on page 14 From = 681 10,191.

Deduct:

Ontario New Technology Tax Incentive (ONTTI) Gross-up

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

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year 662 0.

ONTTI Gross-up deduction calculation:

Gross-up of CCA
From 662 0. x 100
From 30 0.0000
Ontario Allocation
- From 662 0. = 663 0.

Workplace Child Care Tax Incentive

Qualifying expenditures: 665 0. x 30.00% x 100
From 30 100.0000
Ontario Allocation
= 666 0.

Workplace Accessibility Tax Incentive

Qualifying expenditures: 667 0. x 100.00% x 100
From 30 100.0000
Ontario Allocation
= 668 0.

Number of Employees accommodated 669 0

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. x 30.00% x 100
From 30 100.0000
Ontario Allocation
= 671 0.

Educational Technology Tax 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
= 673 0.

Ontario allowable business investment loss + 678 0.

Ontario Scientific Research Expenses claimed in year in 477
from Ont. CT23 Schedule 161 + 679 0.

Amount added to income federally for an amount that was negative
in line 454 of federal form T661 + 677 0.

Total of other deductions allowed by Ontario (Attach schedule) + 684 0.

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 684 ... = 10,191. 680 10,191.

Net income (loss) for Ontario Purposes 600 + 640 - 680 = 690 16,657.

Transfer to Page 4

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

Notes:

- (1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- (2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.
- (3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.
- (4) To the extent of applicable gains/income/at-risk amount only.
- (5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.
- (6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.
- (7) Include amount from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.
- (8) Amount in 709 must equal total of 829 + 839.
- (9) 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				850 0	870 0
801 8th preceding taxation year 1996-01-11				851 0	871 0
802 7th preceding taxation year 1997-01-11				852 0	872 0
803 6th preceding taxation year 1998-01-11	820 0	830 0	840 0	853 0	873 0
804 5th preceding taxation year 1999-01-11	821 0	831 0	841 0	854 0	874 0
805 4th preceding taxation year 2000-01-11	822 0	832 0	842 0	855 0	875 0
806 3rd preceding taxation year 2000-12-31	823 0	833 0	843 0	856 0	876 0
807 2nd preceding taxation year 2001-12-31	824 0	834 0	844 0	857 0	877 0
808 1st preceding taxation year 2002-12-31	825 20,010	835 0	845 0	858 0	878 0
809 Current taxation year 2003-12-31	826 0	836 0	846 0	859 0	879 0
Total	829 20,010	839 0	849 0	869 0	889 0

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

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

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

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

Application of Losses

	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss	910 0	920 0	930 0	940 0
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income				
Predecessor Ontario Corporation's Tax Account No. (MOF)				
Taxation Year Ending				
	911	921	931	941
i) 3rd preceding	901 0	0	0	0
ii) 2nd preceding	902 0	0	0	0
iii) 1st preceding	903 0	0	0	0
Total loss to be carried back	From 706 0	From 716 0	From 726 0	From 736 0
Balance of loss available for carry-forward	919 0	929 0	939 0	949 0

Summary

Income tax	..... + From 230 or 320	0.
Corporate Minimum Tax	..... + From 280	0.
Capital Tax	..... + From 550	0.
Premium Tax	..... + From 590	0.
Total Tax Payable	..... = 950	0.
Subtract: Payments	..... - 960	0.
Capital Gains Refund (s.48)	- 965	0.
Qualifying Environmental Trust Tax Credit (Refer to Guide)	- 985	0.
Specified Tax Credits (Refer to Guide)	- 955	0.
Other (specify)	-	0.
Balance	..... = 970	0.
If payment due	..... Enclosed * 990	0.
If overpayment: Refund (Refer to Guide)	.. = 975	0.
year month day		
Apply to	..... 980	0.
(Includes credit interest)		

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

Certification

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

Name (please print)

PETER PAVILONIS

Title

CHAIR

Full Residence Address

Signature

Date

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

Year Ended:

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 =====

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 number	Ontario unde-preciated capital cost at the beginning of the year (unde-preciated capital cost at the end of the prior year's CCA schedule)	Cost of acquisitions during the year (new property must be available for use)	Net adjustments (show negative amounts in brackets)	Proceeds of dispositions during the year (amount not to exceed the capital cost)	Ontario unde-preciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)	Reduced unde-preciated capital cost (column 6 minus column 7)	CCA rate %	Recapture of capital cost allowance	Terminal loss	Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	Ontario unde-preciated capital cost at the end of the year (column 6 minus column 12)
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
Total	178,124	0	0	0	178,124	0	178,124		0	0	10,191	167,933
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).
- 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.



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

Schedule CT21

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.

Transfer to box 540 of the CT23



Canada Customs
and Revenue Agency

Agence des douanes
et du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

200

Code 0301

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) 001 879744126RC0001

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 ☒

If Yes, do you have a copy of the articles of amendment? 004 1 Yes ☐ 2 No ☐

Address of head office

Has the address changed since the last time we were notified? 010 1 Yes ☐ 2 No ☒

011 22910 HAGERTY ROAD

012 City Province, territory, or state

015 NEWBURY 016 ON Country (other than Canada) Postal code/ZIP code

017 018 N0L-1Z0

Mailing address (if different from head office address)

Has the address changed since the last time we were notified?

020 1 Yes ☐ 2 No ☒

021 c/o

022 City Province, territory, or state

025 026 Country (other than Canada) Postal code/ZIP code

027 028

Location of books and records

031 22910 HAGERTY ROAD

032 City Province, territory, or state

035 NEWBURY 036 ON Country (other than Canada) Postal code/ZIP code

037 038 N0L-1Z0

040 Type of corporation at the end of the taxation year

- 1 ☐ Canadian-controlled private corporation (CCPC) 4 ☐ Corporation controlled by a public corporation
- 2 ☒ Other private corporation 5 ☐ Other corporation (specify, below)
- 3 ☐ Public corporation

If the type of corporation changed during the taxation year, provide the effective date of the change 043 YYYY/MM/DD

To which taxation year does this return apply?

Taxation year start Taxation year-end
060 2003-01-01 061 2003-12-31
YYYY/MM/DD YYYY/MM/DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 1 Yes ☐ 2 No ☒

If Yes, give the date control was acquired 065 YYYY/MM/DD

Is the corporation a professional corporation that is a member of a partnership?

..... 067 1 Yes ☐ 2 No ☒

Is this the first year of filing after:

Incorporation? 070 1 Yes ☐ 2 No ☒
Amalgamation? 071 1 Yes ☐ 2 No ☒

If Yes, complete and attach Schedule 24.

Has there been a windup of a subsidiary under section 88 during the current taxation year?

..... 072 1 Yes ☐ 2 No ☒

If yes, complete and attach Schedule 24.

Is this the final taxation year before amalgamation?

..... 076 1 Yes ☐ 2 No ☒

Is this the final return up to dissolution?

..... 078 1 Yes ☐ 2 No ☒

Is the corporation a resident of Canada?

080 1 Yes ☒ 2 No ☐ If No, give the country of residence.

081 Is the non-resident corporation claiming an exemption under an income tax treaty? 082 1 Yes ☐ 2 No ☒

If yes, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

- 085 1 ☐ Exempt under paragraph 149(1)(e) or (l)
2 ☐ Exempt under paragraph 149(1)(j)
3 ☐ Exempt under paragraph 149(1)(t)
4 ☐ Exempt under other paragraphs of section 149

Attachments

Financial statement information: For taxation years ending in 2000 and later, use GIFI schedules 100, 125, and 141.

* We do not print these schedules.

Schedules – Answer the following questions. For each Yes response, attach to the T2 return the schedule that applies.

Guide item	Yes	Schedule
27 Is the corporation related to any other corporations?	150 <input checked="" type="checkbox"/>	9
28 Does the corporation have any non-resident shareholders?	151 <input type="checkbox"/>	19
29 Is the corporation an associated Canadian-controlled private corporation?	160 <input type="checkbox"/>	23
30 Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161 <input type="checkbox"/>	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 <input type="checkbox"/>	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 <input type="checkbox"/>	44
34 Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164 <input type="checkbox"/>	14
35 Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165 <input type="checkbox"/>	15
37 Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166 <input type="checkbox"/>	T5004
38 Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167 <input type="checkbox"/>	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 <input type="checkbox"/>	22
41 Did the corporation have any foreign affiliates during the year?	169 <input type="checkbox"/>	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 <input type="checkbox"/>	29
43 Has the corporation had any non-arm's length transactions with a non-resident?	171 <input type="checkbox"/>	T106
47 Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year?	172 <input type="checkbox"/>	
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 <input checked="" type="checkbox"/>	50
55 Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201 <input checked="" type="checkbox"/>	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 <input type="checkbox"/>	2
82,104 Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203 <input type="checkbox"/>	3
69-76 Is the corporation claiming any type of losses?	204 <input checked="" type="checkbox"/>	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 <input type="checkbox"/>	5
56 Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206 <input type="checkbox"/>	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 ii) is the corporation claiming the refundable portion of Part I tax?	207 <input type="checkbox"/>	7
57 Does the corporation have any property that is eligible for capital cost allowance?	208 <input checked="" type="checkbox"/>	8
58 Does the corporation have any property that is eligible capital property?	210 <input type="checkbox"/>	10
59 Does the corporation have any resource-related deductions?	212 <input type="checkbox"/>	12
60 Is the corporation claiming reserves of any kind?	213 <input type="checkbox"/>	13
61 Is the corporation claiming a patronage dividend deduction?	216 <input type="checkbox"/>	16
62 Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217 <input type="checkbox"/>	17
150 Is the corporation an investment corporation or a mutual fund corporation?	218 <input type="checkbox"/>	18
131 Was the corporation carrying on business in Canada as a non-resident corporation?	220 <input type="checkbox"/>	20
118 Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221 <input type="checkbox"/>	21
155 Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226 <input type="checkbox"/>	26 *
111 Does the corporation have any Canadian manufacturing and processing profits?	227 <input type="checkbox"/>	27
121 Is the corporation claiming an investment tax credit?	231 <input type="checkbox"/>	31
63 Is the corporation claiming any scientific research and experimental development expenditures?	232 <input type="checkbox"/>	T661
124 Is the corporation subject to gross Part I.3 tax?	233 <input type="checkbox"/>	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 <input type="checkbox"/>	36
124 Is the corporation claiming a surtax credit?	237 <input type="checkbox"/>	37
128 Is the corporation subject to gross Part VI tax on capital of financial institutions?	238 <input type="checkbox"/>	38
128 Is the corporation claiming a Part I tax credit?	242 <input type="checkbox"/>	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 <input type="checkbox"/>	43
129 Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244 <input type="checkbox"/>	45
125 Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	249 <input type="checkbox"/>	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?	250 <input type="checkbox"/>	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?	251 <input type="checkbox"/>	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 <input type="checkbox"/>	41
152 Is the corporation claiming a Canadian film or video production tax credit refund?	253 <input type="checkbox"/>	T1131

Attachments – continued from page 2**Guide item****Yes Schedule**

130	Is the corporation subject to Part XIII.1 tax?	<input type="checkbox"/>	92 *
153	Is the corporation claiming a film or video production services tax credit refund?	<input type="checkbox"/>	T1177
44	Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	<input type="checkbox"/>	T1134-A
44	Did the corporation have any controlled foreign affiliates?	<input type="checkbox"/>	T1134-B
44	Did the corporation own specified foreign property in the year with a cost amount over \$100,000?	<input type="checkbox"/>	T1135
44	Did the corporation transfer or loan property to a non-resident trust?	<input type="checkbox"/>	T1141
44	Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	<input type="checkbox"/>	T1142
—	Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	<input type="checkbox"/>	T1145
—	Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	<input type="checkbox"/>	T1146
—	Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	<input type="checkbox"/>	T1174
—	Is the corporation claiming the BC mining exploration tax credit?	<input type="checkbox"/>	421
—	Is the corporation claiming the BC SR&ED tax credit?	<input type="checkbox"/>	T666

Additional information

Is the corporation inactive? ☐ **280** 1 Yes ☐ 2 No ☒

Has the major business activity changed since the last return was filed? (enter Yes for first-time filers) ☐ **281** 1 Yes ☐ 2 No ☒

What is the corporation's major business activity? ☐ **282** _____

(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 ☐ **283** 1 Wholesale ☐ 2 Retail ☐

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	POWER	285	100%
286		287	0%
288		289	0%

Did the corporation immigrate to Canada during the taxation year? ☐ **291** 1 Yes ☐ 2 No ☒

Did the corporation emigrate from Canada during the taxation year? ☐ **292** 1 Yes ☐ 2 No ☒

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFL ☐ **300** 16,657 A

Deduct:

Charitable donations from Schedule 2	311	<u>0</u>
Gifts to Canada, a province, or a territory from Schedule 2	312	<u>0</u>
Cultural gifts from Schedule 2	313	<u>0</u>
Ecological gifts from Schedule 2	314	<u>0</u>
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320	<u>0</u>
Part VI.1 tax deduction from Schedule 43	325	<u>0</u>
Non-capital losses of preceding taxation years from Schedule 4	331	<u>16,657</u>
Net-capital losses of preceding taxation years from Schedule 4	332	<u>0</u>
Restricted farm losses of preceding taxation years from Schedule 4	333	<u>0</u>
Farm losses of preceding taxation years from Schedule 4	334	<u>0</u>
Limited partnership losses of preceding taxation years from Schedule 4	335	<u>0</u>
Taxable capital gains or taxable dividends allocated from a central credit union	340	<u>0</u>
Prospector's and grubstaker's shares	350	<u>0</u>
Subtotal		<u>16,657</u>

Subtotal (amount A minus amount B) (if negative, enter "0") 16,657 B

Add:

Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions	355	<u>0</u>
Taxable income (amount C plus amount D)	360	<u>0</u>
Income exempt under paragraph 149(1)(t)	370	<u>0</u>
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)		<u>0</u> Z

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

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

Income from active business carried on in Canada from Schedule 7 **400** 0 A

Taxable income from line 360 on page 3, **minus** 10/3 of the amount at line 632* on page 7, **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax **405** 0 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	<u>0</u>	=	.....	<u>0</u>	1
		Number of days in the taxation year	<u>0</u>				
225,000	x	Number of days in the taxation year in 2003	<u>365</u>	=	.....	<u>0</u>	2
		Number of days in the taxation year	<u>0</u>				
250,000	x	Number of days in the taxation year in 2004	<u>0</u>	=	.....	<u>0</u>	3
		Number of days in the taxation year	<u>0</u>				
275,000	x	Number of days in the taxation year in 2005	<u>0</u>	=	.....	<u>0</u>	3.1
		Number of days in the taxation year	<u>0</u>				
Add amounts at lines 1, 2, 3, and 3.1						<u>0</u>	4

Business limit (see notes 1 and 2 below) **410** 0 C

Notes: 1. For CCPCs that are not 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 days 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 reduction:

Amount C 0 x **415***** 0 D = 0 E

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

Small business deduction - 0.00% of whichever amount is least: A, B, C, or F **430** 0 G

(enter amount G on line 9 of page 7)

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

** Calculate the amount of foreign business income tax credit deductible 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, which is the amount before deducting the surtax credits, increased to reflect a full-year tax liability if the taxation year is less than 51 weeks. For the purpose of the business limit reduction, the gross Part I.3 tax is equal 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 the preceding taxation years, enter the corporation's gross Part I.3 tax for its **preceding** taxation year.
- 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:
 - starts before December 21, 2002, enter the corporation's gross Part I.3 tax for its **preceding** taxation year; or
 - starts after December 20, 2002, enter the corporation's gross Part I.3 tax for its **current** taxation year.
- For corporations associated in the current taxation year, see Schedule 23 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) 0 x $\frac{300,000}{\text{line 4 above}}$ = 0 A

Net active business income (amount from line 400) * 0 B

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 0 C

Deduct:

Aggregate investment income (amount from line 440 of page 6) 0 D

Amount C minus amount D (if negative, enter "0") 0 0 E

Amount A, B, or E above, whichever is less 0 F

Amount Z from Part 9 of Schedule 27 0 x 100/7 = 0 G

Amount QQ from Part 13 of Schedule 27 0 H

Taxable resource income from line 435 of page 5 0 I

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) 0 J

Amount on line 400, 405, 410, or 425 of the small business deduction, whichever is less 0 K

Total of amounts G, H, I, J, and K 0 0 L

Amount F minus amount L (if negative, enter "0") 0 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 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.

Resource deduction

Taxable resource income		.....		435	0 A	
Amount A	0	x	Number of days in the taxation year in 2003	365	x 1% =	0 B
			Number of days in the taxation year	365		
Amount A	0	x	Number of days in the taxation year in 2004	0	x 2% =	0 C
			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
			Number of days in the taxation year	365		
Resource deduction – total of amounts B, C, and C.1 (enter amount D on line 10 of page 7)				438	0 D	

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

Taxable income from line 360 on page 3		.....		0 E	
Amount Z from Part 9 of Schedule 27	0	x 100/7	0 F			
Amount QQ from Part 13 of Schedule 27	0		0 G			
Taxable resource income from line 435 above	0		0 H			
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)	0		0 I			
Amount on line 400, 405, 410, or 425 on page 4, whichever is less	0		0 J			
Aggregate investment income from line 440 of page 6	0		0 K			
Amount used to calculate the accelerated tax reduction (amount M of page 4)	0		0 L			
Total of amounts F, G, H, I, J, K, and L	0		0 M			
Amount E minus amount M (if negative, enter "0")		.....		0 N	
Amount N	0	x	Number of days in the taxation year in 2001	0	x 1% =	0
			Number of days in the taxation year	365		
Amount N	0	x	Number of days in the taxation year in 2002	0	x 3% =	0 O
			Number of days in the taxation year	365		
Amount N	0	x	Number of days in the taxation year in 2003	365	x 5% =	0 P
			Number of days in the taxation year	365		
Amount N	0	x	Number of days in the taxation year after 2003	0	x 7% =	0 Q
			Number of days in the taxation year	365		
General tax reduction for Canadian-controlled private corporations - total of amounts year 2001, O, P, and Q (enter amount R on line 638 of page 7)				0 R		

General tax reduction**Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation**

Taxable income from line 360 of page 3		.....		0 S		
Amount Z from Part 9 of Schedule 27	0	x 100/7	0 T			
Amount QQ from Part 13 of Schedule 27	0		0 U			
Taxable resource income from line 435 above	0		0 V			
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)	0		0 W			
Total of amounts T, U, V, and W	0		0 X			
Amount S minus amount X (if negative, enter "0")		.....		0 Y		
Amount Y	0	x	Number of days in the taxation year in 2001	0	x 1% =	0
			Number of days in the taxation year	365		
Amount Y	0	x	Number of days in the taxation year in 2002	0	x 3% =	0 Z
			Number of days in the taxation year	365		
Amount Y	0	x	Number of days in the taxation year in 2003	365	x 5% =	0 AA
			Number of days in the taxation year	365		
Amount Y	0	x	Number of days in the taxation year after 2003	0	x 7% =	0 BB
			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)				0 CC		

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

Aggregate investment income **440** 0 x 26 2/3% = 0 A
(amount P from Part 1 of Schedule 7)

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") 0 B

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

Foreign non-business
income tax credit from
line 632 of page 7 0 x 25/9 = 0

Foreign business income
tax credit from line 636
of page 7 0 x 3 = 0
..... 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) 0

Deduct: Corporate surtax from line 600 of page 7 0

Net amount 0 E

Refundable portion of Part I tax – Amount C, D, or E, whichever is less **450** 0 F

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding taxation year **460** 0
Deduct: Dividend refund for the previous taxation year **465** 0
..... 0 A

Add the total of:

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 0

Net refundable dividend tax on hand transferred from a predecessor
corporation on amalgamation, or from a wound-up subsidiary corporation **480** 0
..... 0 B

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

Refundable dividend tax on hand at the end of the taxation year from line 485 above 0 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** 0 A

Corporate surtax calculation

Base amount from line A above **0** 1

Deduct:

10% of taxable income (line 360 or amount Z, whichever applies) from page 3 **0** 2

Investment corporation deduction from line 620 below **0** 3

Federal logging tax credit from line 640 below **0** 4

Federal qualifying environmental trust tax credit from line 648 below **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 **0** a

28.00% of taxed capital gains **0** b

Part I tax otherwise payable **0** c

(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 B

Recapture of investment tax credit from line PPP in Part 21 of Schedule 31 **602** 0 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 **0** i

Taxable income from line 360 on page 3 **0**

Deduct:

Amount on line 400, 405, 410, or 425 of page 4, whichever is less **0**

Net amount **0** ii

Refundable tax on CCPC's investment income – 6 2/3% of the lesser of amounts i or ii **604** 0 D

Subtotal (add lines A, B, C, and D) **0** E

Deduct:

Small business deduction from line 430 of page 4 **0** 9

Federal tax abatement **608** **0**

Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27 **616** **0**

Investment corporation deduction **620** **0**

(taxed capital gains **624** **0**)

Additional deduction – credit unions from Schedule 17 **628** **0**

Federal foreign non-business income tax credit from Schedule 21 **632** **0**

Federal foreign business income tax credit from Schedule 21 **636** **0**

Accelerated tax reduction from amount N of page 4 **637** **0**

Resource deduction from line 438 of page 5 **0** 10

General tax reduction for CCPCs from amount R of page 5 **638** **0**

General tax reduction from amount CC of page 5 **639** **0**

Federal logging tax credit from Schedule 21 **640** **0**

Federal political contribution tax credit **644** **0**

Federal political contributions **646** **0**

Federal qualifying environmental trust tax credit **648** **0**

Investment tax credit from Schedule 31 **652** **0**

Subtotal **0** 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	0
Part I.3 tax payable from Schedule 33, 34, or 35	704	0
Part II surtax payable from Schedule 46	708	0
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	728	0
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 and territorial tax payable (except Quebec, Ontario, and Alberta) **760** 0Provincial tax on large corporations (New Brunswick and Nova Scotia) **765** 0**Total tax payable** **770** 0 A**Deduct other credits:**

Investment tax credit refund from Schedule 31	780	0
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

Total payments on which tax has been withheld **801** 0Allowable refund for non-resident-owned investment corporations from Schedule 26 **804** 0Provincial and territorial capital gains refund from Schedule 18 **808** 0Provincial and territorial refundable tax credits from Schedule 5 **812** 0Royalties deductible under Syncrude Remission Order **815** 0Tax remitted under Syncrude Remission Order **816** 0Tax instalments paid **840** 0**Total credits** **890** 0 BRefund code **894** 0

Overpayment 0

Balance (line A minus line B) 0**Direct deposit request**

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

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

914 Institution number **918** Account number

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance of tax is due?

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

Balance unpaid 0

Enclosed payment **898** 0**896** 1 Yes ☐ 2 No ☒**Certification**
950 PAVILONIS Last name in block letters **951** PETER First name in block letters **954** CHAIR Position, office or rank

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

955 Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation

956 Telephone number

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

957 1 Yes ☒ 2 No ☐
958 Name in block letters

959 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 ☒ 2 Français/French ☐

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 on 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	A
Additions:				
Amortization of tangible assets	104	12,930		
Subtotal of additions		12,930	12,930	
Other Additions:				
Miscellaneous Other Additions:				
600 Correction of prior year error	290	19,476		
Subtotal of Other Additions	199	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:				
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)				

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)	0	
Taxable dividends deductible under sections 112, 113, or subsection 138(6)	0	
Amount of Part VI.1 tax deductible	0	
Amount deductible as prospector's and grubstaker's shares		
- Paragraph 110(1)(d.2)	0	0
		<hr/>
Subtotal (if positive, enter "0")	0	
Deduct: (increase a loss)		
Section 110.5 - Addition for foreign tax deductions	0	
		<hr/>
Subtotal	0	
Add: (decrease a loss)		
Current-year farm loss	0	
		<hr/>
Current-year non-capital loss (if positive, enter "0")	0	
		<hr/>

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			
wind-up of subsidiary corporation	105	0	
Current-year non-capital loss (from calculation above)	110	0	36,667

Continuity of non-capital losses and request for a carryback (cont'd)**Deduct:**

Amount applied against taxable income (enter on line 331 of the T2 return)	130	16,657	
Amount applied against taxable dividends subject to Part IV tax	135	0	
Section 80 - Adjustments for forgiven amounts	140	0	
Subsection 111(10) - Adjustments for fuel tax rebate		0	
Other adjustments	150	0	16,657
			<u> </u>
		Subtotal	20,010

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 income	902	0	
Third preceding taxation year to reduce taxable income	903	0	
First preceding taxation year to reduce taxable dividends subject to Part IV tax	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
			<u> </u>
Non-capital losses - Closing balance	180	20,010	<u> </u>

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator ☐ 190 Yes []

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

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

Capital losses at end of preceding taxation year	200	0	
Capital losses transferred on amalgamation or wind-up of subsidiary corporation	205	0	
Current-year capital loss (from Schedule 6 calculation)	210	0	0
Add:			
Allowable business investment loss expired as non-capital loss	0 x 4/3 220	0	
			<u> </u>
		Subtotal	0

Deduct:

Amount applied against current-year capital gain (see note 1)	225	0	
Section 80 - Adjustments for forgiven amounts	240	0	
Other adjustments	250	0	0
			<u> </u>
		Subtotal	0

Deduct - Request to carry back capital loss to: (see note 2)

	Capital gain (100%)		Amount carried back (100%)
First preceding taxation year	0	951	0
Second preceding taxation year	0	952	0
Third preceding taxation year	0	953	0
			<u> </u>
Capital losses - Closing balance		280	0

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 determined 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 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	0	
Farm losses at beginning of taxation year	302	0	
Add: Farm losses transferred on amalgamation or			
wind-up of subsidiary corporation	305	0	
Current-year farm loss	310	0	0
Deduct:			
Amount applied against taxable income			
(enter on line 334 of the T2 return)	330	0	
Amount applied against taxable dividends subject to Part IV tax	335	0	
Section 80 - Adjustment forgiven amount	340	0	
Other adjustments	350	0	0
			<hr/>
		Subtotal	0
Deduct - Request to carry back farm loss to:			
First preceding taxation year to reduce taxable income	921	0	
Second preceding taxation year to reduce taxable income	922	0	
Third preceding taxation year to reduce taxable income	923	0	
First preceding taxation year to reduce taxable dividends			
subject to Part IV tax	931	0	
Second preceding taxation year to reduce taxable dividends			
subject to Part IV tax	932	0	
Third preceding taxation year to reduce taxable dividends			
subject to Part IV tax	933	0	0
			<hr/>
Farm losses - Closing balance	380		0
			<hr/>

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]

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

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at end of preceding taxation year		0	
Deduct: Restricted farm loss expired after 10 taxation years	400	0	
Restricted farm losses at beginning of taxation year	402	0	
Add: Restricted farm losses transferred on amalgamation or wind-up of subsidiary corporation	405	0	
Current-year restricted farm loss (enter on line 233 of Schedule 1)	410	0	0
Deduct:			
Amount applied against farming income (enter on line 333 of the T2 return)	430	0	
Section 80 - Adjustments for forgiven amounts	440	0	
Other adjustments	450	0	0
			Subtotal
			0
Deduct - Request to carry back restricted farm loss to:			
First preceding taxation year to reduce farming income	941	0	
Second preceding taxation year to reduce farming income	942	0	
Third preceding taxation year to reduce farming income	943	0	0
Restricted farm losses - Closing balance	480		0

Note

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

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

Listed personal property losses at end of preceding taxation year		0	
Deduct: Listed personal property loss expired after seven taxation years	500	0	
Listed personal property losses at beginning of taxation year	502	0	
Add: Current-year listed personal property loss (from Schedule 6)	510	0	
			Subtotal
			0
Deduct:			
Amount applied against listed personal property gains (enter on line 655 of Schedule 6)	530	0	
Other adjustments	550	0	0
			Subtotal
			0
Deduct - Request to carry back listed personal property loss to:			
First preceding taxation year to reduce listed personal property gains	961	0	
Second preceding taxation year to reduce listed personal property gains	962	0	
Third preceding taxation year to reduce listed personal property gains	963	0	0
Listed personal property losses - Closing balance	580		0

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

Non-capital losses

Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back Parts I & 4	Applied to Reduce		Balance at End of Year
					Taxable Income	Part IV Tax	
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 losses

Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back Parts I & 4	Applied to Reduce		Balance at End of Year
					Taxable Income	Part IV Tax	
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	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 *
Total	0	0	0	0	0	0	0

Restricted farm losses

Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back	Applied to Reduce		Balance at End of Year
					Taxable Income	Part IV Tax	
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

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

Summary of Capital Cost Allowance

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

Class No.	UCC at Beginning of Year	Cost of Additions During Year	Adjustments	Lesser of Cost or Proceeds	1/2 of [203]-[207]	Rate %	Recapture of Capital Cost Allowance	Terminal Loss	Capital Cost Allowance	Undepreciated Capital Cost end of year
[200]	[201]	[203]	[205]	[207]	[211]	[212]	[213]	[215]	[217]	[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	3,538	8,254
Total	178,124	0	0	0	0		0	0	10,191	167,933

Corporate Taxprep / Taxprep des sociétés - TP-08

NEWBURY POWER INC

Account/Business No.: 879744126RC0001 Year Ended:

2003-12-31 Sch. 009

RELATED AND ASSOCIATED CORPORATIONS

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

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

Name	Ctry of resi- dence	Business Number (Note)	Rela- tion- ship Code	Number of common shares owned	% of common shares owned	Number of preferred shares owned	% of pre- ferred shares owned	Book value of capital stock
[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

Corporate Taxprep / Taxprep des sociétés - TP-08

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
	(note 1)	(note 2)		
<div>100</div>	<div>200</div>	<div>300</div>	<div>400</div>	<div>500</div>
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

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.

MPDC – Newbury

Attachment 4
2004 Supporting Documentation

NEWBURY POWER INC.

**AUDITORS' REPORT
AND FINANCIAL STATEMENTS**

DECEMBER 31, 2004



Collins Barrow

Chartered Accountants

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



A member of
Moore Rowland International
an association of independent
accounting firms throughout
the world

NEWBURY POWER INC.

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

NEWBURY POWER INC.

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	<u>8,495</u>	<u>6,989</u>
	298,259	279,366
COST OF POWER	<u>257,719</u>	<u>238,678</u>
GROSS PROFIT	<u>40,540</u>	<u>40,688</u>
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	<u>6,768</u>	<u>6,865</u>
	68,969	59,814
INCOME (LOSS) BEFORE OTHER INCOME	(28,429)	(19,126)
OTHER INCOME	<u>19,137</u>	<u>13,568</u>
NET INCOME (LOSS)	<u>\$ (9,292)</u>	<u>\$ (5,558)</u>

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13154

NEWBURY POWER INC.

STATEMENT OF RETAINED EARNINGS

YEAR ENDED DECEMBER 31, 2004

	2004	2003
BALANCE (DEFICIT), BEGINNING	\$ (24,543)	\$ (18,985)
NET INCOME (LOSS)	<u>(9,292)</u>	<u>(5,558)</u>
BALANCE (DEFICIT), ENDING	<u>\$ (33,835)</u>	<u>\$ (24,543)</u>

NEWBURY POWER INC.

BALANCE SHEET

DECEMBER 31, 2004

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

ON BEHALF OF THE BOARD

Director

Director

NEWBURY POWER INC.

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	<u>13,156</u>	<u>12,930</u>
	3,864	7,372
Net change in non-cash working capital items affecting operations (note 10)	<u>8,830</u>	<u>(3,959)</u>
	12,694	3,413
INVESTING		
Purchase of capital assets	(6,345)	-
FINANCING		
Repayment of long-term debt	<u>(4,490)</u>	<u>(4,188)</u>
INCREASE (DECREASE) IN CASH POSITION	1,859	(775)
CASH POSITION, BEGINNING	<u>43,210</u>	<u>43,985</u>
CASH POSITION, ENDING	<u>\$ 45,069</u>	<u>\$ 43,210</u>

NEWBURY POWER INC.**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.

NEWBURY POWER INC.

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	\$ 32,525	\$ 41,231
Water and sewer	17,667	17,667
Sundry	2,980	3,551
GST	<u>(1,433)</u>	<u>(139)</u>
	<u>\$ 51,739</u>	<u>\$ 62,310</u>

4. REGULATED ASSET	2004	2003
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.

NEWBURY POWER INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2004

5. CAPITAL ASSETS			2004	2003
	Cost	Accumulated Amortization	Net	Net
Distribution system - overhead	\$ 148,005	\$ 58,168	\$ 89,837	\$ 90,708
Distribution system - underground	41,445	13,884	27,561	29,314
Line transformers	58,265	25,000	33,265	34,185
Meters	18,413	7,839	10,574	11,310
Office equipment	<u>7,091</u>	<u>4,502</u>	<u>2,589</u>	<u>3,180</u>
	<u>\$ 273,219</u>	<u>\$ 109,393</u>	<u>\$ 163,826</u>	<u>\$ 168,697</u>

6. OTHER ASSETS	2004	2003
Incorporation costs, net of accumulated amortization	<u>\$ 5,244</u>	<u>\$ 6,144</u>

NEWBURY POWER INC.

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

2,052 1,727

\$ 82,605 \$ 87,420

The instalments required to be paid over the next five years are as follows:

2005	\$ 2,052
2006	5,165
2007	5,539
2008	5,940
2009	<u>6,371</u>
Total	<u>\$ 25,067</u>

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.

NEWBURY POWER INC.

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>\$ 165,626</u>
-----------------------	-------------------	-------------------

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:

Accounts receivable	\$ 10,571	\$ (4,168)
Prepaid expenses	742	(1,500)
Accounts payable and accrued charges	<u>(2,483)</u>	<u>1,709</u>
	<u>\$ 8,830</u>	<u>\$ (3,959)</u>

b) Interest Received/Paid

Interest on short-term investments	<u>\$ 1,273</u>	<u>\$ 1,273</u>
Interest paid	<u>\$ 6,967</u>	<u>\$ 6,967</u>

NEWBURY POWER INC.**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.



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

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

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

055 Do not use this area**Identification****Business number (BN)** 001 87974 4126 RC 0001**Corporation's name**
002 NEWBURY POWER INCHas the corporation changed its name since the last time we were notified? **003** ☐ Yes ☒ NoIf Yes, do you have a copy of the articles of amendment? **004** ☐ Yes ☐ No**Address of head office**Has this address changed since the last time we were notified? **010** ☐ Yes ☒ No

(If Yes, complete lines 011 to 018)

011 22910 HAGERTY ROAD**012**

City Province, territory, or state

015 NEWBURY **016** ON

Country (other than Canada) Postal code/Zip code

017 **018** N0L 1Z0**To which tax year does this return apply?**From **060** 2004/01/01 to **061** 2004/12/31Has there been an acquisition of control to which subsection 249(4) applies since the previous tax year? **063** ☐ Yes ☒ No

If Yes, provide the date control was acquired

065**Is the corporation a professional corporation that is a member of a partnership?** **067** ☐ Yes ☒ No**Mailing address (if different from head office address)**

Has this address changed since the last time we were notified?

020 Yes ☐ No ☒

(If Yes, complete lines 021 to 028)

021 c/o**022** 22910 HAGERTY ROAD**023**

City Province, territory, or state

025 NEWBURY **026** ON

Country (other than Canada) Postal code/Zip code

027 **028** N0L 1Z0**Is this the first year of filing after:**Incorporation? **070** ☐ Yes ☒ NoAmalgamation? **071** ☐ Yes ☒ No

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

Has there been a wind-up of a subsidiary under section 88 during the current tax year?If Yes, complete and attach Schedule 24 **072** ☐ Yes ☒ No**Is this the final tax year before amalgamation?****076** ☐ Yes ☒ No**Is this the final return up to dissolution?****078** ☐ Yes ☒ No**Is the corporation a resident of Canada?****080** ☒ Yes ☐ NoIf No, give the country of residence on line 081 and complete and attach Schedule 97. **081****Is the non-resident corporation claiming an exemption under an income tax treaty?****082** ☐ Yes ☒ No

If Yes, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

- | | | |
|------------|----------------------------|--|
| 085 | 1 <input type="checkbox"/> | Exempt under paragraph 149(1)(e) or (l) |
| | 2 <input type="checkbox"/> | Exempt under paragraph 149(1)(j) |
| | 3 <input type="checkbox"/> | Exempt under paragraph 149(1)(t) |
| | 4 <input type="checkbox"/> | Exempt under other paragraphs of section 149 |

Location of books and recordsHas the location of books and records changed since the last time we were notified? **030** ☐ Yes ☒ No

(If Yes, complete lines 031 to 038)

031 22910 HAGERTY ROAD**032**

City Province, territory, or state

035 NEWBURY **036** ON

Country (other than Canada) Postal code/Zip code

037 **038** N0L 1Z0**040 Type of corporation at the end of the tax year**1 ☐ Canadian-controlled private corporation (CCPC)4 ☐ Corporation controlled by a public corporation2 ☒ Other private corporation5 ☐ Other corporation (specify, below)3 ☐ Public corporationIf the type of corporation changed during the tax year, provide the effective date of the change **043**

Do not use this area

091	092	093	094	095	096
100					

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

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

* We do not print this schedule.

Attachments - Continued from page 2**Yes Schedule**

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

Additional information

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

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFL	300	(5,126) A
Deduct:		
Charitable donations from Schedule 2	311	
Gifts to Canada, a province, or a territory from Schedule 2	312	
Cultural gifts from Schedule 2	313	
Ecological gifts from Schedule 2	314	
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320	
Part VI.1 tax deduction from Schedule 43 *	325	
Non-capital losses of preceding tax years from Schedule 4	331	
Net capital losses of preceding tax years from Schedule 4	332	
Restricted farm losses of preceding tax years from Schedule 4	333	
Farm losses of preceding tax years from Schedule 4	334	
Limited partnership losses of preceding tax years from Schedule 4	335	
Taxable capital gains or taxable dividends allocated from a central credit union	340	
Prospector's and grubstaker's shares	350	
Subtotal		B
Subtotal (amount A minus amount B) (if negative, enter "0")		C
Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355	D
Taxable income (amount C plus amount D)	360	0
Income exempt under paragraph 149(1)(t)	370	
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)		Z

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

Small business deduction**Canadian-controlled private corporations (CCPCs) throughout the tax year**Income from active business carried on in Canada from Schedule 7 **400** ATaxable income from line 360 on page 3, **minus** 10/3 of the amount on line 632 on page 7, **minus** 3 times the amount on line 636 on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax **405** B**Calculation of the business limit:**

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

\$250,000 x	Number of days in the tax year in 2004	366	=	250,000	1
	Number of days in the tax year	366			

\$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		=		3
	Number of days in the tax year	366			
	Add amounts at lines 1, 2, and 3	250,000			4

Business limit (see notes 1 and 2 below) **410** C**Notes:** 1. For CCPCs that are not associated, enter the amount from line 4 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate the amount from line 4 by the number of days in the tax year divided by 365, and enter the result on line 410.

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction:

Amount C	X	415	D	=		E
			11,250			

Reduced business limit (amount C minus amount E) (if negative, enter "0") **425** 0 F**Small business deduction** – 16% of whichever amount is the least: A, B, C, or F **430** 0 G

(enter amount G on line 9 of page 7)

Accelerated tax reduction

(For tax years ending before January 1, 2006)

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425) x = a

Net active business income (amount from line 400)* b

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 from Part I tax c**Deduct:**

Aggregate investment income (amount from line 440 of page 6) d

Amount c minus amount d (if negative, enter "0") e

Amount a, b, or e above, whichever is less f

Amount Z from Part 9 of Schedule 27 x 100 / 7 = g

Amount QQ from Part 13 of Schedule 27 h

Taxable resource income from line 435 on page 5 i

Amount used to calculate the credit union deduction (amount e in Part 3 of Schedule 17) j

Amount on line 400, 405, 410 or 425 of the small business deduction, whichever is less k

Total of amounts g, h, i, j, and k l

Amount f minus amount l (if negative, enter "0") m

Accelerated tax reduction - 7% of amount m n

(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.

Resource deduction

Taxable resource income [as defined in subsection 125.11(1)]		435	H
Amount H _____ x	Number of days in the taxation year in 2003	_____ x 1% =	I
	Number of days in the taxation year	366	
Amount H _____ x	Number of days in the taxation year in 2004	_____ x 2% =	J
	Number of days in the taxation year	366	
Amount H _____ x	Number of days in the taxation year in 2005	_____ x 3% =	K
	Number of days in the taxation year	366	
Amount H _____ x	Number of days in the taxation year in 2006	_____ x 5% =	L
	Number of days in the taxation year	366	
Amount H _____ x	Number of days in the taxation year after 2006	_____ x 7% =	M
	Number of days in the taxation year	366	
Resource deduction – total of amounts I, J, K, L, and M		438	N
(enter amount N on line 10 of page 7)			

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from line 360 page 3		A
Amount Z from Part 9 of Schedule 27 _____ x 100 / 7 =	B	
Amount QQ from Part 13 of Schedule 27 _____	C	
Taxable resource income from line 435 above _____	D	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) _____	E	
Amount on line 400, 405, 410, or 425 on page 4, whichever is the least _____	F	
Aggregate investment income from line 440 of page 6 _____	G	
Amount used to calculate the accelerated tax reduction (amount m of page 4) _____		
Subtotal	H	
Amount A minus amount H (if negative, enter "0")	I	
General tax reduction for Canadian-controlled private corporations - Amount x 7%	J	
(Enter amount J on line 638 of page 7)		

General tax reduction

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, or a mutual fund corporation; and for tax years starting after May 1, 2006, any corporation with taxable income that is not subject to the full tax rate of 38% (eg. deposit insurance company).

Taxable income from line 360 on page 3		M
Amount Z from Part 9 of Schedule 27 _____ x 100 / 7 =	N	
Amount QQ from Part 13 of Schedule 27 _____	O	
Taxable 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	R	
Amount M minus amount R (if negative, enter "0")	S	
General tax reduction - Amount S x 7%	T	
(enter amount T on line 639 of page 7)		

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

Aggregate investment income 440 X 26 2/3 % = A
 (Amount O from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7

Deduct:

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

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

Taxable income from line 360 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 3 =

 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 E

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 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

H

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 I

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

Dividend refund – Amount I or J, whichever is less (enter this amount on line 784 of page 8) 0

Part I tax**Base amount of Part I tax** - 38% of taxable income (line 360 or amount Z, whichever applies)from page 3 550 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 2Investment corporation deduction from line 620 below 3Federal logging tax credit from line 640 below 4Federal 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 a28% of taxed capital gains b 6Part I tax otherwise payable c(line A **plus** line C and D **minus** line F)Total of lines 2 to 6 7Net amount (line 1 minus line 7) 8**Corporate surtax** - 4% of the amount on line 8 600 BRecapture of investment tax credit from line III in Part 24 of Schedule 31 602 C**Calculation for the refundable tax on Canadian-controlled private corporation's (CCPC) investment income**

(if it was a CCPC throughout the tax year)

Aggregate investment income from line 440 on page 6 iTaxable income from line 360 on page 3 ii**Deduct:**Amount on line 400, 405, 410, or 425 of page 4, whichever is the least iiNet amount ii**Refundable tax on CCPC's investment income** - 6 2/3% of whichever is less: amount i or ii 604 DSubtotal (add lines A, B, C, and D) E**Deduct:**Small business deduction from line 430 on page 4 9Federal tax abatement 608Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27 616Investment corporation deduction 620(taxed capital gains 624)Additional deduction - credit unions from Schedule 17 628Federal foreign non-business income tax credit from Schedule 21 632Federal foreign business income tax credit from Schedule 21 636Accelerated tax reduction from amount n of page 4 637Resource deduction from line 438 of page 5 10General tax reduction for CCPCs from amount J on page 5 638General tax reduction from amount T on page 5 639Federal logging tax credit from Schedule 21 640Federal political contribution tax credit 644Federal political contributions 646Federal qualifying environmental trust tax credit 648Investment 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)

Subtotal 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

Total credits **890** BRefund Code **894** Overpayment

Balance (line A minus line B) 0 I

Direct Deposit Request

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

☐ Start ☐ Change information **910**
 Branch number
914 **918**
 Institution number Account number

If the result is negative, you have an **overpayment**.If the result is positive, you have a **balance unpaid**.

Enter the amount on whichever line applies.

Generally, we do not charge or refund a difference of \$2 or less.

Balance unpaid

Enclosed payment **898**

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due?

896 1 Yes ☐ 2 No ☐ NA ☒**Certification**

950 PAVILONIS **951** PETER **954** CHAIR
 Surname First name Position, office or rank

955 **956** (519) 693-4941
 Date Telephone number

Is the contact person the same as the authorized signing officer? If *no*, complete the information below. **957** 1 Yes ☒ 2 No ☐

958 **959** ()
 Name Telephone number

Language of correspondence - Langue de correspondance

990 Language of choice/Langue de choix **1** English / Anglais ☒ **2** Français / French ☐

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

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

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

**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.
- 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**Determination of current-year non-capital loss**

Net income (loss) for income tax purposes		(5,126)
Deduct: (increase a loss)		
Net capital losses deducted in the year (enter as a positive amount)		
Taxable dividends deductible under sections 112, 113 or subsection 138(6)		
Amount of Part VI.1 tax deductible		
Amount deductible as prospector's and grubstaker's shares - Paragraph 110(1)(d.2)		
	Subtotal (if positive, enter "0")	(5,126)
Deduct: (increase a loss)		
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 request 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 preceding tax year to reduce taxable dividends subject to Part IV tax	913		
Non-capital losses - Closing balance		180	25,136

* A non-capital loss expires as follows:

- 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 deemed to be a loss of the parent from its immediately preceding tax year.

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

Capital losses at end of preceding tax year	200	
Capital losses transferred on an amalgamation or the windup of a subsidiary corporation	205	
Deduct:		
Other adjustments (includes adjustments for an acquisition of control)	250	
Section 80 - Adjustments for forgiven amounts	240	
		Subtotal
Add:		
Current-year capital loss (from Schedule 6 calculation)	210	
Non capital losses from a preceding tax year* that expired this year	A	
Allowable business investment losses (ABIL) incurred in the 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
		Subtotal
Note: If there has been an amalgamation or a windup of a subsidiary, do a separate calculation of the allowable business investment loss expired as non-capital loss for each predecessor or subsidiary. Add all these amounts and enter the total at line 220 above.		
Deduct: Amount applied against current-year capital gain (see Note 1)	225	
		Subtotal
Deduct - Request to carry back capital loss to: (see Note 2)		
First preceding tax year	951	
Second preceding tax year	952	
Third preceding tax year	953	
Capital losses - Closing balance	280	

Note 1

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

Note 2

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

* Losses from 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 rate 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****Continuity of farm losses and request for a carryback**

Farm losses at end of preceding tax year

Deduct: Farm loss expired after 10 tax years

Farm losses at beginning of tax year

Add: Farm losses transferred on an amalgamation or the windup of a subsidiary corporation

Current-year farm loss

300

302

305

310

Deduct:

Other adjustments (includes adjustments for an acquisition of control)

Section 80 - Adjustments for forgiven amounts

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

Amount applied against taxable dividends subject to Part IV tax

350

340

330

335

Deduct - Request to carry back farm loss to:

First preceding tax year to reduce taxable income

Second preceding tax year to reduce taxable income

Third preceding tax year to reduce taxable income

First preceding tax year to reduce taxable dividends subject to Part IV tax

Second preceding tax year to reduce taxable dividends subject to Part IV tax

Third preceding tax year to reduce taxable dividends subject to Part IV tax

921

922

923

931

932

933

Farm losses - Closing balance

380

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

Total losses for the year from farming business

485

C

Minus the deductible farm loss:

\$2,500 plus D or E, whichever is less

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

D

6,250 E

E

Current-year restricted farm loss (amount C minus amount F)(enter this amount on line 410)

F

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at end of preceding tax year

Deduct: Restricted farm loss expired after 10 tax years

Restricted farm losses at beginning of tax year

Add: Restricted farm losses transferred on an amalgamation or the windup of a subsidiary corporation

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

400

402

405

410

Deduct:

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

Section 80 – Adjustments for forgiven amounts

Other adjustments

430

440

450

Deduct – Request to carry back restricted farm loss to:

First preceding tax year to reduce farming income

Second preceding tax year to reduce farming income

Third preceding tax year to reduce farming income

941

942

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.

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

Listed personal property losses at end of preceding tax year

Deduct: Listed personal property 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:**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
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

Corporation loss continuity and application**Part 7 – Limited partnership losses**

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

Limited partnership losses from prior tax years that may applied in the current year						
1	2	3	4	5	6	7
Partnership identifier	Fiscal period ending	Limited partnership losses at end of preceding 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 losses that may be applied in the year The lesser of columns 3 and 6
630	632	634	636	638		650

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



Canada Revenue
Agency Agence du revenu
du Canada

CAPITAL COST ALLOWANCE

Schedule 8

Is the corporation electing under regulation 1101(5q)? 101 1 Yes ☐ 2 No ☒

1 Class 200	2 UCC at start of year 201	3 Cost of additions in the year 203	4 Net adjustments 205	5 Proceeds of dispositions in the year 207	7 Adjustment for additions (1/2 x (col 3 - 5)) 211	8 Base amount for CCA	9 Rate % 212	10 CCA for the year (col 8 x 9 or a lower amount) 217	11 Recapture of CCA 213	12 Terminal loss 215	13 UCC at the end of the year 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	-	
NBV of depreciable capital assets, beginning of year	168,697	168,697
UCC beginning of year	167,933	
Less: Opening Class 14 balance	-	
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 (cost _____ less 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	-	
NBV of depreciable capital assets, end of year	163,826	163,826
UCC end of year	165,284	
Less: Ending Class 14 balance	-	
Adjusted UCC	165,284	- 165,284
Timing difference as at 2004/12/31 (amount D should equal amount C)		(1,458) D

Notes



RELATED AND ASSOCIATED CORPORATIONS

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

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

Name	Country (if not Canada) 200	Business # (Canadian corporation only) 300	Code note 1 400	Common shares		Preferred shares		Book value of capital stock 700
				# owned 500	% owned 550	# owned 600	% owned 650	
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

Canada Revenue
AgencyAgence 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 (after name, indicate in brackets if the shareholder is a corporation, partnership, individual or trust)	Business Number (If a corporation is not registered, enter "NR") *	Social Insurance Number *	Trust Number (If a trust number is not available, enter "NA") *	Percentage common shares	Percentage preferred shares
100	200	300	350	400	500
THE CORPORATION OF THE VILLAGE OF	NR			80.000	
NEWBURY COMMUNITY SREVICE INC	NR			20.000	
	RC				

* 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.

**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.

**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.

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 -	-	
Future income tax provision	9995 -	-	
Net income / loss after taxes and extraordinary items	9999 =	(9,292) =	(5,558)

Prepared without audit based on information provided by the taxpayer.

**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 informationDoes the accounting practitioner have a professional designation? **095** ☐ Yes ☐ NoIs the accounting practitioner connected* with the corporation? **097** ☐ Yes ☒ No

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

Note

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

Part 2 – Type of involvementChoose the option that represents the highest level of involvement of the accounting practitioner: **198**Completed an auditor's report **1** ☒Completed a review engagement report **2** ☐Conducted a compilation engagement **3** ☐**Part 3 – Reservations**If you selected option "1" or "2" under **Type of involvement** above, answer the following question:Has the accounting practitioner expressed a reservation? **099** ☐ Yes ☒ No**Part 4 – Other information**Were notes to the financial statements prepared? **101** ☒ Yes ☐ No

If Yes, complete lines 102 to 107 below:

Are any values presented at other than cost? **102** ☐ Yes ☒ NoHas there been a change in accounting policies since the last return? **103** ☐ Yes ☒ NoAre subsequent events mentioned in the notes? **104** ☐ Yes ☒ NoIs re-evaluation of asset information mentioned in the notes? **105** ☐ Yes ☒ NoIs contingent liability mentioned in the notes? **106** ☐ Yes ☒ NoIs information regarding commitments mentioned in the notes? **107** ☐ Yes ☒ NoDoes the corporation have investments in joint venture(s) or partnership(s)? **108** ☐ Yes ☒ No

If Yes, complete line 109 below:

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

Summary

Tax Summary

Corporation name NEWBURY POWER INCTax 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	-	Dividend refund	-
Manufacturing and processing deduction	-	Other refundable credits	-
Additional deduction - credit unions	-	Balance owing (refund) on federal return	=
Foreign tax credits	-	Provincial income tax (ON,AB,QC)	
Resource deduction	-	Capital and other provincial taxes	+
Political contribution tax credit	-	Tax instalments and credits	-
Investment tax credit	-	Other provincial taxes	=
Other deductions and credits	-	Total balance owing (refund)	
Part I tax	=		

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 provincial tax payable						
Ontario	100.0000	(5,126)				
Alberta						
Québec						
Totals						

Loss continuity	Current year carry back	Carryforward end of year	Other carryforwards	
Capital			Capital dividend account	
Non-capital		25,136	Refundable dividend tax on hand (net of dividend refund)	
Farm			Unused Part 1.3 tax credit	
Restricted farm			Unused surtax credits	
Limited partnership			Foreign business tax credits	
Listed personal property			Donations and gifts	
			Investment tax credits	
			Ontario CMT losses	49,370
			Ontario CMT credit	

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|Environment. To update the preparer information on this return, open the Info form, right click, and select "Update preparer information".
Notice	S141	Please include a paper copy of the financial statements notes with the T2RSI submission.
Override	Info	Ontario CT23 version (ProFile: 2006 and later)
Override	S8Supp	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 \$0.00 for line 220. Please review."
T2 RSI #1410095S141		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

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)

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 Return** (see page 2).

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.

MCBS Annual Return Required? (Not required if already filed or Annual Return exempt. Refer to Guide) ☒ Yes ☐ No **Page 1 of 24**

Corporation's Legal Name (including punctuation) NEWBURY POWER INC				Ontario Corporations Tax Account No. (MOF) 6820376	
Mailing address 22910 HAGERTY ROAD				This CT23 Return covers the Taxation Year	
City NEWBURY		Province ON	Country CA	Postal code N0L 1Z0	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? <input type="checkbox"/> Yes		Date of change		Date of Incorporation or Amalgamation 2000/01/12	
Registered/Head Office Address 22910 HAGERTY ROAD				Ontario Corporation No. 1394004 (MCBS)	
City NEWBURY		Province ON	Country CA	Postal code N0L 1Z0	Canada Customs and Revenue Agency Business No. 879744126RC0001
Location of Books and Records 22910 HAGERTY ROAD		City NEWBURY		Province ON	Country CA
City NEWBURY		Province ON	Country CA	Postal code N0L 1Z0	Jurisdiction Incorporated ONTARIO
Name of person to contact regarding this CT23 Return PETER PAVILONIS		Telephone No. (519) 693-4941		Fax No. () -	
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:	
City		Province	Country	Postal code	Commenced
Former Corporation Name (Extra-Provincial Corporations only) <input type="checkbox"/> Not applicable (MCBS)				Ceased	
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). ▶				Preferred Language / Langue de préférence <input checked="" type="checkbox"/> English anglais <input type="checkbox"/> French français	
If there is no change to the Directors/Officers/Administrators' information previously submitted to MCBS, please check <input checked="" type="checkbox"/> this box. Schedule(s) A and K are not required (MCBS). ▶ <input checked="" type="checkbox"/> No Change				Ministry Use	

Certification (MCBS)

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

Name of Authorized Person
PETER PAVILONIS

Title: ☐ Director ☒ 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 statements or omissions.

Taxation Year End

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

Corporation's Legal Name

Ontario Corporations Tax Account No. (MOF)

I, _____ declare that:

The above corporation satisfies **all** of the exempt from filing criteria (a) through (f) below for the taxation year and therefore qualifies under the *Corporations Tax Act* as exempt from filing an Ontario Corporations Tax Return.

Criteria for exempt from filing status:

- a) has filed a federal income tax return (T2) with Canada Customs and Revenue Agency for the taxation year;
- b) had no Ontario taxable income for the taxation year (subject to the provisions in NOTE 2 below);
- c) had no Ontario Corporations Tax payable for the taxation year;
- d) 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));
- e) had provided its Canada Customs and Revenue Agency business number to the Ministry of Finance, Corporations Tax Branch; and
- f) 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).

Signature

Title/Relationship to Corporation

Telephone number

Date

() -

Please note that making a false statement to avoid compliance with the *Corporations Tax Act* is an offence which can result in a penalty and/or fine.

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 if the EFF declaration only is being submitted at this time. In cases where the annual return, which includes page 1, is **also** being filed, completion of these fields is NOT necessary.

1. Corporation's Mailing Address

City Province Country Postal code

2. Ontario Corporation
No. (MCBS)3. Canada Customs and Revenue Agency
Business No.

RC

A corporation must file an Exempt From Filing Corporations Tax Return Declaration form for each taxation year that the corporation is exempt from filing, within 6 months after the end of its taxation year, to the address shown at the top of Page 1.

If you check "Yes" to ALL of the following criteria, you are eligible to file the CT23 Short-Form Corporation Tax Return. To obtain a copy, contact the Ministry Information Centre at the numbers listed on page 2 of the Guide.

- | Yes | No | | Yes | No | |
|-------------------------------------|-------------------------------------|---|-------------------------------------|--------------------------|--|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | (a) The corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (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 |
| | | (nearest whole percentage) | | | The corporation's taxation year commences after 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. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | (b) The corporation's taxable income for the taxation year is \$200,000 or less. For a taxation year with less than 51 weeks, taxable income must be grossed-up. (Refer to guide) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (e) The corporation is NOT claiming a tax credit other than the Incentive Deduction for Small Business Corporations (IDSBC), Co-operative Education Tax Credit (CETC) or Graduate Transitions Tax Credit (GTTC). |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | (c) The corporation is NOT a member of a partnership/joint venture or a member of an associated group of corporations during the taxation year. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (f) The corporation's Ontario allocation factor is 100%. |

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 Corporations Tax Return**CT23 Page 3 of 24***Identification continued (for CT23 filers only)***Type of Corporation - Please check (✓) box(es) if applicable in sections 1 & 2**

- 1** ☒ **1** ☐ Canadian-controlled private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))
- 2** ☐ **2** ☐ Other Private
- 3** ☐ **3** ☐ Public
- 4** ☐ **4** ☐ Non-share Capital
- 5** ☐ **5** ☐ Other (specify)
- Share Capital with full voting rights owned by Canadian residents. (nearest %) 0 %

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

Ontario Retail Sales Tax Vendor Permit No.
(Use Head Office No.)Ontario Employer Health Tax Account No.
(Use Head Office No.)

Specify major business activity

Please check (✓) box(es) if applicable:

- ☐ **First Year of Filing**
- ☐ **Amended Return**
- ☐ **Taxation Year End has changed - Canada Customs and Revenue Agency approval required**
- ☐ **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)**
- Date control was acquired: _____

Was the corporation inactive throughout the taxation year?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Are you requesting a refund due to:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
the Carry-back of a Loss?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
an Overpayment?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
a Specified Refundable Tax Credit?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Are you a Member of a Partnership or a Joint Venture?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Income Tax**CT23 Page 4 of 24**

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)	From 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 704-	
	From 715	inclusion
Net capital losses (page 16) X rate 50.000000 % =	714-	
Farm losses	From 724-	
Restricted farm losses	From 734-	
Limited partnership losses	From 754-	
Taxable income (Non-capital loss)	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)	20 =	

Taxable Income	Number of days in Taxation Year	
	Days after Sept 30, 2001 and before Jan 1, 2004	Total days
From 10 (or 20) X30 100.0000 % X 12.5 % X 33 ÷ 73 366 =	29+	
Ontario Allocation	Days after Dec 31, 2003	Total days
From 10 (or 20) X30 100.0000 % X 14.0 % X 34 366 ÷ 73 366 =	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 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 year? (✓) ☒ Yes ☐ No

* Income from active business carried on in Canada

for federal purposes (fed.s.125(1)(a))	50	
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	51+	
Add: Losses of other years deducted for federal purposes (fed.s.111)	52+	
Subtract: Losses of other years deducted for Ontario purposes (s.34)	53-	
	=	54

Federal Business limit (line 410 of the T2 return) for the year before 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 28 ÷ ** 366 =	+	43			
Days after Dec. 31, 2002 and before Jan. 1, 2004					
320,000 X 31 ÷ ** 366 =	+	46			
Days after Dec. 31, 2003					
400,000 X 34 366 ÷ ** 366 =	+	47	400,000	*** Percentage of Federal Business limit (from T2 Sch. 23). Enter 100% if not associated	
Business limit for Ontario purposes 43 + 46 + 47 =	44		400,000 X 48 % =	45	

Income eligible for the IDSBC	From 30 100.0000 % X 56	60 =
	****Ontario Allocation	Least of 50, 54 or 45

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

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

*** Note: 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*

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

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** From 10 (or 20 if applicable) 80 +

If you are a member of an associated group (✓) 81 ☒ (Yes)

Taxable income of associated corporations (<i>Attach schedule</i>)	82 +
Aggregate Taxable Income	85 =

		Number of days in Taxation Year			
		Days after Sept 30, 2001 and before Jan 1, 2003		Total Days	
Subtract: 280,000 X	28		÷ 73		= 113 +
	320,000 X	Days after Dec 31, 2002 and before Jan 1, 2004	÷ 73	Total Days 366	= 115 +
	400,000 X	Days after Dec 31, 2003 366	÷ 73	Total Days 366	= 116 + 400,000
					113 + 115 + 116 = 400,000 ▶
					114 - 400,000
(If negative, enter nil)					86 =

		Number of Days in Taxation Year			
		Days after Sept 30, 2001 and before Jan 1, 2003		Total Days	
Calculation of Specified Rate for Surtax	4.333% X 28		÷ 73	Total Days 366	= 95 +
	4.667% X 31	Days after Dec 31, 2002 and before Jan 1, 2004	÷ 73	Total Days 366	= 96 +
	4.667% X 34	Days after Dec 31, 2003 366	÷ 73	Total Days 366	= 97 + 4.6670
Specified rate of surtax for Taxation Year					95 + 96 + 97
From 86	X From 94	4.6670 %	=	87 =	
From 87	X From 60	÷ From 114	400,000	88 =	
Surtax: Lesser of 70 or 88					100 =

Income Tax continued from Page 5

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Additional Deduction for Credit Unions (s.51(4)) (Attach schedule 17)110 **Manufacturing and Processing Profits Credit (M&P) (s.43)**

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

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

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

Eligible Canadian Profits 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 30 100.0000 % ÷ From 78 8.5000 % = 121
 *Ontario Allocation

Lesser of 56 or 121 122+
 120 - 56 + 122 130=

Taxable income From 10 + (5,126)
 Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) From 56 -
 Add: Adjustments for Surtax on Canadian-controlled private corporations From 122+
 Subtract: Taxable income 10 X Allocation % to jurisdictions outside Canada 140-
 Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses 141-
 10 - 56 + 122 - 140 - 141 142=

Claim**Number of Days in Taxation Year**

		Days after Sept 30, 2001 and before Jan 1, 2004		Total Days	
143 <input type="text"/>	X From 30 <input type="text"/> 100.0000 % X 1.5% X	33 <input type="text"/>	+	73 <input type="text"/>	366 = 154+ <input type="text"/>
Lesser of 130 or 142 *Ontario Allocation					
		Days after Dec 31, 2003		Total Days	
143 <input type="text"/>	X From 30 <input type="text"/> 100.0000 % X 2.0% X	34 <input type="text"/>	+	73 <input type="text"/>	366 = 156+ <input type="text"/>
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 - 180 190=

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) *Applies* 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 or the original Certification 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)

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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	X	From 30	100.0000 % X 4%	276 =
		If negative, enter zero		Ontario Allocation	

Subtract: Foreign Tax Credit for CMT purposes (Attach schedule)		277 -
---	--	-------

Subtract: Income Tax		From 190 -
----------------------	--	-------------------

Net CMT Payable (if negative, enter Nil on page 17.)		280 =
---	--	-------

If **280** is less than zero and you do not have a CMT credit carryover, transfer **230** from **Page 7 to Income Tax Summary, on Page 17**.If **280** is less than zero and you have a CMT credit carryover, complete A & B below.If **280** is greater than or equal to zero, transfer **230** to **Page 17** and transfer **280** to **Page 17, and to Schedule 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)		From 190 +
----	--	--	-------------------

Gross CMT payable		From 276 +
-------------------	--	-------------------

Subtract: Foreign Tax Credit for CMT purposes		From 277 -
---	--	-------------------

If 276 - 277 is negative, enter NIL in 290		=		290 -
--	--	---	--	-------

Income Tax eligible for CMT Credit				300 =
---	--	--	--	-------

B.	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**.

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

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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 +	
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 +	
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 -	
<i>Electrical Generating Corporations Only</i> - 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.

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

Capital Tax *continued from Page 9***CT23 Page 10 of 24****Total Assets** (Int.B. 3015)

Total Assets per balance sheet	420 +	275,578
Mortgages or other liabilities deducted from assets	421 +	
Share of partnership(s)/joint venture(s) total assets (<i>Attach schedule</i>)	422 +	
Subtract: Investment in partnership(s)/joint venture(s)	423 -	
Total Assets as adjusted	430 =	275,578
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 =	275,578

Investment Allowance $(410 \div 450) \times 390$

Not to exceed 410 460 =

Taxable Capital 390 - 460

470 = 216,448

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)

Gross Revenue of the corporation 317,396

Corporation's Share of partnership(s)/joint venture(s) Gross Revenue (*Attach schedule*)

Aggregate of Gross Revenue

317,396 480 317,396

Total Assets (as adjusted)

From 430 275,578

Calculation of Capital Tax for all corporations except Financial Institutions*Note: This version (2003) of the CT23 may only be used for a taxation year that commenced after September 30, 2001.**(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, review only the capital tax calculations in Section B below and select and complete the one specific subsection (e.g. B3) that applies to the corporation.
- OR** If the corporation IS a member of an associated group and/or partnership, complete Section C on page 11. and if applicable, complete Section D or Section E on page 12. *Note: if the corporation is a member of a connected partnership, please refer to the 2003 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

This section applies if the corporation is NOT a member of an associated group and/or partnership

B1. If the taxation year commences after September 30, 2001 and 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.

B2. 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.

B3. If taxable capital, 470 on page 10 exceeds \$5,000,000, complete the following calculation and transfer the amount from 523 to 543 on page 12, and complete the return from that point.

+ From 470		Days in taxation year	
-			
=	471	x From 30	
		Ontario Allocation	
		x 0.3% x 555	
		**365/366	
		=	523 +
			Transfer to 543 on page 12 and complete the return from that point

** If floating taxation year, refer to Guide.

continued on Page 11

Capital Tax Calculation *continued from page 10*

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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 do not have 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. ☒ **524** (✓ if applicable) **One or more of the corporations that you are associated with maintains 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 (<i>Attach schedule</i>)	531 +
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	×	5,000,000	541 =
<i>Transfer to Section 542 in D on page 12</i>					

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.

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						Total Capital Tax for the taxation year
-	542						
=	471	x	From 30	% x 0.3% x	Days in the taxation year = 555	** (365/366)	= 523 + <i>Transfer to 543 and complete the return from that point</i>
			Ontario Allocation				

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 _____ X From 30 _____ x 0.3%	= 561 + _____	
- Capital tax deduction relating to your corporation's capital tax deduction, on ss.69(2.1) election form	From 995 _____ 562 = _____	
Capital Tax _____	562 _____	
	X	
	Days in taxation year 555 _____	
	** (365/366)	
		= 563 + _____
		<i>Transfer to 543 and complete the return from that point</i>

**** If floating taxation year, refer to Guide**

Capital Tax before application of specified credits	543	=
Subtract: Specified Tax Credits applied to reduce capital tax payable (<i>Refer to Guide</i>)	546	=
Capital Tax 543 - 546 (amount cannot be negative)	550	=

Transfer to page 17

Capital Tax *continued from page 12***CT23 Page 13 of 24****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.)*

565 x 0.6% x From **30** % x **555** \div **365/366 = **569** +

Lesser of adjusted TPUC
and Basic Capital Amount
in accordance with
Division B.1

Ontario Allocation

Days in taxation year

570 x **571** x From **30** % x **555** \div **365/366 = **574** +

Adjusted TPUC
in accordance with
Division B.1 in excess
of Basic Capital Amount

Capital Tax Rate
(Refer to Guide)

Ontario Allocation

Days in taxation year

Capital Tax for Financial Institutions - other than Credit Unions (before Section II) 569 + 574 **575** = **** 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** = 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 543 on Page 12***Premium Tax (s.74.2 & 74.3) (refer to Guide)**

- (1) Uninsured Benefits Arrangements **587** x 2% **588** =
Applies to Ontario-related uninsured benefits arrangements.
- (2) Unlicensed Insurance (enter premium tax payable in **588** and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in **588**.)
Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax (Refer to guide) **589** = **Premium Tax 588 - 589** **590** = *Transfer to Page 17*

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ**Net Income (loss) for federal income tax purposes, per federal T2 SCH 1****600± (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 non-residents		

Number of days in Taxation Year

Days after Sept. 30, 2001 and before Jan. 1, 2004 Total days
612 X 5/12.5 X **33** + **73** 366 = **633+**

Days after Dec. 31, 2003 Total days
612 X 5/14.0 X **34** 366 ÷ **73** 366 = **634+**

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 161Add any negative amount in **473** from Ont. CT23 Schedule 161

Federal allowable business investment loss

Total of other items not allowed by Ontario but allowed federally (*Attach schedule*)**Sub Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614****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+	8,990
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) (<i>Retain calculations. Do not submit.</i>)	657+	
Ontario depletion allowance	658+	
Ontario resource allowance	659+	
Ontario current cost adjustment (<i>Attach schedule</i>)	661+	
Incentive for new electricity supply (section 13.6 deduction from income) (<i>Applies</i> only to electrical generating corporations.)	674+	
CCA for investments in qualifying energy-efficient equipment and for assets used to generate electricity from natural gas, alternative or renewable resources.	675+	
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 tax purposes, per federal T2 SCH 1	From 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 Incentive (ONTTI) Gross-up**

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

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

662

ONTTI Gross-up deduction calculation:

From Gross-up of CCA

662 x 100/ 30 100.0000 - From 662 663 =

Ontario allocation

Workplace Child Care Tax Incentive

Qualifying expenditures: 665 x 30% x 100/ 30 100.0000 666 =
Ontario Allocation

Workplace Accessibility Tax Incentive

Qualifying expenditures: 667 x 100% x 100/ 30 100.0000 668 =
Ontario Allocation

Number of**Employees accommodated 669**

Ontario School Bus Safety Tax Incentive (OSBSTI): (Applies to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) (Refer to Guide)

Qualifying expenditures 670 x 30% x 100/ 30 100.0000 671 =
Ontario Allocation

Educational Technology Tax Incentive (Applies to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures 672 x 15% x 100/ 30 100.0000 673 =
Ontario Allocation

Ontario allowable business investment loss

678 +

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

679 +

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

677 +

Total of other deductions allowed by Ontario (Attach schedule)

664 +

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 = 8,990 680 8,990

Net income (loss) for Ontario purposes 600 + 640 - 680 690 = (5,126)
Transfer to Page 4

Continuity of Losses Carried Forward**CT23 Page 16 of 24**

	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)	720 (2)	730	740	750
Add:	701	711	721	731	741	751
Current year's losses (7)	5,126					
Losses from predecessor corporations (3)	702	712	722	732		752
	703	713	723	733	743	753
Subtotal	5,126					
Subtract:	704 (2)	715 (2)(4)	724 (2)	734 (2)(4)	744 (4)	754 (4)
Utilized during the year to reduce taxable income	705		725	735	745	
Expired during the year						
Carried back to prior years to reduce income (5)	706 (2) To Pg 17	716 (2) To Pg 17	726 (2) To Pg 17	736 (2) To Pg 17	746	
	707	717	727	737	747	757
Subtotal						
Balance at End of Year	709 (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 1.333333. 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 Personal Property only (9) (10)	Farm Losses	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
Total	829 25,136	839	849	869	889

Request for Loss Carry-Back (s.80(16))**CT23 Page 17 of 24**

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

Application of Losses	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss	910 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	911	921	931	941
i) 3rd preceding 901 2001/12/31				
ii) 2nd preceding 902 2002/12/31				
iii) 1st preceding 903 2003/12/31				
Total loss to be carried back	From 706	From 716	From 726	From 736
Balance of loss available for carryforward	919 5,126	929	939	949

Summary

Income Tax	From 230 or 320 +
Corporate Minimum Tax	From 280 +
Capital Tax	From 550 +
Premium Tax	From 590 +
Total Tax Payable	950 =
Subtract: Payments	960 -
Capital Gains Refund (s.48)	965 -
Qualifying Environmental Trust Tax Credit (Refer to Guide)	985 -
Specified Tax Credits (Refer to Guide)	955 -
Balance	970 =
If payment due Enclosed *	990
If overpayment: Refund (Refer to Guide)	975 =
Apply to	980

(Includes credit interest)

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

Certification

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

Name 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)
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 request for a carryback

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:		
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

Continuity of capital losses and request for a carryback

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

OS4
Schedule 4

Ontario loss continuity

Part 3 - Farm loss

Continuity of farm losses and request for a carryback

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

Part 4 - Restricted farm loss

Current-year restricted farm loss

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

Continuity of restricted farm losses and request for a carryback

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

Ontario loss continuity

Continuity of listed personal property loss and request for a carryback

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

Year of origin	Non-capital losses *	Farm losses	Restricted farm losses	Listed personal property losses
2000/12/31				
2001/12/31				
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.

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

**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**

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

Is the corporation electing under regulation 1101(5q)? **101** 1 Yes ☐ 2 No ☒

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	159,679	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			
Aggregate of taxable capital			

Transfer to **540** of the CT23



Ontario

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

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)

Long term debt	84,657
Total	84,657

Transfer to 353 on the CT23

[Blank page inserted for two-sided printing purposes.]

MPDC – Newbury

Attachment 5
2005 Supporting Documentation

NEWBURY POWER INC.

**AUDITORS' REPORT
AND FINANCIAL STATEMENTS**

DECEMBER 31, 2005



Collins Barrow

Chartered Accountants

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

Collins Barrow CK, LLP

CHARTERED ACCOUNTANTS

NEWBURY POWER INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2005

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

NEWBURY POWER INC.**STATEMENT OF INCOME****YEAR ENDED DECEMBER 31, 2005**

	2005	2004
SERVICE REVENUE		
Residential	\$ 113,409	\$ 117,773
Industrial	191,300	171,991
Street lighting and other	<u>9,344</u>	<u>8,495</u>
	314,053	298,259
COST OF POWER	<u>271,371</u>	<u>257,719</u>
GROSS PROFIT	<u>42,682</u>	<u>40,540</u>
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	<u>6,687</u>	<u>6,768</u>
	60,579	68,969
INCOME (LOSS) BEFORE OTHER INCOME	(17,897)	(28,429)
OTHER INCOME	<u>15,011</u>	<u>19,137</u>
NET INCOME (LOSS)	<u>\$ (2,886)</u>	<u>\$ (9,292)</u>

NEWBURY POWER INC.**STATEMENT OF RETAINED EARNINGS****YEAR ENDED DECEMBER 31, 2005**

	2005	2004
BALANCE (DEFICIT), BEGINNING	\$ (33,835)	\$ (24,543)
NET INCOME (LOSS)	<u>(2,886)</u>	<u>(9,292)</u>
BALANCE (DEFICIT), ENDING	<u>\$ (36,721)</u>	<u>\$ (33,835)</u>

NEWBURY POWER INC.**BALANCE SHEET****DECEMBER 31, 2005**

	2005	2004
<hr/>		
ASSETS		
CURRENT ASSETS		
Cash	\$ 92,773	\$ 45,069
Accounts receivable (note 3)	23,424	51,739
Deferred charges	1,040	2,080
Prepaid expenses	<u>3,179</u>	<u>2,000</u>
	120,416	100,888
REGULATED ASSET (note 4)	5,620	5,620
CAPITAL ASSETS (note 5)	157,225	163,826
OTHER ASSETS (note 6)	<u>4,344</u>	<u>5,244</u>
	<u>\$ 287,605</u>	<u>\$ 275,578</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued charges	\$ 78,859	\$ 59,130
Current portion of long-term debt	<u>2,401</u>	<u>2,052</u>
	81,260	61,182
LONG-TERM DEBT (note 7)	<u>77,440</u>	<u>82,605</u>
	<u>158,700</u>	<u>143,787</u>
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (note 9)	165,626	165,626
DEFICIT	<u>(36,721)</u>	<u>(33,835)</u>
	<u>128,905</u>	<u>131,791</u>
	<u>\$ 287,605</u>	<u>\$ 275,578</u>

ON BEHALF OF THE BOARD_____
Director_____
Director

NEWBURY POWER INC.**STATEMENT OF CASH FLOWS****YEAR ENDED DECEMBER 31, 2005**

	2005	2004
CASH PROVIDED BY (USED IN)		
OPERATIONS		
Net income (loss)	\$ (2,886)	\$ (9,292)
Items not requiring cash:		
Amortization	<u>13,348</u>	<u>13,156</u>
	10,462	3,864
Net change in non-cash working capital items affecting operations (note 10)	<u>46,866</u>	<u>8,830</u>
	57,328	12,694
INVESTING		
Purchase of capital assets	(4,808)	(6,345)
FINANCING		
Repayment of long-term debt	<u>(4,816)</u>	<u>(4,490)</u>
INCREASE IN CASH POSITION	47,704	1,859
CASH POSITION, BEGINNING	<u>45,069</u>	<u>43,210</u>
CASH POSITION, ENDING	<u>\$ 92,773</u>	<u>\$ 45,069</u>

NEWBURY POWER INC.**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	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.

NEWBURY POWER INC.

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	\$ 16,533	\$ 32,525
Water and sewer	4,532	17,667
Sundry	3,107	2,980
GST	(748)	(1,433)
	<u>\$ 23,424</u>	<u>\$ 51,739</u>

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.

NEWBURY POWER INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

5. CAPITAL ASSETS

2005

2004

	Cost	Accumulated Amortization	Net	Net
Distribution system - overhead	\$ 151,704	\$ 64,237	\$ 87,467	\$ 89,837
Distribution system - underground	41,445	15,542	25,903	27,561
Line transformers	58,265	27,330	30,935	33,265
Meters	19,521	8,598	10,923	10,574
Office equipment	7,091	5,094	1,997	2,589
	<u>\$ 278,026</u>	<u>\$ 120,801</u>	<u>\$ 157,225</u>	<u>\$ 163,826</u>

6. OTHER ASSETS

2005

2004

Incorporation costs, net of accumulated amortization	<u>\$ 4,344</u>	<u>\$ 5,244</u>
--	-----------------	-----------------

NEWBURY POWER INC.

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	<u>2,401</u>	<u>2,052</u>
	<u>\$ 77,440</u>	<u>\$ 82,605</u>

The instalments required to be paid over the next five years are as follows:

2006	\$ 2,401
2007	5,539
2008	5,941
2009	6,371
2010	<u>6,833</u>
Total	<u>\$ 27,085</u>

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.

NEWBURY POWER INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

9. CAPITAL STOCK	2005	2004
------------------	------	------

AUTHORIZED

Unlimited common shares without par value

ISSUED

165,626 common shares	\$ 165,626	\$ 165,626
-----------------------	------------	------------

10. STATEMENT OF CASH FLOWS	2005	2004
-----------------------------	------	------

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	\$ 28,316	\$ 10,571
Prepaid expenses	(1,179)	742
Accounts payable and accrued charges	19,729	(2,483)
	<u>\$ 46,866</u>	<u>\$ 8,830</u>

b) Interest Received/Paid

Interest on short-term investments	\$ 807	\$ 777
Interest paid	<u>\$ 6,338</u>	<u>\$ 6,663</u>

NEWBURY POWER INC.**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.



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

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

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

055 Do not use this area**Identification****Business number (BN)** 001 87974 4126 RC 0001**Corporation's name**

002 NEWBURY POWER INC

Has the corporation changed its name since the last time we were notified? **003** ☐ Yes ☒ NoIf Yes, do you have a copy of the articles of amendment? **004** ☐ Yes ☐ No**Address of head office**Has this address changed since the last time we were notified? **010** ☐ Yes ☒ No

(If Yes, complete lines 011 to 018)

011 22910 HAGERTY ROAD**012**

City Province, territory, or state

015 NEWBURY **016** ON

Country (other than Canada) Postal code/Zip code

017 **018** N0L 1Z0**To which tax year does this return apply?**From **060** 2005/01/01 to **061** 2005/12/31Has there been an acquisition of control to which subsection 249(4) applies since the previous tax year? **063** ☐ Yes ☒ No

If Yes, provide the date control was acquired

065**Is the corporation a professional corporation that is a member of a partnership?** **067** ☐ Yes ☒ No**Mailing address (if different from head office address)**

Has this address changed since the last time we were notified?

020 Yes ☐ No ☒

(If Yes, complete lines 021 to 028)

021 c/o**022** 22910 HAGERTY ROAD**023**

City Province, territory, or state

025 NEWBURY **026** ON

Country (other than Canada) Postal code/Zip code

027 **028** N0L 1Z0**Is this the first year of filing after:**Incorporation? **070** ☐ Yes ☒ NoAmalgamation? **071** ☐ Yes ☒ No

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

Has there been a wind-up of a subsidiary under section 88 during the current tax year?If Yes, complete and attach Schedule 24 **072** ☐ Yes ☒ No**Is this the final tax year before amalgamation?****076** ☐ Yes ☒ No**Is this the final return up to dissolution?****078** ☐ Yes ☒ No**Is the corporation a resident of Canada?****080** ☒ Yes ☐ No

If No, give the country of residence on line 081 and complete and attach Schedule 97.

081**Is the non-resident corporation claiming an exemption under an income tax treaty?****082** ☐ Yes ☒ No

If Yes, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

- 085** 1 ☐ Exempt under paragraph 149(1)(e) or (l)
2 ☐ Exempt under paragraph 149(1)(j)
3 ☐ Exempt under paragraph 149(1)(t)
4 ☐ Exempt under other paragraphs of section 149

Location of books and recordsHas the location of books and records changed since the last time we were notified? **030** ☐ Yes ☒ No

(If Yes, complete lines 031 to 038)

031 22910 HAGERTY ROAD**032**

City Province, territory, or state

035 NEWBURY **036** ON

Country (other than Canada) Postal code/Zip code

037 **038** N0L 1Z0**040 Type of corporation at the end of the tax year**1 ☐ Canadian-controlled private corporation (CCPC) 4 ☐ Corporation controlled by a public corporation2 ☒ Other private corporation 5 ☐ Other corporation (specify, below)3 ☐ Public corporationIf the type of corporation changed during the tax year, provide the effective date of the change **043**

Do not use this area

091	092	093	094	095	096
100					

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

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

* We do not print this schedule.

Attachments - Continued from page 2

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

Additional information

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

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFL	300	2,253	A
Deduct: Charitable donations from Schedule 2	311		
Gifts to Canada, a province, or a territory from Schedule 2	312		
Cultural gifts from Schedule 2	313		
Ecological gifts from Schedule 2	314		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320		
Part VI.1 tax deduction from Schedule 43 *	325		
Non-capital losses of preceding tax years from Schedule 4	331	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		
	Subtotal	2,253	B
	Subtotal (amount A minus amount B) (if negative, enter "0")		C
Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		D
Taxable income (amount C plus amount D)	360	0	
Income exempt under paragraph 149(1)(t)	370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)			Z

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

Small business deduction**Canadian-controlled private corporations (CCPCs) throughout the tax year**Income from active business carried on in Canada from Schedule 7 400 ATaxable income from line 360 on page 3, **minus** 10/3 of the amount on line 632 on page 7, **minus** 3 times the amount on line 636 on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax 405 B**Calculation of the business limit:**

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

\$250,000 x	Number of days in the tax year in 2004	=	1
	Number of days in the tax year	365	

\$300,000 x	Number of days in the tax year in 2005 and in 2006	365	=	300,000	2
	Number of days in the tax year	365			

\$400,000 x	Number of days in the tax year after 2006	=	3
	Number of days in the tax year	365	
	Add amounts at lines 1, 2, and 3	300,000	4

Business limit (see notes 1 and 2 below) 410 C**Notes:** 1. For CCPCs that are not associated, enter the amount from line 4 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate the amount from line 4 by the number of days in the tax year divided by 365, and enter the result on line 410.

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction:

Amount C	X	415	D	=		E
			11,250			

Reduced business limit (amount C minus amount E) (if negative, enter "0") 425 0 F**Small business deduction** – 16% of whichever amount is the least: A, B, C, or F 430 0 G

(enter amount G on line 9 of page 7)

Accelerated tax reduction

(For tax years ending before January 1, 2006)

Canadian-controlled private corporations throughout the taxation year that claimed the small business deductionReduced business limit (amount from line 425) x = aNet active business income (amount from line 400)* bTaxable 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 from Part I tax c**Deduct:**Aggregate investment income (amount from line 440 of page 6) dAmount c minus amount d (if negative, enter "0") eAmount a, b, or e above, whichever is less fAmount Z from Part 9 of Schedule 27 x 100 / 7 = gAmount QQ from Part 13 of Schedule 27 hTaxable resource income from line 435 on page 5 iAmount used to calculate the credit union deduction (amount e in Part 3 of Schedule 17) jAmount on line 400, 405, 410 or 425 of the small business deduction, whichever is less kTotal of amounts g, h, i, j, and k lAmount f minus amount l (if negative, enter "0") m**Accelerated tax reduction** - 7% of amount m n

(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.

Resource deduction

Taxable resource income [as defined in subsection 125.11(1)]		435	H
Amount H _____ x	Number of days in the taxation year in 2003 Number of days in the taxation year	_____ x 1% = _____ 365	I
Amount H _____ x	Number of days in the taxation year in 2004 Number of days in the taxation year	_____ x 2% = _____ 365	J
Amount H _____ x	Number of days in the taxation year in 2005 Number of days in the taxation year	_____ x 3% = _____ 365	K
Amount H _____ x	Number of days in the taxation year in 2006 Number of days in the taxation year	_____ x 5% = _____ 365	L
Amount H _____ x	Number of days in the taxation year after 2006 Number of days in the taxation year	_____ x 7% = _____ 365	M
Resource deduction – total of amounts I, J, K, L, and M		438	N
(enter amount N on line 10 of page 7)			

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

Taxable income from line 360 page 3		A
Amount Z from Part 9 of Schedule 27 _____ x 100 / 7 = _____	B	
Amount QQ from Part 13 of Schedule 27 _____	C	
Taxable resource income from line 435 above _____	D	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) _____	E	
Amount on line 400, 405, 410, or 425 on page 4, whichever is the least _____	F	
Aggregate investment income from line 440 of page 6 _____	G	
Amount used to calculate the accelerated tax reduction (amount m of page 4) _____		
Subtotal	H	
Amount A minus amount H (if negative, enter "0")	I	
General tax reduction for Canadian-controlled private corporations - Amount x 7%	J	
(Enter amount J on line 638 of page 7)		

General tax reduction

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, or a mutual fund corporation; and for tax years starting after May 1, 2006, any corporation with taxable income that is not subject to the full tax rate of 38% (eg. deposit insurance company).

Taxable income from line 360 on page 3		M
Amount Z from Part 9 of Schedule 27 _____ x 100 / 7 = _____	N	
Amount QQ from Part 13 of Schedule 27 _____	O	
Taxable 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	R	
Amount M minus amount R (if negative, enter "0")	S	
General tax reduction - Amount S x 7%	T	
(enter amount T on line 639 of page 7)		

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

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

Foreign non-business income tax credit from line 632 on page 7

Deduct:

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

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

Taxable income from line 360 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 3 =

 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 **E**

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

Refundable dividend tax on hand

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

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

Add the total of:

Refundable portion of Part I tax from line 450 above

Total Part IV tax payable from line 360 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

H

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 **I**

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

Dividend refund – Amount I or J, whichever is less (enter this amount on line 784 of page 8) **0**

Part I tax**Base amount of Part I tax** - 38% of taxable income (line 360 or amount Z, whichever applies)from page 3 550 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 2Investment corporation deduction from line 620 below 3Federal logging tax credit from line 640 below 4Federal 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 a28% of taxed capital gains b 6Part I tax otherwise payable c

(line A plus line C and D minus line F)

Total of lines 2 to 6 7Net amount (line 1 minus line 7) 8**Corporate surtax** - 4% of the amount on line 8 600 BRecapture of investment tax credit from line III in Part 24 of Schedule 31 602 C**Calculation for the refundable tax on Canadian-controlled private corporation's (CCPC) investment income**

(if it was a CCPC throughout the tax year)

Aggregate investment income from line 440 on page 6 i

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 less: amount i or ii 604 DSubtotal (add lines A, B, C, and D) E**Deduct:**Small business deduction from line 430 on page 4 9Federal tax abatement 608Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27 616Investment corporation deduction 620(taxed capital gains **624**)Additional deduction - credit unions from Schedule 17 628Federal foreign non-business income tax credit from Schedule 21 632Federal foreign business income tax credit from Schedule 21 636Accelerated tax reduction from amount n of page 4 637Resource deduction from line 438 of page 5 10General tax reduction for CCPCs from amount J on page 5 638General tax reduction from amount T on page 5 639Federal logging tax credit from Schedule 21 640Federal political contribution tax credit 644Federal political contributions 646Federal qualifying environmental trust tax credit 648Investment 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)

Subtotal 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

Total credits **890** BRefund Code **894** ☐ Overpayment ☐

Balance (line A minus line B) 0 I

Direct Deposit Request

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

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

914 Institution number **918** Account number

If the result is negative, you have an **overpayment**.If the result is positive, you have a **balance unpaid**.

Enter the amount on whichever line applies.

Generally, we do not charge or refund a difference of \$2 or less.

Balance unpaid

Enclosed payment **898**

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due?

896 1 Yes ☐ 2 No ☐ NA ☒**Certification**

950 PAVILONIS Surname **951** PETER First name **954** CHAIR Position, office or rank

955 Date **956** (519) 693-4941 Telephone number

Is the contact person the same as the authorized signing officer? If *no*, complete the information below. **957** 1 Yes ☒ 2 No ☐

958 Name **959** () Telephone number

Language of correspondence - Langue de correspondance

990 Language of choice/Langue de choix **1** English / Anglais ☒ **2** Français / French ☐

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

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

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

**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.
- 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**Determination of current-year non-capital loss**

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 positive, enter "0")	
Deduct: (increase a loss)		
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")		

Continuity of non-capital losses and request 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

* A non-capital loss expires as follows:

- 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 deemed to be a loss of the parent from its immediately preceding tax year.

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

Capital losses at end of preceding tax year	200	
Capital losses transferred on an amalgamation or the windup of a subsidiary corporation	205	
Deduct:		
Other adjustments (includes adjustments for an acquisition of control)	250	
Section 80 - Adjustments for forgiven amounts	240	
		Subtotal
Add:		
Current-year capital loss (from Schedule 6 calculation)	210	
Non capital losses from a preceding tax year* that expired this year		A
Allowable business investment losses (ABIL) incurred in the 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
		Subtotal
Note: If there has been an amalgamation or a windup of a subsidiary, do a separate calculation of the allowable business investment loss expired as non-capital loss for each predecessor or subsidiary. Add all these amounts and enter the total at line 220 above.		
Deduct: Amount applied against current-year capital gain (see Note 1)		225
		Subtotal
Deduct - Request to carry back capital loss to: (see Note 2)		
First preceding tax year	951	
Second preceding tax year	952	
Third preceding tax year	953	
Capital losses - Closing balance		280

Note 1

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

Note 2

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

* Losses from 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 rate 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****Continuity of farm losses and request for a carryback**

Farm losses at end of preceding tax year		
Deduct: Farm loss expired after 10 tax years	300	
Farm losses at beginning of tax year	302	
Add: Farm losses transferred on an amalgamation or the windup of a subsidiary corporation	305	
Current-year farm loss	310	
Deduct:		
Other adjustments (includes adjustments for an acquisition of control)	350	
Section 80 - Adjustments for forgiven amounts	340	
Amount applied against taxable income (enter on line 334 of 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

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

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

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at end of preceding tax year		
Deduct: Restricted farm loss expired after 10 tax years	400	
Restricted farm losses at beginning of tax year	402	
Add: Restricted farm losses transferred on an amalgamation or the 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		480

Note

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

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

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

Limited partnership losses from prior tax years that may applied in the current year						
1	2	3	4	5	6	7
Partnership identifier	Fiscal period ending	Limited partnership losses at end of preceding 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 losses that may be applied in the year The lesser of columns 3 and 6
630	632	634	636	638		650

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



Canada Revenue
Agency

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du Canada

CAPITAL COST ALLOWANCE

Schedule 8

Is the corporation electing under regulation 1101(5q)? 101 1 Yes ☐ 2 No ☒

1 Class 200	2 UCC at start of year 201	3 Cost of additions in the year 203	4 Net adjustments 205	5 Proceeds of dispositions in the year 207	7 Adjustment for additions (1/2 x (col 3 - 5)) 211	8 Base amount for CCA	9 Rate % 212	10 CCA for the year (col 8 x 9 or a lower amount) 217	11 Recapture of CCA 213	12 Terminal loss 215	13 UCC at the end of the year 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

S8Supp

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	-	
Amortization per financial statements	- 13,348	
Class 10.1		
Difference on purchase (cost _____ less 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	(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.



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 100	Country (if not Canada) 200	Business # (Canadian corporation only) 300	Code note 1 400	Common shares		Preferred shares		Book value of capital stock 700
				# owned 500	% owned 550	# owned 600	% owned 650	
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

**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 (after name, indicate in brackets if the shareholder is a corporation, partnership, individual or trust)	Business Number (If a corporation is not registered, enter "NR") *	Social Insurance Number *	Trust Number (If a trust number is not available, enter "NA") *	Percentage common shares	Percentage preferred shares
100	200	300	350	400	500
THE CORPORATION OF THE VILLAGE OF	NR			80.000	
NEWBURY COMMUNITY SREVICE INC	NR			20.000	
	RC				

* 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.

**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.



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	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)

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 -	-	
Future income tax provision	9995 -	-	
Net income / loss after taxes and extraordinary items	9999 =	(2,886) =	(9,292)

Prepared without audit based on information provided by the taxpayer.



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 informationDoes the accounting practitioner have a professional designation? **095** ☒ Yes ☐ NoIs the accounting practitioner connected* with the corporation? **097** ☐ Yes ☒ No

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

Note

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

Part 2 – Type of involvementChoose the option that represents the highest level of involvement of the accounting practitioner: **198**Completed an auditor's report **1** ☒Completed a review engagement report **2** ☐Conducted a compilation engagement **3** ☐**Part 3 – Reservations**If you selected option "1" or "2" under **Type of involvement** above, answer the following question:Has the accounting practitioner expressed a reservation? **099** ☐ Yes ☒ No**Part 4 – Other information**Were notes to the financial statements prepared? **101** ☒ Yes ☐ No

If Yes, complete lines 102 to 107 below:

Are any values presented at other than cost? **102** ☐ Yes ☒ NoHas there been a change in accounting policies since the last return? **103** ☐ Yes ☒ NoAre subsequent events mentioned in the notes? **104** ☐ Yes ☒ NoIs re-evaluation of asset information mentioned in the notes? **105** ☐ Yes ☒ NoIs contingent liability mentioned in the notes? **106** ☐ Yes ☒ NoIs information regarding commitments mentioned in the notes? **107** ☐ Yes ☒ NoDoes the corporation have investments in joint venture(s) or partnership(s)? **108** ☐ Yes ☒ No

If Yes, complete line 109 below:

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

Summary

Tax Summary

Corporation name NEWBURY POWER INC

Tax year ending 2005/12/31

Taxable income		Tax payable	
Net income for tax purposes	2,253	Part I tax	
Charitable donations and gifts	-	Part 1.3 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	-	Taxable dividends paid	
Federal tax abatement	-	Dividend refund	-
Manufacturing and processing deduction	-	Other refundable credits	-
Additional deduction - credit unions	-	Balance owing (refund) on federal return	=
Foreign tax credits	-	Provincial income tax (ON,AB,QC)	
Resource deduction	-	Capital and other provincial taxes	+
Political contribution tax credit	-	Tax instalments and credits	-
Investment tax credit	-	Other provincial taxes	=
Other deductions and credits	-	Total balance owing (refund)	
Part I tax	=		

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 provincial tax payable						
Ontario	100.0000					
Alberta						
Québec						
Totals						

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

RACSummary

Related and Associated Corporations Summary

		Corporation #1	Corporation #2	Corporation #3	Total
Corporation name		NEWBURY POWER INC	Village of Newbury	NEWBURY COMMUNITY SERVICES INC	
Business number		87974 4126 RC 0001	NR RC	NR RC	
Taxation year end		2005/12/31			
Federal					
Schedule 9	# of common shares owned		132,501	33,125	165,626
	% 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					
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					
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					
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 limit	2,000,000			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			5,000,000
British Columbia					
Schedule F	Net paid-up capital				
	BC paid-up capital				

RACSummary

Related and Associated Corporations Summary

		Corporation #4	Corporation #5	Corporation #6	Total
Corporation name					
Business number		RC	RC	RC	
Taxation year end					
Federal					
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					
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					
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
British Columbia					
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

**2004/
2005****CT23 Corporations Tax and
Annual Return**

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)

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 file the **CT23 Return** on pages 3-17. Corporations that **do not** meet the EFF criteria but **do** meet the Short-Form criteria, may request and file the **CT23 Short-Form Return** (see page 2).

The **Annual Return** (common page 1 and 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 Ontario.

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

☒ Yes☐ No**Page 1 of 20**

Ministry Use

Corporation's Legal Name (including punctuation) NEWBURY POWER INC				Ontario Corporations Tax Account No. (MOF) 6820376	
Mailing address 22910 HAGERTY ROAD				This Return covers the Taxation Year	
City NEWBURY		Province ON	Country CA	Start 2005/01/01	End 2005/12/31
Postal code N0L 1Z0					
Has the mailing address changed since last filed CT23 Return? <input type="checkbox"/> Yes				Date of Incorporation or Amalgamation 2000/01/12	
Date of change year month day					
Registered/Head Office Address 22910 HAGERTY ROAD				Ontario Corporation No. (MCBS) 1394004	
City NEWBURY		Province ON	Country CA	Canada Customs and Revenue Agency Business No. 879744126RC0001	
Postal code N0L 1Z0					
Location of Books and Records 22910 HAGERTY ROAD					
City NEWBURY		Province ON	Country CA	Jurisdiction Incorporated ONTARIO	
Postal code N0L 1Z0					
Name of person to contact regarding this CT23 Return PETER PAVILONIS		Telephone No. (519) 693-4941	Fax No. () -		
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:	
City		Province	Country	Commenced	
Postal code					
Former Corporation Name (Extra-Provincial Corporations only) <input type="checkbox"/> Not Applicable (MCBS)				Ceased	
				<input checked="" type="checkbox"/> Not Applicable	
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). ▶				Preferred Language / Langue de préférence	
				<input checked="" type="checkbox"/> English anglais <input type="checkbox"/> French français	
If there is no change to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please check <input checked="" type="checkbox"/> this box. Schedule(s) A and K are not required (MCBS). ▶ <input checked="" type="checkbox"/> No Change				Ministry Use 	

Certification (MCBS)

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

Name of Authorized Person
PETER PAVILONIS

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

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

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.

Criteria for exempt from filing status:

- a) has filed a federal income tax return (T2) with Canada Customs and Revenue Agency for the taxation year;
- b) had no Ontario taxable income for the taxation year (subject to the provisions in Note 2 below);
- c) had no Ontario Corporations Tax payable for the taxation year;
- d) 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));
- e) has provided its Canada Customs and Revenue Agency business number to the Ministry of Finance, Corporations Tax Branch; and
- f) 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, which includes page 1, is **also** being filed, completion of these fields is **not** required.

1. Corporation's Mailing Address

City Province Country Postal code

2. Ontario Corporation
No. (MCBS)3. Canada Customs and Revenue Agency
Business No.

RC

I, _____ declare that:

The above corporation meets **all** of the exempt from filing criteria (a) through (f) above for the taxation year and therefore qualifies under the *Corporations Tax Act* as exempt from filing an Ontario Corporations Tax Return.

Signature

Title/Relationship to Corporation

Telephone number

Date

() -

Please note that making a false statement to avoid compliance with the *Corporations Tax Act* is an offence which can result in a penalty and/or fine.

If you check "Yes" to ALL of the following criteria, you are eligible to file the CT23 Short-Form Corporation Tax Return. To obtain a copy, contact the Ministry Information Centre at the numbers listed on page 2 of the Guide.

Yes	No		Yes	No	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	(a) The corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year. (nearest whole percentage) Indicate Share Capital with full voting rights owned by Canadian Residents _____ 0 %	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(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 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.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	(b) The corporation's taxable income for the taxation year is \$200,000 or less. For a taxation year with less than 51 weeks, taxable income must be grossed-up. (Refer to Guide)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(e) The corporation is not claiming a tax credit other than the Incentive Deduction for Small Business Corporations (IDSBC), Co-operative Education Tax Credit (CETC), Graduate Transitions Tax Credit (GTC) or Apprenticeship Training Tax Credit (ATTC).
<input checked="" type="checkbox"/>	<input type="checkbox"/>	(c) The corporation is not a member of a partnership/joint venture or a member of an associated group of corporations during the taxation year.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(f) The corporation's Ontario allocation factor is 100%.

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 Corporations Tax Return**CT23 Page 3 of 20****Identification continued (for CT23 filers only)****Type of Corporation - Please check (✓) box(es) if applicable in sections 1 & 2**

- 1** ☒ **1** ☐ Canadian-controlled private (CCPC) all year
(Generally a private corporation of which
50% or more shares are owned by
Canadian residents.) (fed.s.125(7)(b))
- 2** ☐ Other Private
- 3** ☐ Public
- 4** ☐ Non-share Capital
- 5** ☐ Other (specify)
- Share Capital with full
voting rights owned by
Canadian Residents. (nearest %) 0 %

Ontario Retail Sales Tax Vendor
Permit No.
(Use Head Office No.)Ontario Employer Health Tax Account
No.
(Use Head Office No.)

Specify major business activity

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

Please check (✓) 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
establishment outside Ontario
- ☐ Amended Return ☐ Final Taxation Year
before Amalgamation ☐ Acquisition of Control fed s.249(4)
Date control was acquired: _____
- ☐ Taxation Year End has
changed - Canada
Customs and Revenue Agency
approval required ☐ Floating Fiscal Year End

Was the corporation inactive throughout the taxation year?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Are you requesting a refund due to:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
the Carry-back of a Loss?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
an Overpayment?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
a Specified Refundable Tax Credit?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Are you a Member of a Partnership or a Joint Venture?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Income Tax**CT23 Page 4 of 20**

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)	From 690±	2,253
Subtract: Charitable donations	1 -	
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule 2)	2 -	
Subtract: Taxable dividends deductible, per federal Schedule 3	3 -	
Subtract: Ontario political contributions (Attach schedule 2A) (Int.B. 3002R)	4 -	
Subtract: Federal Part VI.1 tax X 3	5 -	
Subtract: Prior years' losses applied - Non-capital losses	From 704-	2,253
	From 715	inclusion
Net capital losses (page 16) X rate 50.000000 % =	714-	
Farm losses	From 724-	
Restricted farm losses	From 734-	
Limited partnership losses	From 754-	
	10 =	

Taxable income (Non-capital loss)

Addition to taxable income for unused foreign tax deduction for federal purposes	11 +	
Adjusted taxable income 10 + 11 (if 10 is negative, enter 11)	20 =	

Taxable Income	Number of days in Taxation Year					
	Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days				
From 10 (or 20) X30 100.0000 % X 12.5 % X 33		73	365	=	29 +	
Ontario Allocation	Days after Dec. 31, 2003	Total Days				
From 10 (or 20) X30 100.0000 % X 14.0 % X 34		73	365	=	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 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 year? (✓) ☐ Yes ☒ No

* Income from active business carried on in Canada

for federal purposes (fed.s.125(1)(a))	50	
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	51 +	
Add: Losses of other years deducted for federal purposes (fed.s.111)	52 +	2,253
Subtract: Losses of other years deducted for Ontario purposes (s.34)	53 -	2,253
	=	54

Federal Business limit (line 410 of the T2 return) for the year before application of fed.s.125(5.1)

Ontario Business Limit Calculation

Days after Dec. 31, 2002 and before Jan. 1, 2004					
320,000 X 31	÷ **	365	= +	46	
Days after Dec. 31, 2003					
400,000 X 34	365 ÷ **	365	= +	47	400,000
Business limit for Ontario purposes 46 + 47	=	44	400,000 X 48	% =	45

Income eligible for the IDSBC	From 30	100.0000 % X 56	60 =
	***Ontario Allocation	Least of 50, 54 or 45	

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

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

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

continued on Page 5

Income Tax *continued from Page 4*

		Number of Days in Taxation Year			
		Days after Dec. 31, 2002 and before Jan. 1, 2004		Total Days	
Calculation of IDSBC Rate	7.0 % X 31		+ 73	365	= 89 +
	8.5 % X 34	Days after Dec. 31, 2003 365	÷ 73	365	= 90 + 8.5000
IDSBC Rate for Taxation Year	89 + 90				78 = 8.5000
Claim	From 60		X From 78	8.5000 %	70 =

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 corporation** From 10 (or 20 if applicable) 80 +

If you are a member of an associated group (✓) 81 ☐ (Yes)

Taxable income of associated corporations (*Attach schedule*) 82 +
Aggregate Taxable Income 85 =

		Number of days in Taxation Year			
		Days after Dec. 31, 2002 and before Jan. 1, 2004		Total Days	
320,000 X	31		÷ 73	365	= 115 +
400,000 X	34	Days after Dec. 31, 2003 365	÷ 73	365	= 116 + 400,000
				115 + 116	= 400,000 ▶
					114 - 400,000
(If negative, enter nil)					86 =

		Number of Days in Taxation Year			
		Days after Dec. 31, 2002		Total Days	
Calculation of Specified Rate for Surtax	4.667% X 38	365	÷ 73	365	= 97 + 4.6670
From 86	X From 97	4.6670 %	=	87	=
From 87	X From 60	÷ From 114	400,000	88	=

Surtax: Lesser of 70 or 88 100 =

* **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

Income Tax *continued from Page 5***CT23 Page 6 of 20****Additional Deduction for Credit Unions (s.51(4))** *(Attach schedule 17)*110 **Manufacturing and Processing Profits Credit (M&P) (s.43)****Applies** to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

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

The whole of the active business income qualifies as Eligible Canadian Profits if: **a)** your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing, is 20% or less of the total active business income and **b)** the total active business income is \$250,000 or less.**Eligible Canadian Profits** 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 30 100.0000 % ÷ From 78 8.5000 % = 121

*Ontario Allocation

Lesser of 56 or 121 122+ 120 - 56 + 122 130= **Taxable income** From 10 + Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) From 56 - Add: Adjustments for Surtax on Canadian-controlled private corporations From 122+ Subtract: Taxable income 10 X Allocation % to jurisdictions outside Canada 140- Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses 141- 10 - 56 + 122 - 140 - 141 142= **Claim****Number of Days in Taxation Year**Days after Dec. 31, 2002
and before Jan. 1, 2004

Total Days

143 X From 30 100.0000 % X 1.5% X 33 ÷ 73 365 = 154+

Lesser of 130 or 142

*Ontario Allocation

Days after Dec. 31, 2003

Total Days

143 X From 30 100.0000 % X 2.0% X 34 365 ÷ 73 365 = 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. 3001R) *(Attach schedule)* 170 **Credit for Investment in Small Business Development Corporations (SBDC)****Applies** if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former *Small Business Development Corporations Act*)Eligible Credit 175 Credit Claimed 180 **Subtotal of Income Tax** 40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180 190= *continued on Page 7*

Income Tax *continued from Page 6***Specified Tax Credits** *(Refer to Guide)***Ontario Innovation Tax Credit (OITC) (s.43.3)** *Applies* to scientific research and experimental development in Ontario.Eligible Credit from **5620** OITC Claim Form *(Attach original Claim Form)* **191 +****Co-operative Education Tax Credit (CETC) (s.43.4)** *Applies* to employment of eligible students.Eligible Credit from **5798** CT23 Schedule 113 *(Attach Schedule 113)* **192 +****Ontario Film & Television Tax Credit (OFTTC) (s.43.5)***Applies* to qualifying Ontario labour expenditures for eligible Canadian content film and television productions. **204** Name of Production _____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)***Applies* to employment of eligible unemployed post secondary graduates, for employment commencing prior to July 6, 2004 and expenditures incurred prior to January 1, 2005. **194** No. of Graduates From **6596**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)* **198 +****Ontario Production Services Tax Credit (OPSTC) (s.43.10)***Applies* to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.Eligible Credit from **7300** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)* **199 +****Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)***Applies* to qualifying labour expenditures of eligible products for the taxation year.Eligible Credit from **7400** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)* **200 +****Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)***Applies* to qualifying expenditures in respect of eligible Canadian sound recordings.Eligible Credit from **7500** OSRTC Claim Form *(Attach both the original Claim Form and the Certificate of Eligibility)* **201 +****Apprenticeship Training Tax Credit (ATTC) (s.43.13)***Applies* to employment of eligible apprentices.Eligible Credit from **5898** CT23 Schedule 114 *(Attach Schedule 114)* **202** No. of Apprentices From **5896** **203 +****Total Specified Tax Credits: 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 203** **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)

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 corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

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 Revenue **250** exceeds \$10,000,000.

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

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

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

Calculation: CMT (Attach Schedule 101.)

Gross CMT Payable - CMT Base From Schedule 101	2136	X	From 30	100.0000 % X 4%	276 =
		If negative, enter zero		Ontario Allocation	
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule)					277 -
Subtract: Income Tax				From 190 -	
Net CMT Payable (if negative, enter Nil on page 17.)					280 =

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

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

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

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

Application of CMT Credit Carryovers

A.	Income Tax (before deduction of specified credits)	From 190 +
	Gross CMT Payable	From 276 +
	Subtract: Foreign Tax Credit for CMT purposes	From 277 -
	If 276 - 277 is negative, enter NIL in 290	=
	Income Tax eligible for CMT Credit	290 -
		300 =
B.	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 2333.

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

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

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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 <i>Corporations Tax Act</i> , 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

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

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

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

continued on Page 10

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 (<i>Attach schedule</i>)	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 (<i>Attach schedule</i>)		
Aggregate of Gross Revenue	329,064	480 329,064
Total Assets (as adjusted)	From 430	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.
- OR If the corporation is a member of an associated group and/or partnership, complete Section B below and Section D on page 11, and if applicable, complete Section E or Section F on page 12. Note: if the corporation is a member of a connected partnership, please refer to the 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		
5,000,000	X	35 ÷ 73	365	=	500 +
		Days after Dec. 31, 2004 and before Jan. 1, 2006	Total Days		
7,500,000	X	36 ÷ 73	365	=	501 + 7,500,000
		Days after Dec. 31, 2005 and before Jan. 1, 2007	Total Days		
10,000,000	X	37 ÷ 73	365	=	502 +
Taxable Capital Deduction (TCD)				500 + 501 + 502	503 = 7,500,000

SECTION CThis 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		Days in taxation year	
- From 503			
= 471	x From 30	x 0.3% x 555	= 523 +
	Ontario Allocation	365 (366 if leap year) If floating taxation year, refer to Guide.	Transfer to 543 on page 12 and complete the return from that point

continued on Page 11

Capital Tax Calculation *continued from Page 10***CT23 Page 11 of 20****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

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.

[illegible]

SECTION F

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

$$+ \text{ From } 470 \text{ } \times \text{ From } 30 \text{ } \times 0.3\% = 561 +$$

- Capital tax deduction from **995** relating to **your corporation's** Capital Tax deduction, on Schedule 591 From **995** - **562** =

$$\text{Capital Tax} \quad \underline{562} \quad \times \quad \frac{\text{Days in taxation year}}{365 \text{ (366 if leap year)}} = 553 + \frac{\text{Transfer to 543 and complete the return from that point}}{\text{}} = 553$$

* If floating taxation year, refer to Guide

Capital Tax before application of specified credits	543	=	
Subtract: Specified Tax Credits applied to reduce capital tax payable (<i>Refer to Guide</i>)	546	-	
Capital Tax 543 - 546 (<i>amount cannot be negative</i>)	550	=	

Transfer to Page 17

continued on Page 13

Capital Tax *continued from Page 12*

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Calculation of Capital Tax for Financial Institutions**1.1. Credit Unions Only**For taxation years commencing **after May 4, 1999** enter NIL in **550** on page 12, and complete the return from that point.**1.2 Other than Credit Unions***(Retain details of calculations for amounts in boxes 565 and 570. Do not submit with this tax return.)*

565 x 0.6% x From **30** % x **555** $\frac{\text{Days in taxation year}}{\div *365}$ = **569** +
 Lesser of adjusted Taxable Paid Up Capital and Basic Capital Amount in accordance with Division B.1 Ontario Allocation (366 if leap year)

570 x **571** x From **30** % x **555** $\frac{\text{Days in taxation year}}{\div *365}$ = **574** +
 Adjusted Taxable Paid Up Capital in accordance with Division B.1 in excess of Basic Capital Amount Capital Tax Rate (Refer to Guide) Ontario Allocation (366 if leap year)

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 ☐ No

Capital Tax - Financial Institutions 575 - 585 **586** =
Transfer to 543 on Page 12

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

(1) Uninsured Benefits Arrangements **587** x 2% **588** =
Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in **588** and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in **588**.)
Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax *(Refer to Guide)* **589** =

Premium Tax 588 - 589 **590** =

Transfer to Page 17

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ**Net Income (loss) for federal income tax purposes, per federal T2 Schedule 1**600± 2,253
Transfer to Page 15**Add:**

Federal capital cost allowance	601 +	8,209
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 (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 non-residents		

Number of Days in Taxation YearDays after Dec. 31, 2002
and before Jan. 1, 2004

Total Days

612 X 5/12.5 X 33 ÷ 73 365 = 633 +

Days after Dec. 31, 2003

Total Days

612 X 5/14.0 X 34 365 ÷ 73 365 = 634 +

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

Add any negative amount in 473 from Ont. CT23 Schedule 161

Federal allowable business investment loss

Total of other items not allowed by Ontario but allowed federally (Attach schedule)

Total of Additions 601 to 611 + 617 + 613 + 615 + 616 + 620 + 614

613 +

615 +

616 +

620 +

614 +

= 8,209 640 8,209

Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	650 +	8,209
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 renewable resources.	675 +	
Subtotal of deductions for this page 650 to 659 + 661 + 675	681	8,209

Transfer to Page 15

continued on Page 15

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

continued from Page 14

Net income (loss) for federal income tax purposes, per federal Schedule 1	From 600 ±	2,253
Total of Additions on page 14	From 640 =	8,209

Sub Total of deductions on page 14 From 681 = 8,209

Deduct:

Ontario New Technology Tax Incentive (ONTTI) Gross-up

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

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

662

ONTTI Gross-up deduction calculation:

From Gross-up of CCA
 662 x 100/ 30 100.0000 - From 662 663 =
 Ontario Allocation

Workplace Child Care Tax Incentive (WCCT)

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

Qualifying expenditures: 665 x 30% x 100/ 30 100.0000 666 =
 Ontario Allocation

Workplace Accessibility Tax Incentive (WATI)

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

Qualifying expenditures: 667 x 100% x 100/ 30 100.0000 668 =
 Ontario Allocation

Number of Employees accommodated 669

Ontario School Bus Safety Tax Incentive (OSBSTI)

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

Qualifying expenditures 670 x 30% x 100/ 30 100.0000 671 =
 Ontario Allocation

Educational Technology Tax Incentive (ETTI)

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

Qualifying expenditures 672 x 15% x 100/ 30 100.0000 673 =
 Ontario Allocation

Ontario allowable business investment loss

678 +

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

679 +

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

677 +

Total of other deductions allowed by Ontario (Attach schedule)

664 +

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 = 8,209 680 8,209

Net income (loss) for Ontario Purposes 600 + 640 - 680 690 = 2,253
 Transfer to Page 4

Continuity of Losses Carried Forward**CT23 Page 16 of 20**

	Non-Capital Losses (1)	Total Capital Losses	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	700 (2) 25,136	710 (2)	720 (2)	730	740	750
Add:	701	711	721	731	741	751
Current year's losses (7)	702	712	722	732		752
Losses from predecessor corporations (3)	703	713	723	733	743	753
Subtotal						
Subtract:	704 (2)	715 (2)(4)	724 (2)	734 (2)(4)	744 (4)	754 (4)
Utilized during the year to reduce taxable income	2,253					
Expired during the year	705		725	735	745	
Carried back to prior years to reduce taxable income (5)	706 (2) To Pg 17	716 (2) To Pg 17	726 (2) To Pg 17	736 (2) To Pg 17	746	
Subtotal	707	717	727	737	747	757
	2,253					
Balance at End of Year	709 (8) 22,883	719	729	739	749	759

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 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	821	831	841	854	874
2000/12/31					
805 4th preceeding taxation year	822	832	842	855	875
2001/12/31					
806 3rd preceeding taxation year	823	833	843	856	876
2002/12/31	17,757				
807 2nd preceeding taxation year	824	834	844	857	877
2003/12/31					
808 1st preceeding taxation year	825	835	845	858	878
2004/12/31	5,126				
809 Current taxation year	826	836	846	859	879
2005/12/31					
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.

Request for Loss Carry-Back (s.80(16))**CT23 Page 17 of 20**

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

Application of Losses	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss	910	920	930	940
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income.				
Predecessor Corporation's Taxation Year	911	921	931	941
Account No. (MOF) Ending				
i) 3rd preceding 901 2002/12/31	912	922	932	942
ii) 2nd preceding 902 2003/12/31	913	923	933	943
iii) 1st preceding 903 2004/12/31	From 706	From 716	From 726	From 736
Total loss to be carried back	919	929	939	949
Balance of loss available for carry-forward				

Summary

Income Tax	From 230 or 320 +	
Corporate Minimum Tax	From 280 +	
Capital Tax	From 550 +	
Premium Tax	From 590 +	
Total Tax Payable	950 =	
Subtract: Payments	960 -	
Capital Gains Refund (s.48)	965 -	
Qualifying Environmental Trust Tax Credit (Refer to Guide)	985 -	
Specified Tax Credits (Refer to Guide)	955 -	
Balance	970 =	
If payment due	Enclosed * 990	
If overpayment: Refund (Refer to Guide)	975 =	
Apply to	980	

(Includes credit interest)

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

Certification

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

Name
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		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"	
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")		

Continuity of non-capital losses and request for a carryback

Non-capital loss at end of preceding taxation year	25,136	
Deduct: Non-capital loss expired	-	
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		
	2,253	- 2,253
Non-capital losses - Closing balance		= 22,883

Part 2 - Capital losses

Continuity of capital losses and request for a carryback

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

OS4
Schedule 4

Ontario loss continuity

Part 3 - Farm loss

Continuity of farm losses and request for a carryback

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

Part 4 - Restricted farm loss

Current-year restricted farm loss

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

Continuity of restricted farm losses and request for a carryback

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

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	17,757			
2003/12/31				
2004/12/31	5,126			
2005/12/31				
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 preceding taxation year	Losses transferred from amalgamation or windup of subsidiary	Current-year limited partnership loss	Limited partnership losses applied	Limited partnership losses closing balance
Total (enter this amount on line 754 of the CT23)					

ONTARIO CAPITAL COST ALLOWANCE

Corporation's Legal Name NEWBURY POWER INC	Ontario Corporations Tax Account No. (MOF) 6820376	Taxation Year End 2005/12/31
--	--	--

Is the corporation electing under regulation 1101(5q)? **101** 1 Yes ☐ 2 No ☒

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.

**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 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			
Aggregate of taxable capital			

Transfer to **540** of the CT23

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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:

1. 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:

1. 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).

6. 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 pre-acquisition 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

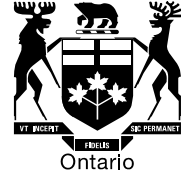
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MPDC – Newbury

Attachment 8
Reply Letter from Board dated
November 23, 2011

**Ontario Energy
Board**
P.O. Box 2319
27th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

**Commission de l'énergie
de l'Ontario**
C.P. 2319
27e étage
2300, rue Yonge
Toronto ON M4P 1E4
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Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



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