

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-2012-0058

Dear Ms. Walli,

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

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

Regards,

[Original Signed By]

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

CC: Dan Charron, President of Chatham-Kent Hydro Chris Cowell, Chief Financial and Regulatory Officer

David Ferguson, Director of Regulatory Affairs and Risk Management





On behalf of Middlesex Power Distribution Corp - Dutton

Application for Final Disposition of Account 1562 Deferred PILs

Board File No.: EB-2012-0058

Filed: February 9, 2012

Chatham-Kent Hydro Inc. - Dutton

Account 1562 Deferred PILs - Application for Final Disposition

Board File No.: EB-2012-0058 Date Filed: February 9, 2012

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Introduction

On December 16, 2012, the Ontario Energy 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 – Dutton.

Basis for Application

On November 28, 2008, the Board initiated a combined proceeding on its own motion 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. The proceeding was assigned file number EB-2008-0381.

On June 24, 2011, the Board issued its decision regarding the combined 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.

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Background on Corporate Structure

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 – Dutton has located the majority of the applicable financial records of Dutton Hydro Inc. ("DHI"). MPDC – Dutton has and validated the applicable records with assistance from the previous ownership of DHI, its predecessor public accountant and the Ministry of Finance.

MPDC – Dutton 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 – Dutton has reviewed the 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 the Decision and Order regarding the MAAD application issued by the Board on February 9, 2009. The Board stated the following:

Chatham-Kent Hydro Inc. - Dutton

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"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."1

MPDC – Dutton 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

Although financial statements for the period ended December 31, 2001 and provincial tax returns for the years ended December 31, 2002 and December 31, 2003 could not be located, MPDC - Dutton was able to confirm with the Ministry of Finance that DHI was not in a taxable position until 2009. This confirmation is consistent with MPDC - Dutton's review of the financial records in its possession for the Affected Period, including federal and provincial tax returns for the period ended December 31, 2001, and the federal tax returns for the years ended December 31, 2002 and December 31, 2003.

The fact that MPDC – Dutton had no taxable income from a provincial standpoint throughout the Affected Period is further validated by Schedule 4 ("Ontario Loss Continuity") of the provincial tax return for the year ended December 31, 2005, which shows the existence of non-capital losses for each period or year.

Submission

MPDC – Dutton therefore requests a final disposition of a \$nil balance for Account 1562 Deferred PILs. Accordingly, MPDC – Dutton is seeking an order for final disposition of \$nil.

Supporting Evidence

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

Attachment 1: 2001 federal and provincial tax returns

Attachment 2: 2002 financial statements and federal tax return

Attachment 3: 2003 financial statements and federal tax return

Attachment 4: 2004 financial statements, federal tax return and provincial tax return

Attachment 5: 2005 financial statements, federal tax return and provincial tax return

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

¹ EB-2008-0332/EB-2008-0350, Decision and Order, Pg 5

MPDC – **Dutton**

Attachment 1 2001 Supporting Documentation



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

(Revised)

2001 CT23 Corporations Tax and (Revised) Annual Return Fortaxalion years commencing after May 4, 1999

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS) (formerly Ministry of Consumer and Commercial Relations)

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the 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 3-18, together with the applicable schedules on pages 19-22. 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 Schedules A or K on pages 23 and 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? (Refer to Guide) Yes X No Page 1 of 24 Corporation's legal name and mailing address 6966864 **DUTTON HYDRO LIMITED** This CT23 Return covers the Taxation Year 199 MAIN STREET 2001/10/01/14/2018 Start Postal code Country Province 2001/12/31 **NOL 1J0** ON CA DUTTON Date of Date of Incorporation or Amalgamation Yes address changed since last filed return? change 2000/03/28 Registered/Head Office Address 199 MAIN STREET Ontario Corporation No. (MCBS) Postal code Province Country City NOL 1JO CA ON DUTTON 1390779 Location of books and records Canada Customs and Revenue Agency 199 MAIN STREET Business No. Country Postal code Province City 871493722RC0001 NOL 1JO CA ON DUTTON Jurisdiction Telephone no. Fax no. Name of person to contact regarding this Return (519) 762-2204 (519) 762-2278 Incorporated ONTARIO KEN LOVELAND If not incorporated in Ontario, indicate date Auuress of Principal Office in Ontario (Extra-Provincial Corporations only) (MCBS) Ontario business activity commenced and ceased: Postal code Province Country City Commenced (MCBS) Not applicable Former Corporation Name Ceased (Extra-Provincial Corporations only) (Not Applicable) ▶X Information on Directors/Officers/Administrators must be completed on MCBS Preferred Language / Langue de préférence Schedule A or K as appropriate. If additional space is required for Schedule A, No. of Schedule(s) English X French only this schedule may be photocopied. State number submitted (MCBS).▶ 3 anglals Ministry Use If there is no change to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please check ✓ this box. Schedule(s) A and K are not required (MCBS). No Change Certification (MGBS) I certify that all information set out in the Annual Return is true, correct and complete. Name of Authorized Person KEN LOVELAND Note: Sections 13 and 14 of the Corporations Information Act provide Other individual having knowledge penalties for making false or misleading statements or omissions. of the affairs of the Corporation X Officer Director Title:

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NOTE: Family Farm or Fishing corporations that have a 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.

T23 Corporations Tax Return

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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

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

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

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

ligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, fter deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If ou are claiming this credit, attach a copy of the federal T2 SCH 27 including necessary changes for Ontario tax purposes (e.g. different

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

usiness income is \$250,000 or less.	120+
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Claim 143 X From 30100.0000 % 1.5% X 28 92 ÷ 73 92 = *Contario Allocation	154 <u>+</u>
Days after Dec 31, 2002 and before Jan 1, 2004 Total Days Total Days Total Days Total Days 30 100.0000 % 1.0% X 31 ÷ 73 92 = *()ntario Allocation	155+
M&P claim for taxation year 153 + 154 + 155 *Note: Ontario Allocation for M&P Credit purposes may differ from 30 if Taxable Income is allocated to foreign jurisc	
See special rules (s.43(1)).	161
Manufacturing and Processing Profits Credit for Electrical Generating Corporations	
Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity Note: The M&P for corporations that generate electrical energy for sale, or produce steam for use in the generation sale, or produce steam for uses other than the generation of electrity, has not yet received legislative authority at the sale, or produce steam for uses other than the generation of electrity, has not yet received legislative authority at the	162 = 162 162

to Guide.)

Credit for Foreign Taxes Paid (s.40) Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Info. Bulletins 15-79 & 2739) (Attach schedule).

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) Credit claimed 180

Eligible credit 175

ProFile

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

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,

Associated Corporation - The total assets or total revenue of associated corporations is the total assets or total revenue for the is less than 51 weeks. taxation year ending on or before the date of the claiming corporation's taxation year end.

axation year ending on or bolore as	240+	632,787		
Total Assets of the corporation			241+	177,541
Total Pevenue of the corporation				
f you are a member of an associated group (✔) 242 (Yes)	243+			
Fatal Appets of associated corporations (Attach schedule)	243		244+	
Total Revenue of associated corporations (Attach schedule)	249=	632,787	4	
Aggregate Total Assets			250=	177,541
Aggregate Total Revenue	OMT holow and	Corporate I	Minimum Tax S	chedules A
Aggregate Total Revenue If CMT is applicable to current taxation year, complete section Calculation through E on pages 19, 20 and 21 of CT23.		OO, por allo		
Lculation: CMT (Attach Schedule A: Calculation of CMT Base on page	19.)			
Gross CMT PayableCMT Base From 2135 If negative, enter zero		00_ % X 4% ion	(\$40°C)	AMERICAN STREET
			277	240/16/09/19 - 75
			From 190-	
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule)				Control of Laboration 2007
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule) Subtract: Income Tax Net CMT Payable (if negative, enter Nil on page 18.) If 280 is less than zero and you do not have a CMT credit carryover, trans	sfer 230 from Pag	e 7 to Incom	280 = 1 ne Tax Summai	y, on Page 18
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule) Subtract: Income Tax Net CMT Payable (if negative, enter Nil on page 18.) If 280 is less than zero and you do not have a CMT credit carryover, trans If 280 is less than zero and you have a CMT credit carryover, complete A If 280 is greater than or equal to zero, transfer 230 to Page 18 and transf Credit Carryovers, on Page 21.	fer 230 from <i>Pag</i> & B below. er 280 to <i>Page</i> 18	e 7 to Incom	280 = 1 ne Tax Summai	y, on Page 18
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule) Subtract: Income Tax Net CMT Payable (if negative, enter Nil on page 18.) If 280 is less than zero and you do not have a CMT credit carryover, transfer 280 is less than zero and you have a CMT credit carryover, complete A lf 280 is greater than or equal to zero, transfer 230 to Page 18 and transfer	ifer 230 from Pag & B below. er 280 to Page 18	e 7 to Incom	280 = 280 =	y, on Page 18
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule) Subtract: Income Tax Net CMT Payable (if negative, enter Nil on page 18.) If 280 is less than zero and you do not have a CMT credit carryover, trans If 280 is less than zero and you have a CMT credit carryover, complete A If 280 is greater than or equal to zero, transfer 230 to Page 18 and transf Credit Carryovers, on Page 21. CMT Credit Carryover available Application of CMT Credit Carryovers	ifer 230 from Pag & B below. er 280 to Page 18	e 7 to Incom	280 = 280 =	y, on Page 18
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule) Subtract: Income Tax Net CMT Payable (if negative, enter Nil on page 18.) If 280 is less than zero and you do not have a CMT credit carryover, trans If 280 is less than zero and you have a CMT credit carryover, complete A If 280 is greater than or equal to zero, transfer 230 to Page 18 and transf Credit Carryovers, on Page 21. CMT Credit Carryover available Application of CMT Credit Carryovers Income Tax (before deduction of specified credits)	ifer 230 from Pag & B below. er 280 to Page 18	e 7 to Incom	280 = 280 = 200 =	y, on Page 18
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule) Subtract: Income Tax Net CMT Payable (if negative, enter Nil on page 18.) If 280 is less than zero and you do not have a CMT credit carryover, trans If 280 is less than zero and you have a CMT credit carryover, complete A If 280 is greater than or equal to zero, transfer 230 to Page 18 and transf Credit Carryovers, on Page 21. CMT Credit Carryover available Application of CMT Credit Carryovers Income Tax (before deduction of specified credits) Gross CMT payable From 276+	ifer 230 from Pag & B below. er 280 to Page 18	e 7 to Incom	280 = 10	y, on Page 18
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule) Subtract: Income Tax Net CMT Payable (if negative, enter Nil on page 18.) If 280 is less than zero and you do not have a CMT credit carryover, trans If 280 is less than zero and you have a CMT credit carryover, complete A If 280 is greater than or equal to zero, transfer 230 to Page 18 and transf Credit Carryovers, on Page 21. CMT Credit Carryover available Application of CMT Credit Carryovers Income Tax (before deduction of specified credits) Gross CMT payable From 276+ Subtract: Foreign Tax Credit for CMT purposes From 277-	ifer 230 from Pag & B below. er 280 to Page 18	e 7 to Incom	280 = 10 per Tax Summan nedule D: Continue From 2307 = 190 + 190 -	y, on Page 18
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule) Subtract: Income Tax Net CMT Payable (if negative, enter Nil on page 18.) If 280 is less than zero and you do not have a CMT credit carryover, trans If 280 is less than zero and you have a CMT credit carryover, complete A If 280 is greater than or equal to zero, transfer 230 to Page 18 and transf Credit Carryovers, on Page 21. CMT Credit Carryover available Application of CMT Credit Carryovers Income Tax (before deduction of specified credits) Gross CMT payable Subtract: Foreign Tax Credit for CMT purposes From 276+ Subtract: Foreign Tax Credit for CMT purposes From 277- If 276 - 277 is negative, enter NIL in 290	ifer 230 from Pag & B below. er 280 to Page 18	e 7 to Incom	280 = 10	y, on Page 18
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule) Subtract: Income Tax Net CMT Payable (if negative, enter Nil on page 18.) If 280 is less than zero and you do not have a CMT credit carryover, transfer 280 is less than zero and you have a CMT credit carryover, complete A lf 280 is greater than or equal to zero, transfer 230 to Page 18 and transfer Credit Carryovers, on Page 21. CMT Credit Carryover available Application of CMT Credit Carryovers Income Tax (before deduction of specified credits) Gross CMT payable Subtract: Foreign Tax Credit for CMT purposes Income Tax eligible for CMT Credit Income Tax eligible for CMT Credit	ifer 230 from Pag & B below. er 280 to Page 18	e 7 to Incom	280 = 1	y, on Page 18
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule) Subtract: Income Tax Net CMT Payable (if negative, enter Nil on page 18.) If 280 is less than zero and you do not have a CMT credit carryover, trans If 280 is less than zero and you have a CMT credit carryover, complete A If 280 is greater than or equal to zero, transfer 230 to Page 18 and transf Credit Carryovers, on Page 21. CMT Credit Carryover available Application of CMT Credit Carryovers Income Tax (before deduction of specified credits) Gross CMT payable Subtract: Foreign Tax Credit for CMT purposes If 276 - 277 is negative, enter NIL in 290 Income Tax (after deduction of specified credits)	ifer 230 from Pag & B below. er 280 to Page 18	e 7 to Incom	280 = 280 =	y, on Page 18
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule) Subtract: Income Tax Net CMT Payable (if negative, enter Nil on page 18.) If 280 is less than zero and you do not have a CMT credit carryover, trans If 280 is less than zero and you have a CMT credit carryover, complete A If 280 is greater than or equal to zero, transfer 230 to Page 18 and transf Credit Carryovers, on Page 21. CMT Credit Carryover available Application of CMT Credit Carryovers Income Tax (before deduction of specified credits) Gross CMT payable Subtract: Foreign Tax Credit for CMT purposes From 276+ Subtract: Foreign Tax Credit for CMT purposes From 277- If 276 - 277 is negative, enter NIL in 290	ifer 230 from Pag & B below. er 280 to Page 18	e 7 to Incom	280 = 1	y, on Page 18

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.

ario: DUTTON HTURO CIIVITED CINCID. apital Tax (Refer to Guide)

our corporation is a Financial Institution (s.58(2)), proceed to page 14.

our corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as loculated on Page 10 in 480 and 430 are both \$1,000,000 or less and the taxation year ends on or after January 1, 2000, or (2) the oss 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 after January 1, 2001, it is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in 550 on page 13 and complete the return from at point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

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

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

ny assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets nd 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)).

'aid-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 rusiness 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 issets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a).

SSEIS III Canada minor		
Paid-up Capital	350+	475,885
Paid-L apital stock	351±	(18,877)
: (if definit deduct)	352+	
anital and other surpluses, excluding appraisal surplus (IIII.5.55 557	353+	
oans and advances (Attach schedule)	354+	
ank loans	355+	
ankers acceptances	356+	
sonds and debentures payable	357 +	
Mortgages payable	358+	
ien notes payable	359 <u>+</u>	
les he included in paid-up capital for the purposes of the large	360+	
	361+	
	362+	
Other reserves not allowed as deductions for meeting (Attach schedule(s)) Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s))	370 =	457,008
Subtract: Amounts deducted for income tax purposes in excess of amounts booked	371	
(Retain calculations. Do not submit.) Deductible R&D expenditures and ONTTI costs deferred for income tax if not	372-	
already deducted for book purposes	380=	457,008
A 16.4	381-	
Total Paid-up Capital Subtract: Deferred mining exploration and development expenses (s.62(1)(d))	390	457,008
Net Pald-up Capital		

Eligible Investments (Refer to Guide)

Attach computations and list of corporations' names and investment amounts. Short-term investments (bankers acceptances, commercial paper, term deposits, 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.

the year end of the investor corporation. Term deposits and investment certificates in foreign financial institutions for taxation years ending prior to	
Term deposits and investment certificates in foreign financial institutions to task and investment certificates in foreign financial institutions to task and investment certificates in foreign financial institutions to task and investment certificates in foreign financial institutions to task and investment certificates in foreign financial institutions to task and investment certificates in foreign financial institutions to task and investment certificates in foreign financial institutions to task and investment certificates in foreign financial institutions to task and investment certificates in foreign financial institutions to task and investment certificates in foreign financial institutions to task and investment certificates in foreign financial institutions to task and investment certificates in foreign financial institutions to task and investment certificates in foreign financial institutions to task and investment certificates in foreign financial institutions to task and investment certificates in foreign financial institutions to task and investment certificates in foreign financial institutions are also and investment certificates are also and investment certificates are also and investment certificates are also and investment certificates and investment certificates are also and also are also also also also also also also also	400 +
December 15, 1999 (Refer to Guide) Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation	402+
years ending after October 30, 1998)	403+
t - that corporations	404+
Shares in other corporations (certain restrictions apply) (Note: to easy)	405+
Loans and advances to unrelated corporations (certain restrictions apply) (Refer to Guide)	406+
	407+
Eligible loans and advances to related corporations (see Eligible Investments (Attach schedule) Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)	410
Total Eligible Investments	

Ontario: DUTTON HYDRO LIMITED Ontario Account # 6966864 Year-end: 2001/12/31	Pa	age 10 of 24
Total Assets	420+	632,787
Total Assets per balance sheet	421+	
Mortgages or other liabilities deducted from assets	422+	-
Share of partnership(s)/joint venture(s) total assets (Attach schedule)		
Subtract: Investment in partnership(s)/joint venture(s)	423-	000 707
Total Assets as adjusted	430 =	632,787
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 🛱	632,787
Investment Allowance (410 ÷ 450) × 390 Not to exceed 41	0_460	CONTRACTOR
Taxable Capital 390 - 460	470=	457,008
Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	4.4	
Gross Revenue of the corporation	41	
Services Share of partnership(s)/joint venture(s) Gross Revenue (Attach schedule)	W27/	BURNES OF TAXABLE MENT
Acgregate of Gross Revenue		177,541
Total Assets (as adjusted)	om 430	632,787

Calculation of Capital Tax for all corporations except Financial Institutions

Note: This version (2001) of the CT23 may only be used for a taxation year that commenced on or after May 5, 1999.

(Financial Institutions use calculations on page 14.)

If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Important: Institution, complete only Section A below.

If the corporation is NOT a member of an associated group and/or partnership, review only the capital tax OR calculations in Section B on pages 10 to 11 and select and complete the one specific subsection (e.g. B4) that applies to the corporation.

If the corporation IS a member of an associated group and/or partnership, complete Section C on page 12. Next review, and if applicable, complete Section D on page 12. If Section D is not applicable review Section E on page 13 and complete the applicable subsection: either E1 or E2. Note: if the corporation is a member of a connected partnership, please refer to the guide for additional instructions before completing the capital tax section. SECTIONA

OR

ection applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution.

Enter NIL in 550 on page 13 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 ends before January 1, 2001 and 430 and 480 are both \$1,000,000 or less, enter NIL in 550 on page 13 and complete the return from that point.
- B2. If the taxation year end is after December 31, 2000 and 430 and 480 are both \$1,500,000 or less, enter NIL in 550 on page 13 and complete the return from that point.
- B3. If the taxation year commences after September 30, 2001 and 430 and 480 on page 10 of the 2001 CT23 are both \$3,000,000 or less, enter NIL in 550 on page 13 of the 2001 CT23 and complete the return from that point.
- B4. If taxable capital, 470 on page 10, is \$2,000,000 or less, enter NIL in 550 on page 13 and complete the return from that point.

Ontario Allocation

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

Days in taxation year (b) + From 470 after September 30, 2001 5,000,000 30 x 0.3% x 560 From **365/366 Ontario Allocation

508=

Total Capital Tax for the taxation year 502 + 523

Transfer to 543 and complete the return from that point

523+

** If floating taxation year, refer to Guide

ECTION C the corporation is a member of an associated group and/or partnership, complete the following, and (✓) 510 (Yes)

te: Calculation #2 is not required if the taxation year commences after September 30, 2001.

exable Capital of the corporation

From 470+

457,008

etermine aggregate taxable capital of an associated group and/or partnership having a permanent stablishment in Canada

axable Capital of associated corporations (Attach schedule)

540 = 457,008

ggregate Taxable Capital 470 + 531

If 540 above is \$5,000,000 or less, the corporation's Capital Tax for the portion of the taxation year after September 30, 2001,

is NIL. Enter NIL in 523 in E1(c) or E2(b) 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 portion of the taxation year after September 30, 2001.

From

457,008 + From **540** 457,008 X 5,000,000

5,000,000

Transfer to Section E2(b)

Determine aggregate taxable capital of an associated group and/or partnership that does NOT have a permanent ment in Canada

esta!

Taxable Capital of associated corporations (Attach schedule) Total Aggregate Taxable Capital 540 + 514

520 = 457,008

If 520 above is greater than \$2,000,000, and less than \$3,200,000 and a portion of the taxation year is before October 1, 2001, the corporation must compute the following ratio.

From

470 _____ + From 520

521=

Transfer to section E1(a) and/or (b) as applicable

Note: 521 cannot exceed 1.00000

SECTION D This section applies if the corporation IS a member of an associated group and/or partnership whose AGGREGATE taxable capital, 520 is \$2,000,000 or less.

Enter NIL in 550 on page 13 and complete the return from that point.

SECTION	10
his section applies if	the corporation IS a member of an associated group and/or partnershi

p whose AGGREGATE taxable capital,

1. If aggregate	taxable capital	520 exceeds ete the return	from that point.	33,200,000 01	-		4 4000 and befor	ns and transfer the total
alculation: Por	tion of Capita	I Tax relating	to the days in the	taxation year	after Do	ecember 3	7, 1999 and belor	e danuary 1, 2001
a) From 470_		x 0.3%		<u>= 490 +</u>				
educt:	E F00		From 521				Days in taxation year	
(\$2,800,000) x 0.75% x	100	_ = 493			after Dec 31, 1999 and before Jan 1, 200	L
			(506 = 490 - 493)	x 30	ntario All	location	**365/366	=507 <u>+</u>
	-tion of Conits	al Tay relating	n to the days in the	taxation yea	r after D	ecember	31, 2000 and befo	re October 1, 2001
Calculation: Po	Mion of Capita	×0.3%		= 490+				
(b) From 470_ Deduct:		x 0.376	From 521					
(\$3,200,000 -	From 520) x 0.5% x		_ = 495			Days In taxation year after Dec 31, 2000 and before Oct 1, 200	11
	§		(509 = 490 - 495)	x 30	148.244 148.244	% x llocation	557 **365/366	=522+
	wien of Capit	al Tay relatir	g to the days in th	e taxation ye	ar after	Septembe	r 30, 2001	
Calculation: Po	ortion of Capit	al Tax relatir	ig to the days in the	tomber 30 20	01 for a	corporatio	n whose total	
(c) Capital tax for	or that portion	of a taxation y	reair that is after Ser 00,000 or less, is NI	l	011010	00/p=:=::		523 +0
aggregate ta	axable capital a	at 540 is \$5,00	70,000 01 1633, 13 141	-				508 =
Total Capital T	ax for the tax	ation year 50	7 4 522 + 523				Transfer to 543 and	complete the return from that poin
from 508 t	n 543 on inis i	Bade, and con	page 12, exceeds a plete the return fro ing to the days in the					ansfer the amount
Calculation. P	Officer or oak.					befo	in taxation year are Oct. 1, 2001	= 502+
(a) From 470		x	From 30 Ontario	Allocation x	0.3% x	555	365/366	= 502 <u>+</u>
			ng to the days in t	he taxation ve	ear after	Septemb	er 30, 2001	
Coloulation: P	ortion of Cap	ital Tax relati	ng to the days in t	io taxation y				
Calculation: P (b) om 470		ital Tax relati 	ng to the days in t	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		Dav:	s in taxation year eptember 30, 2001 =	
(b) om 470 - From 54 1) 	ital Tax relati 				Days after S	eptember 30, 2001 =	= 523+
(b) om 470 - From 541)		From 30	x		Days after S	s in taxation year	= 523+
(b) om 470 - From 541 471		x	From 30 Ontario			Days after S	365/366	508=
(b) 5m 470 - From 541 471 Total Capital ** If floating ta	Tax for the tax	x xation year 5	From 30 Ontario Ontario	x		Days after S	365/366	
(b) om 470 - From 541 471 Total Capital ** If floating ta	Tax for the tax	x xation year 5	From 30 Ontario	x		Days after S	365/366	508=
- From 541 471 Total Capital ## If floating ta	Tax for the tax	xation year 5 efer to Guide	From 30 Ontario Ontario	Allocation x	0.3% ×	Days after S	365/366	508 = d complete the return from that po
- From 541 471 Total Capital ## If floating ta	Tax for the tax	xation year 5 efer to Guide	From 30 Ontario	Allocation x	0.3% ×	Days after S	365/366	508 = d complete the return from that po

Calculation of Capital Tax for Financial Institutions

Optionisti of Suprisi Tax 101 1 marional monatorio	
I.1. Credit Unions Only For taxation years commencing after May 4, 1999 enter NIL in 550 on	page 13, 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 r	not submit with this tax return.)
	Days In taxation year
Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1	
innumerous programma actions or root	Days in taxation year
Adjusted TPUC Capital Tax Rate Ontario Allocation accordance with (Refer to Guide) Division B.1 in excess of Basic Capital Amount	
Capital Tax for Financial Institutions - other than Credit Unions (b	efore Section II) 569 + 574 575=
** If floating taxation year, refer to Guide	
II. Jamali Business Investment Tax Credit	
(Retain details of eligible investment calculations and, if claiming an ir the original letter approving the credit issued in accordance with the C 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 Communi	ty Small Business Investment Fund (CSBIF)?(✔) Yes
Capital Tax - Financial Institutions 575 - 585	586=
	Transfer to 543 on Page 13
Premium Tax (s.74.2 & 74.3) (refer to Guide)	
(1) Uninsured Benefits Arrangements	587 x 2% 588 = 110
Applies to Ontario-related uninsured benefits arrangements.	
(2) Unlicensed Insurance (enter premiurn tax payable in 588 and a subject to tax under (1) above, add both taxes together and en	

Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated it	וח
Ontario with unlicensed insurers.	
 	- CELTACHO SENDEDISENHE DE LE

Deduct: Specified Tax Credits applied to reduce premium tax (Refer to guide) 589-590 Premium Tax 588 - 589 Transfer to Page 18

ProFile

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

Net Income (Io	ss) for federal income tax purposes, per federal T2 SCH 1		\pm (12,868)
Add:			Transfer to Page 16
	apital cost allowance	601+	
	umulative eligible capital deduction	602+	
Ontario ta	xable capital gain	603+	
Federal no	on-allowable reserves. Balance beginning of year	604+	
Federal al	llowable reserves. Balance end of year	605+	
Ontario no	on-allowable reserves. Balance end of year	606+	
Ontario al	llowable reserves. Balance beginning of year	607+	
Federal ex	xploration expenses (e.g. CEDE, CEE, CDE, COGPE)	608+	
Federal re	esource allowance	609+	
Federal de	epletion allowance	610+	
	preign exploration and development expenses	611+	
Managem	ent fees, rents, royalties and similar payments to non-arms' length non-	residents	
612	Days after Dec 31, 2001 Days after Dec 31, 2000 and before Oct. 1, 2001 Total days X 5/14.0 X 26		
612	Days after Dec. 31, 2002 and before Jan. 1, 2004 Total days X 5/11.0 X 31 + 73 92 = + 634		
Total add-back			
	amount for Management fees, etc. 631 + 632 + 633 + 634 =	> 613+	
Federal Scientifi	ic Research Expenses clairned in year from fed form T661	615+	
Federal Scientifi Fe al allowab	ic Research Expenses clairned in year from fed form T661 ble business investment loss	615 + 620 +	
Federal Scientifi Fe al allowab Total of other ite	ic Research Expenses clairned in year from fed form T661	615 + 620 +	640

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

	me (loss) for federal income tax purposes, per federal T2 SCH 1		n 600 ±	(12,868)
Sub Tota	al of Additions	Fror	n 640 =	
Deduct:				
	Ontario capital cost allowance	650+		
	Ontario cumulative eligible capital deduction	651+		
	Federal taxable capital gain	652+	===	
	Ontario non-allowable reserves. Balance beginning of year	653+	-	
	Ontario allowable reserves. Balance end of year	654+		
	Federal non-allowable reserves. Balance end of year	655+		
	Federal allowable reserves. Balance beginning of year	656+	_	
	Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	-		
	(Retain calculations. Do not submit.)	657 +	_	
	Ontario depletion allowance	658 +		
	Ontario resource allowance	659+		
	Ontario research and development super allowance (Attach schedule)	660+	8	
	Government Assistance relating to provincial deductions for scientific research and			
	experimental development added back for federal income tax purposes as a result of the Federal 2000 Budget	074		
	Ontario current cost adjustment (Attach schedule)	674+ 661+	_	
	Ontario Scientific Research Expenses claimed in year from Ont form CT161	0011100	21	
		679+	_	
	Ontario New Technology Tax Incentive (ONTTI) Gross-up			
	Applies only to those corporations whose Ontario allocation is less than 100% in the	e current taxation yea	Γ,	
	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	\$8000000000000000000000000000000000000	prij.	
		663=	4	
	Ontario allocation		-	
	Workplace Child Care Tax Incentive: (Applies to qualifying expenditures incurred	d after May 5, 1998)		
	Outlife in the little of the l	和主要的被他们 You Line 19	ett.	
		666=	<u>11.</u>	
	Ontario Allocation			
	Workplace Accessibility Tax Incentive: (Applies to qualifying expenditures incur	red after July 1, 1998)		
	Qualifying expenditures: 667 x 100% x 100/ 30 100,0000	668=	Å.	
	Ontario Allocation			
	Number of Employees accommodated 669			
	Ontario School Bus Safety Tax Incentive (OSBSTI): (Applies to the eligible acqu	isition	-	
	of school buses made within the 3 year period commencing after May 4, 1999.) (Re	fer to Guide)		
		671=	2	
	Ontario Allocation		=	
	Educational Technology Tax Incentive (Applies to qualifying amounts incurred af	ter May 2, 2000)	-	
	by the state of th	ici may 2, 2000.)		
	Qualifying expenditures 672 x 15% x 100/ 30 100.0000	673=	es M	
	Ontario Allocation		_	
	Ontario allowable business investment loss	£70 ±	3	
	· · · · · · · · · · · · · · · · · · ·	678+	=	
	Total of other deductions allowed by Ontario (Attach schedule)	664+	_	
ub Total	of Deductions 650 to 660 + 674 + 661 + 679 + 663 + 666 + 668 + 671 + 673 + 678 + 664	=	680	
	ome (loss) for Ontario purposes 600 + 640 - 680	****		(12.000)
	7.110 (1000) 101 Official to purposes 000 + 040 - 000		_690 <u>=</u> 	(12,868) er to Page 4
			i i ai i ai i	or to rath 4

Continuity of Losses Carried Forward

Page 17 of 24

Continuity of Losses o		4		out-		Page 17 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)	710 (2)	720 (2)	730	740	750
Add: Current year's losses (7)	701 12,868	711	721	731	741	751
Losses from predecessor corporations (3)	702	712	722	732		752
Subtotal	703 12,868	713	723	733	743	753
Subtract: Utilized during the year to	704	715 (4)	724	734 (4)	744 (4)	754 (4)
reduce taxable income Expired during the year	705		725	735	745	
Carried back to prior years to reduce income (5)	706 (2) To Pg 18	716 (2) To Pg 18	726 (2) To Pg 18	736 (2) To Pg 18	746	and in
Subtotal	707	717	727	737	747	757
Balance at End of Year	709 12,868	719	729	739	749	759

Notes:

- Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- (2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5) as made applicable by s.34.
- (3) 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) 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 Losse	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Persona Property only (9) (10)		Restricted Farm Losses
800				850	870
801				851	871
802				852	872
803	820	830	840	853	873
804	821	831	841	854	874
805	822	832	842	855	875
806	823	833	843	856	876
807 2000/09/30	824	834	844	857	877
808 2001/09/30	825	835	845	858	878
809 2001/12/31	826 4 2 86	8 836	846	859	879
otal	829 12.86	8 839	849	869	889

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

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

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

- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
 - 1) the first day of the taxation year after the loss year,
 - 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
•	910	920	930	940
Total amount of loss	12,868			
Ct: Loss to be carried back to preceding taxation years and applied to reduce taxable income. Predecessor Corporation's Taxation Year Account No. (MOF) Ending i) 3rd preceding 901	911	921	931	941
ii) 2nd preceding 902 2000/09/30	912	922	932	942
iii) 1st preceding 903 2001/09/30	913	923	933	943
Total loss to be carried back	From 706	From 716	From 726	From 736
Balance of loss available for carryforward	9 19 12,868	929	939	949

Summary

Income Ta	C	From 230 or	320+
Cr prate	Minimum Tax	From	280+
Ca,al Tax		From	550 H2 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4
Premium T	ах	590 ± %	
Total Tax F	ayable		950=
Subtract:	Payments		960
,	Capital Gains R	lefund (s.48)	965
	Qualifying Envi	ronmental Trus	t
	Tax Credit (Ref	er to Guide)	985
	Specified Tax C	redits	
	(Refer to Guide)		955
Balance			970=
If payment	due	Enclosed *	990
If overpayn	ent: Refund		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.

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 corporations 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	
KEN LOVELAND	
Title	
SECRETARY	
Full Residence Address	
199 MAIN STREET	

City		
DUTTON		
Province ON	Country CA	Postal Code N0L 1J0
Signature		Date 2002/11/15

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

Corporate Minimum Tax (CMT)

CT23 Schedule B & C

Schedule B: Continuity of CMT Losses Carried Forward



Page 20 of 24

CMT loss continuity by year

Year of origin	Beginning balance	Transfers on amalgamation	Transfers on wind-up	Adjustments	Current year loss	Applied	Ending balance
							Expired
					-		-
					- H		
2000/09/30					-		
2001/09/30		7			7		
2001/12/31					18,877		18,877
Totals					18,877		18,877

Br nce	at Beginning of year (1),(2)			2201+	
Add:	Current year's losses	2202+	18,877		
	Losses from predecessor corporations on amalgamation (3)	2203+			
	Losses from predecessor corporations on wind-up (3)	2204+			
	Amalgamation (✔) 2205 Yes Wind-up (✔) 2206 Yes				
Subtota			18,877	2207+	18,877
Adjustm	ents (attach schedule)			2208±	
CMT los	sses available 2201 + 2207 ± 2208			2209=	18,877
Subtrac	t: Pre-1994 loss utilized during the year to reduce adjusted net income	2210+			
	Other eligible losses utilized during the year to reduce adjusted net incom	ie (4) 2211+			
	Losses expired during the year	2212+			
Subtota				2213	
Balance	s at End of Year (5) 2209 - 2213			2214=	18,877

Nr 's:

- (i) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.
- (2) Where acquisitions of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) and s.57.5(7))
- (3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9))
- (4) CMT losses must be used to the extent of the lesser of the adjusted net income 2133 and CMT losses available 2209.
- (5) Amount in 2214 must equal sum of 2270 and 2290.

Schedule C: Analysis of CMT Losses Year End Balance by Year of Origin

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

Year of Origin (oldest year first)	CMT Loss Corporat		CMT Losses of Predecessor Corporations
2240	2260		2280
2241	2261		2281
2242	2262		2282
2243	2263		2283
2244	2264		2284
2245	2265		2285
2246	2266		2286
2247 2000/09/30	2267		2287
2248 2001/09/30	2268	12	2288
2249 2001/12/31	2269	18,877	2289
Totals	2270	18,877	2290

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

Schedule A:

Information on Ontario Corporations



Executive Director

Managing Director

MCBS Schedule A (Corporations that are incorporated, continued or amalgamated under the Page 7 of 8 Ontario Business Corporations Act) Identification Ontario Corporation No. (MCBS) Date of Incorporation or Amalgamation Corporation's Legal Name (including punctuation) 1390779 2000/03/28 **DUTTON HYDRO LIMITED** Director/Officer Information. Full Name and Address for Service: Middle Name(s) Last Name First Name Bonnie Jean Vowel Suite Street Number and Name 259 Mary Street City/Town/Village Province/State Country Postal/Zip Code **NOL 1J0** Dutton ON CA Officer Director Arr you a resident Other Titles (please specify) Indicate the appointment period for each of the following: adian? Applies to directors of Chair Chief Executive Officer business corporations only) Chair Person Chief Financial Officer Date Appointed **Date Ceased** Yes X No 🗌 Chalrman Chief Info. Officer 2000/03/28 **President** Chairwoman **Chief Operating Officer** Secretary Vice-Chair Chief Administrative Date Elected Vice-President Officer **Treasurer** 2000/03/28 Comptroller Assistant Secretary General Assistant Treasurer Authorized Signing **Date Ceased** Manager Chief Manager Officer **Executive Director** Other Managing Director Other (untitled) (specify) Director/Officer Information Name and Address for Service: Last Name First Name Middle Name(s) Loveland Ken Street Number and Name Suite 199 Main Street City/Town/Village Province/State Country Postal/Zip Code **NOL 1J0** ON Dutton CA Officer Director Are you a resident Other Titles (please specify) Indicate the appointment period for each of the following: Canadian? Applies to directors of Chief Executive Officer business corporations only) Chair Person Chief Financial Officer Date Appointed **Date Ceased** <u>N</u>o 🗌 Yes Chalrman Chief Info. Officer **President** Chief Operating Officer Chairwoman 2000/03/28 Secretary Chief Administrative Vice-Chair Date Elected Vice-President Officer Treasurer Assistant Secretary Comptroller General Assistant Treasurer Authorized Signing **Date Ceased** Manager Officer Chief Manager

Other

(specify)

Other (untitled)

Schedule A:

Information on Ontario Corporations



(Corporations that are incorporated, continued or amalgamated under the

Ontano Business Corporation	s Act)			and the second second second	THE RESERVE OF THE PARTY OF THE	W-MANUTE AT THE	Page / of 8
	Haliff in	ldentifi	CONTRACTOR OF STREET STREET	1880 JAP (1977)			A Part of
Corporation's Legal Name (inclu					No. (MCBS)		Incorporation or Amalgamation
DUTTON HYDRO LIMITE	ĒD		139	0779		200	0/03/28
	e marketika	Director/Office	er Informa	tion			
Full Name and Address for S	Service:	SECURITION STATES AND A COLUMN AND ADDRESS OF THE PARTY O	NOT CHICAGO THE COLO	SCANNESS CONTRACTOR OF THE SECOND	BETTO SOMESTICATED	A SERVICE STREET	
Last Name		First Name		Middle Na	me(s)		
Van Brenk	vev	Rien					
Street Number and Name 31760 Erin Line		10		Suite			
City/Town/Village R.R. #1, Fingal		Province/State ON		Country CA			Postal/Zip Code N0L 1K0
Director		Officer				L	
Arryou a resident .adian? Applies to directors of business corporations only) Yes X No		ntment period for eac	ch of the fol		Other Title Chair Chalr Pe Chalrmai Chairwor	rson n	Chief Executive Officer Chief Financial Officer Chief Info. Officer Chief Operating Officer
Date Elected	Secretary				Vice-Cha		Chlef Administrative
2000/03/28	Treasurer				Vice-Pre	sident t Secretar	Officer y Comptroller
Date Ceased	General Manager				1 -	Treasure	
Date Geased	Manager		-		Chief Ma	•	Officer
2-110	Other (specify)			>	I H	Director g Director	
' Name and Address for S	Service:	Director/Office	er Informa	lion a 🚎	VIX. His	$\langle \hat{q} \rangle \langle$	
Last Name		First Name		Middle Na	me(s)		
Yokom		John					
Street Number and Name 32543 Pioneer Line				Suite			
City/Town/Village R.R. #1, Iona Station		Province/State ON		Country			Postal/Zip Code
1		Officer		CA	T		NOL 1PO
Director Are your a resident							
Are you a resident Canadian? Applies to directors of business corporations only)		ntment period for each	h of the fol		Other Title		Chief Executive Officer
Yes X No	President	—————			Chairmai	1	Chief Info. Officer Chief Operating Officer
Date Elected	Secretary				Vice-Cha		Chief Administrative
2000/12/06	Treasurer				Vice-Pres		Officer
Date Ceased	General Manager					Secretar Treasure	· F
	Other (specify)			>	_	Director	r**-1

Schedule A:

Information on Ontario Corporations

(Corporations that are incorporated, continued or amalgamated under the *Optario Business Corporations Act*)



MCBS Schedule A Page 7 of 8

Corporation's Legal Name (inclu	ding punctuation)	ldentifica	ASSESSED FOR THE PROPERTY OF T	Comoration N	o (MCBS) I	ate of In	corporation or Amalgamation
DUTTON HYDRO LIMITE				0779	0. (WCBS) L	2000/	
						20001	30/20
		Director/Officer	Informa	ion -	3.0		
Full Name and Address for S	Service:						
Last Name Leeson		First Name Gerry		Middle Nan	ne(s)		
Street Number and Name				Suite			
214 Jordon Street, Box 17	74						
City/Town/Village Dutton		Province/State ON		Country CA			ostal/Zip Code
Director		Officer					
P you a resident adian? Applies to directors of business corporations only) Yes No Date Elected 2000/12/06		ment period for each of the Appointed Control	of the fol		Other Titles Chair Chair Pers Chairman Chairwoma Vice-Chair Vice-Presid Assistant S	on an dent Secretary	Chief Executive Officer Chief Financial Officer Chief Info. Officer Chief Operating Officer Chief Administrative Officer Comptroller
Pate Ceased	Manager				Assistant 1 Chief Mana		Authorized Signing Officer
	Other				Executive Managing	Director	Other (untitled)
Name and Address for S	Service:	Director/Officer	Informa	tion			
Last Name		First Name		Middle Nar	ne(s)		
Sealey		Rosemary					
Street Number and Name 20136 Pioneer Line			12	Suite			-
City/Town/Village Dutton		Province/State ON		Country CA			Postal/Zip Code NOL 1J0
Director		Officer					
Are you a resident Canadian? Applies to directors of business corporations only) Yes X No		e Appointed	of the fo	Ū	Other Title Chair Chair Pers	son	Chief Executive Officer Chief Financial Officer Chief Info. Officer
Date Elected 2000/12/06 te Ceased	Secretary Treasurer General Manager				Chairwom Vice-Chair Vice-Presi Assistant Assistant Chief Man	r ident Secretary Treasurer	Chief Operating Officer Chief Administrative Officer Comptroller Authorized Signing Officer
	Other (specify)			>	Executive Managing	Director	Officer Other (untitled)

OS4N Schedule 4

Ontario non-capital loss continuity

Part 1: Non-capital loss

Non-capital	loee.	contin	witu	hy year
NOII-Cabital	1033	COILLI	IUILV	DV Veal

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance

2000/09/30				N N N N N N N N N N N N N N N N N N N			
2001/09/30							
2001/12/31				100	12,868		12,868
Totals					12,868		12,868

tal loss —		
		(12,868)
) ————————————————————————————————————
_		
	———	
Subtotal - i	f positive, enter "0"	(12,868)
		(12,868)
	X - X - X - X - X - X - X - X - X - X -	Subtotal - if positive, enter "0"

Losses expired after 7 years				
Non-capital losses - beginning balance	=	-		
Transfers from wind-up of wholly-owned subsidiary and amalgamation			+	
ent year non-capital loss from above		12,868		
Deduct - Non-capital loss carry back to:				
1st preceding taxation year against taxable income				
2nd preceding taxation year against taxable income				
3rd preceding taxation year against taxable income				
Current year non-capital loss net of carryback		12,868	+	12,868
		Subtotal	=	12,868
Deduct:				
Amount applied against taxable income (enter on line 704 of the CT23)				
Section 80 adjustments				
Other adjustments				
			-	
Non-capital losses - ending balance	2		=	12,868

2000 1 06

OS4N Schedule 4

Ontario non-capital loss continuity

Part 2 - Farm loss

Farm loss continuity by	vear
-------------------------	------

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
			***************************************		├		
					-		
					-		
2000/09/30					1		
2001/09/30							
2001/12/31							
Totals							

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

Schedule 4

Ontario non-capital loss continuity

Section 80 adjustments Other adjustments

Restricted farm losses - ending balance

Part 3 - Restricted farm loss Restricted farm loss continuity by year Transfers on Current year Balance at end Section 80 Other Year of origin amalgamation loss net of **Applied Ending balance** of prior year adjustments adjustments or wind-up carry-back 2000/09/30 2001/09/30 2001/12/31 Totals Current year restricted farm loss Net loss from farming business Deductible farm loss: Net loss from above \$2,500 plus 1/2 (A - \$2,500) Maximum deduction 8.750 Deductible farm loss (lesser of A, B, and C) Current year restricted farm loss Restricted farm loss continuity and carry-back request — Restricted farm losses at end of preceding taxation year Losses expired after 10 years Restricted farm losses - beginning balance Transfers from wind-up of wholly-owned subsidiary and amalgamation ent year restricted farm loss Deduct - Restricted farm loss carry back to: 1st preceding taxation year against farming income 2nd preceding taxation year against farming income 3rd preceding taxation year against farming income Current year restricted farm loss net of carry-back Deduct: Amount applied against taxable income (enter on line 734 of the CT23)



Corporation's Legal Name

Totals

DUTTON HYDRO LIMITED

308,206

Ministry of Finance

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

Ontario Capital Cost Allowance Schedule 8

Taxation Year End

316,693

2004/42/24

Ontario Corporations Tax Account No. (MOF)

6066864

ONTARIO CAPITAL COST ALLOWANCE

DOTTORY IN DICC CHAINED				090004				2001/12/31				
Is the co	rporation election	ng under regulat	ion 1101(5q)?	101 1 <u>Y</u> es	2 <u>N</u> o 🗌							
1 Class number	2 Ontario undepreciated capital cost at the beginning of the year	3 Cost of acquisitions during the the year See note 1 below		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 %	Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (col 8 x 9 or a lower amount)	undepreciated
1	286,606	5,736			292,342	2,868	289,474	4				292,342
6	19,530				19,530		19,530	10				19,530
8	2,070	626			2,696	313	2,383	20				2,696
10		2,125			2,125		1,062					2,125

4,244

312,449

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.

8,487

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 Eiranch PO Box 620 33 King Street West Oshawa ON L1H 8E9

General Allocation Schedule 5

(Applicable to corporations with a permanent establishment in more than one jurisdiction)

ulation of Allocation

Α	В	С	D	E	F
Jurisdiction	Salaries and Wages paid in A	(B ÷ G) 100	Gross Revenue Attributable to a Jurisdiction	(D ÷ H) 100	(C + E) ÷ 2
British Columbia					
Alberta					
Saskatchewan					
Manitoba					
Ontario					100.0000 J
Québec					
New Brunswick					
Nova Scotia					
Prince Edward Island					
Newfoundland	i e	***************************************			
N.W. Territories					
` n					
Nuriavut					
Outside Canada					
Totals	G		Н		100.0000

Enter total from J in 30 of the CT23

NOTES

- 1. If the corporation is a member of a partnership, the partnership's portion of gross revenues, salaries and wages, based on the profit or loss sharing ratio, of the partnership must be included.
- 2. If only one factor is present, e.g. the corporation has revenue but does not pay any salary or wages in a particular jurisdiction, the single factor formula must be used.
- 3. If the corporation is one of the following, allocation must be calculated in accordance with regulation S. 304 to 309 and S. 321 to 328 of the *Corporations Tax Act*.

Complete Schedule

a)	Navigation Corporation	5A
b)	Bank	5B
c)	Loan or Trust Corporation	5C
d)	Railway Corporation	5D
e)	Airline Corporation	5E
f)	Grain Elevator Operator	5F
g)	Bus and Truck Operator	5G
h)	Pipeline Operator	5H

4. The allocation factor for the Incentive Deduction for Small Business and the Manufacturing and Processing Profits Credit may differ from the above allocation percentage if taxable income is allocated to a foreign jurisdiction.

Agence des douanes

T2 CORPORATION INCOME TAX RETURN (1998 and later taxation years)

Schedule 200

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial 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, including proposed legislation, see the corresponding items in the 2001 T2 Corporation Income Tax Guide.

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 th	nis area		
Business number (I Corporation's name 002 DUTTON HYD	(item 12)	Identif 87149 3722 RC 000	fication ————————————————————————————————————	2001				
the last time we were		003 <u>Y</u> es <u>X</u> <u>N</u> o	If yes, do you ha the articles of ar	nendment?	004 <u> </u>			
Address of head offi Has the address char time we were notified	ged since the last	010	From 060 2001/10 Has there been an acquapplies since the previous	D/01 to puisition of control to w	<mark>061</mark> <u>2001/12</u>	<mark>/31</mark> on 249(4)		
City 015	016	vince	If yes, provide date cor	ntrol was acquired	065			
Country (other th		tal code	Is the corporation a partnership? (item		ion that is a 067 Yes	member of		
Has the address chan 020 Yes No X 021 C/o	fferent from head office ged since the last time	we were notified?	Is this the first year o Incorporation? (item Amalgamation? (ite If yes, please provide s	f filing after: n 19) m 20)	070 X Yes 071 Yes	<u>N</u> o X <u>N</u> o		
000	Prov 026	vince	Has there been a win during the current tax If yes, please provide S	kation year?(item 21)		on 88 X <u>N</u> o		
027	,		Is this the final taxation before amalgamation		076 <u>Y</u> es	<u> </u>		
031 199 MAIN STR 032	EET	vince	Is this the final return dissolution? (item 23)		078 <u>Y</u> es	<u>X</u> <u>N</u> o		
035 DUTTON Country (other th	036 ON	tal code	Is the corporation a roof Canada? (item 24) If no, give the country		080∑ <u>Y</u> es 081_	<u>N</u> o		
1 X Canadian contro private corpora		oration controlled by bublic corporation	Is the non-resident corporation claiming an exemption under an Income Tax treaty? (item 24) If yes, please provide Schedule 91 082 Yes X No					
2 Other private corporation 3 Public corporation If the type of corporation during the taxation year the effective date of the	n (pl on changed ir, provide	r corporation ease specify, below)	If the corporation is exempt from tax under section 149, tick one of the following boxes: (item 25) 085 1					
204	1000	Do not use			1000			
091 097	092	093	094	095	096			

Guide	e item Attachments		Yes	Schedule
27	Is the corporation related to any other corporations?	150	_	9
28	Does the corporation have any non-resident shareholders?	151	_	19
29	Is the corporation an associated Canadian-controlled private corporation (CCPC)?	160	-	23
30	Is the corporation an associated CCPC that is claiming the expenditure limit?	161	_	49
32	Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or		Ш	49
32	employees, other than transactions in the ordinary course of business? Exclude non-arm's length			
	transactions with non-residents	162		11
33		102		1.1
33	If you answered yes to the above question, and the transaction was between corporations not dealing at	400	\Box	4.4
0.4	arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163	Ш	44
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of			
	Canada?	164	_	14
_ 35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165	Ш	15
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
38	Is the corporation a member of a partnership for which an identification number has been assigned?	167	П	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	П	22
41	Did the corporation have any foreign affiliates during the year?	169		25
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1)		ш	20
	of the federal Income Tax Regulations?	170	П	29
43	Has the corporation had any non-arm's length transactions with a non-resident?	171	_	T106
47	Has the corporation made payments to, or received amounts from a retirement compensation	_'''	ш	1 106
47		470		
~ <u>-</u>	arrangement?	172		
40	Does the corporation (private corporations only) have any shareholders who own 10% or more of the		<u> </u>	
	corporation's common and/or preferred shares?	173	X	50
55	Is the net income/loss shown on financial statements different from the net income for income tax			
	purposes?	201		1
	Has the corporation made any charitable donations or gifts of cultural or ecological property?	202	<u>: []</u>	2
82,104	Has the corporation received dividends or paid taxable dividends for purposes of the dividend refund?	203	: []	3
69-76	Is the corporation claiming any type of losses?	204		4
131	Is the corporation claiming a provincial tax credit or does it have a permanent establishment in more than		ت	,
	one jurisdiction?	205		5
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206	_	6
102	(i) Is the corporation claiming the small business deduction and reporting income from : (a) property (other			Ū
	than dividends), (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	\Box	7
57	Does the corporation have any property that is eligible for capital cost allowance?	208	_	8
58		_	_	
	Does the corporation have any property that is eligible capital property?	210	_	10
59	Does the corporation have any resource-related deductions?	212	_	12
_e -	Is the corporation claiming reserves of any kind?	213	\mathbf{H}	13
9400	Is the corporation claiming a patronage dividend deduction?	216	$\overline{}$	16
62	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing?	217	Ш	17
149	is the corporation an investment corporation or a mutual fund corporation?	218		18
130	Is the corporation carrying on business in Canada while not a Canadian corporation?	220	П	20 *
117	Is the corporation claiming any federal or provincial foreign tax credits, or logging tax credits?	221	$\overline{}$	21
154	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226	_	26 *
110	Does the corporation have any Canadian manufacturing and processing profits?	227	_	27
			_	
120	Is the corporation claiming an investment tax credit?	231	-	31
63	Is the corporation claiming any scientific research and experimental development expenditures?	232	_	T661/T665
123	Is the corporation subject to Part 1.3 tax?	233	_	33/34/35
123	Is the corporation a member of a related group with one or more members subject to gross Part 1.3 tax?	236	L	36
123	Is the corporation claiming a surtax credit?	237	Ш	37
127	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
127	Is the corporation claiming a Part I tax credit?	242		42
	Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax			
	on dividends paid?	243	П	43
128	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244	-	45
		249	_	
	Is the corporation subject to Part II - Tobacco Manufacturers' surtax?		Ш	46
127	For financial institutions: Is the corporation a member of a related group of financial institutions with one or			0.0
407	more members subject to gross Part VI tax?	250	<u> </u>	39
	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		40
	For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other			
	than life insurance corporations) with one or more members subject to the additional Part VI tax?	252	_	41
151	Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131

T2 E (01)

Guide item Attachments - Continued from page 2	Yes Schedule			
	3-2			
129 Is the corporation subject to Part XIII.1 tax? 152 Is the corporation claiming a film or video production services tax credit refund?	92 * T1177			
44 Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	T1134-A			
44 Did the corporation have any controlled foreign affiliates?	T1134-B			
44 Did the corporation own specified foreign property in the year with a cost amount over \$100,000	T1135			
44 Did the corporation transfer or loan property to a non-resident trust?	T1141			
44 Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	T1142			
 Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada? Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect 	∐ T1145			
of SR&ED contracts?	☐ T1146			
- Has the corporation entered into an agreement with other associated corporations for salary or				
wages of specified employees for SR&ED?	☐ T1174			
Additional information				
Is the corporation inactive? (item 48) Los the major business activity shapes of sizes the last return was filed?	2 No 🛛			
Has the major business activity changed since the last return was filed? (enter yes for first time filers) (item 49) 281 1 Yes	☑ 2 No 🗌			
	y 2140			
What is the corporation's major business activity? (item 50) 282 ELECTRIC UTILITY 282 Value of the corporation's major business activity? (item 50) 282 ELECTRIC UTILITY				
If the major activity involves the resale of gloods, indicate whether is is wholesale or retail (item 51) 283 1 Wholesale	2 Retail 🗍			
Specify the principal product(s) mined, manufactured, 284 ELECTRICITY DISTRIBUTION 285 10	0.000 %			
sold, constructed, or service provided, giving the	% %			
approximate percentage of the total revenue that each	%			
product of service represents. (item 52)				
Did the corporation immigrate to Canada during the taxation year? (item 53) Did the corporation emigrate from Canada during the taxation year? (item 54) 291 1 Yes 292 1 Yes				
Did the corporation emigrate from Canada during the taxation year (tieff 34)	2 No X			
Taxable income —————				
Net income or (loss) for income tax purposes from Schedule 1, financial statements or GIFI (item 77)	(12,868) A			
Deduct: Charitable donations from Schedule 2 (item 78)				
Gifts to Canada or a province from Schedule 2 (item 79)				
Cultural gifts from Schedule 2 (item 80) 313				
Ecological gifts from Schedule 2 (item 81) Taxable dividends deductible under section 112 or 113, or subsection 138(6)				
from Schedule 3 (item 82)				
Part VI.1 tax deduction from Schedule 43 (item 83) 325				
Non-capital losses of preceding taxation years from Schedule 4 (item 84) 331				
Net capital losses of preceding taxation years from Schedule 4 (item 85) 332	1			
Restricted farm losses of prior taxation years from Schedule 4 (item 86) 333	(
Farm losses of prior taxation years from Schedule 4 (item 87) 334	Į.			
Limited partnership losses of prior years from Schedule 4 (item 88) 335				
Taxable capital gains or taxable dividends allocated from a central				
credit union (item 89) 340 Prospector's and grubstaker's shares (item 90) 350				
	_			
Subtotal Subtotal	B			
-	С			
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions (item 91) 355	D			
Taxable income (amount C plus amount D) (item 92) 360	0			
Income exempt under paragraph 149(1)(t) (item 93) Town to income for a composition with exempt income under paragraph 140(4)(t)				
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) (item 94)	-			
(inte soo minus inte sto) (item s4)	Z			

Small business deduction			
Canadian-controlled private corporations throughout the taxation year			
Income from active business carried on in Canada from Schedule 7 (item 95)	_400		Α
Taxable income from line 360 or amount Z, whichever applies, minus 10/3 of the amount that would be deductible at line 632*, and 10/4 of line 636** on page 7, and minus any amount that, because of federal law,			
is exempt from Part I tax (item 96)	405		R
Business limit (for associated corporations, enter business limit from Schedule 23) (item 97)	410	50,411	0
Reduction to business limit: (item 98)			J
Amount C 50,411 X 415 *** D			
11,250			E
Reduced business limit (amount C minus amount E) (if negative, enter "0")	425	50,411	F
Small business deduction - 16% of the least of amounts A, B, C, and F	430	0	G
(enter amount G of line 9 on page 7)			
 Calculate the amount of foreign non-business income tax credit deductible at line 632 without reference to the refundable 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 related to the corporation tax for preceding year - Enter the total gross Part I.3 tax for the corporation for its preceding taxation surtax credits, increased to reflect a full-year tax liability if the previous year is less than 51 weeks. For associated corporate tax special rules that apply: 	eductions	under section 123. efore deducting the	.4.
Accelerated tax reduction (item 99)			72.5
Canadian-controlled private corporations throughout the taxation year that claimed the small business of		on	•
	_		A
Net active business income (amount from line 400)* Taxable income from line 360 or amount Z on page 3, whichever applies,			В
minus 10/4 of line 636** on page 7 and minus any amount			
that, because of federal law is exempt from Part I tax			
Deduct:			
Aggregate investment income (amount from line 440)			
Amount C minus amount D (if negative, enter "0")			E
The least of amounts A. B. or E. shove			_
The least of amounts A, B, or E above Amount Z from Part 9 of Schedule 27 x 100 / 7 = G			F
Amount QQ from Part 13 of Schedule 27			
Resource allowance (amount from line 346 of Schedule 1) x 3 =			
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction K			
Total of amounts G, H, I, J, and K	-		L
unt F minus amount L (if negative, enter "0")	_		М
Amount Mx Days in the taxation year after December 31, 2000 Days in the taxation year	=		N
Accelerated tax reduction - 7% of amount N			0

(Enter amount O on line 637 of page 7)

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

Canadian-controlled private corporations throughout taxation year
Taxable income from line 360 or amount Z of page 3
Amount Z from Part 9 of Schedule 27 x 100 / 7 = B
Amount QQ from Part 13 of Schedule 27
Resource allowance (amount from line 346 of Schedule 1) x 3 = D
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction
Aggregate investment income from line 440 of page 6
Amount used to calculate the accelerated tax reduction (amount M on page 4)
Total of amounts B, C, D, E, F, G, and H
Amount A minus amount I (if negative, enter "0")
Amount Jx Number of days in the taxation year in 2001 92
Number of days in the taxation year in 2001 Number of days in the taxation year 92 x 1% = K
Trained of days in the taxation your
Amount Jx Number of days in the taxation year in 2002
Number of days in the taxation year in 2002 Number of days in the taxation year 92 x 3% =
8
reral tax reduction for Canadian-controlled private corporations - amount K plus amount L
(cer amount M on line 638 of page 7)
Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment
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 or amount Z of page 3
Amount QQ from Part 13 of Schedule 27
Resource allowance (amount from line 346 of Schedule 1) x 3 = D
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction E1
Total of amounts B, C, D, E and E1
Amount A minus amount F (if negative, enter "0")
Amount Gx Number of days in the taxation year in 2001 x 1% = H
Number of days in the taxation year
Amount Gx Number of days in the taxation year in 2002
Number of days in the taxation year Number of days in the taxation year
General tax reduction - amount H plus amount !
(enter amount J on line 639 of page 7)

Ref	undable portion of Part I tax (iten	n 102) ————	
Canadian-controlled private corporations th		,	
Aggregate investment income 440	X 26 2/3 % =	· ·	A
(Amount P from Part 1 of Schedule 7)			
Foreign non-business income tax credit from li	ne 632 on page 7		
Deduct:			
Foreign investment income 445	X 9 1/3 % =		
(Amount O from Part 1 of Schedule 7)	(if negative, enter "0")		B
Amount A minus amount B (if negative, enter	"0")		C
Taxable income from line 360 on page 3			
Deduct:			
Least of amounts on lines 400, 405, 410, and	425		
on page 4 Foreign non-business income tax credit			
	x 25/9 =		
Foreign business income tax credit from	2010		
	x 10/4 =		
			
2		X 26 2/3% =	D
Part I tax payable minus investment tax credit	refund ===		
700 minus line 780 on page 8)	Totalia		
Deduct corporate surtax from line 600 on page	e 7		
Net amount	3 - 10 - 10 - 10 - 10 - 10 - 10 - 10 - 1	——	Е
	f amounts C. D. and F.	450	
Refundable portion of Part I tax - the least o	ramounts C, D, and E	430	U F
Refu	indable dividend tax on hand (ite	em 103)	
Refundable dividend tax on hand at the end	of the preceding tax year 460		P.
Deduct dividend refund for the previous tax	ration year 465		
	3	·	A
Add the total of:	(
Refundable portion of Part I tax from line	450 above		
Total Part IV tax payable from line 360 o			
Net refundable dividend tax on hand tran	•		
corporation on amalgamation, or from a	wound-up subsidiary corporation 480		
	9		В
undable dividend tax on hand at the end	d of the taxation year - Amount A plus Am	nount B 485	00
	Dividend refund (item 104)		
Private and subject corporations at the time		=	
Taxable dividends paid in the taxation year	from line 460 on page 2 of Schedule 3	X 1/3	A
Refundable dividend tax on hand at the end	of the taxation year from line 485 above		В
Dividend refund - Lesser of amounts A and B	(enter this amount on line 784 on page 8)		0

Part I tax —			
Base amount of Part I tax - 38% of taxable income (line 360 or amount Z, whi	ichever applies)		
from page 3 (item 105)		550	0 A
Corporate surtax calculation (item 106)			
Base amount from line A above		1	
Deduct:	2	0	
10% of taxable income (line 360 or amount Z, whichever applies) from page Investment corporation deduction from line 620 below	3	2	
	****	3	
Federal logging tax credit from line 640 below Federal qualifying environment trust tax credit from line 648 below		4	
		5	
For a mutual fund corporation or an investment corporation throughout			
the taxation year, enter the least of a, b and c below on line 6:			
28% of taxable income from line 360 on page 3	a		
28% of taxed capital gains	b	6	
Part I tax otherwise payable (line A plus line C and D minus line F)			
	с		
Total of lines 2 to 6		7	
Net amount (line 1 minus line 7)		8	
Corporate surtax - 4% of the amount on line 8		600	В
Recapture of investment tax credit from line XX in Part 16 on page 8 of Schedu	le 31 (item 107)	602	C
Treadplane of investment tax order from time for intri art to on page o of scriedu	ile 31 (itelii 101)	002	C
Calculation for the refundable tax on Canadian-controlled private corporat (for a CCPC throughout the taxation year) (item 108) Aggregate investment income from line 440 on page 6 Taxable income from line 360 on page 4	uon s investment inco	i i	
Deduct: The least of amounts on lines 400, 405, 410, and 425 on page 4			
Net amount		ii	
Refundable tax on CCPC's investment income - 6 2/3 % of the lesser of amo		204	_
		604	D
	Subtotal (add lines A, B	, C, and D)	E
Deduct:			
Small business deduction from line 430 on page 4		9	
eral tax abatement (item 109)	608		
Manufacturing and processing profits deduction from amount BB or VV			
of Schedule 27 (item 110)	616		
Investment corporation deduction (item 111)	620		
(Taxed capital gains 624)			
Additional deduction - credit unions from Schedule 17 (item 112)	628		
Federal foreign non-business income tax credit from Schedule 21 (item 113)	632		
Federal foreign business income tax credit from Schedule 21 (item 114)	636		
Accelerated tax reduction from amount O of page 4 (item 115)	637		
General tax reduction for CCPC's from amount L of page 5 (item 116)	638		
General tax reduction from amount I of page 5 (item 116)	639		
Federal logging tax credit from Schedule 21 (item 117)	640		
Federal political contribution tax credit (item 118)	644		
Federal political contributions 646			
Federal qualifying environmental trust tax credit (item 119)	648		
Investment tax credit from Schedule 31 (item 120)	652		
	Subtotal		F
Part I tax payable - Line E minus line F (enter amount G on line 700 on page 8) (item 121)		0 G

Federal tax	credits
Part I tax payable from page 5 (item 122)	700
Part I.3 tax payable from Schedule 33, 34, or 35 (item 123)	704
Part II tax payable from Schedule 46 (item 124)	708
Part IV tax payable from Schedule 3 (item 125)	712
Part IV.1 tax payable from Schedule 43 (item 126)	716
Part VI tax payable from Schedule 38 (item 127)	720
Part VI.1 tax payable from Schedule 43 (item 128)	724
Part XIII.1 tax payable from Schedule 92 (item 129)	727
Part XIV tax payable from Schedule 20 (item 130)	
Part XIV tax payable from Schedule 20 (Item 130)	728
Add provincial and territorial tax	Total federal tax0
Provincial or territorial jurisdiction (item 131) 750 ON	
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)	
Net provincial and territorial tax payable (except Quebec, Ontario and Alberta) (Item 1:	
Provincial tax on large corporations (New Brunswick and Nova Scotia) (item	
	Total tax payable 770 0 A
Deduct other credits	Total lax payable 170
'nvestment tax credit refund from Schedule 31 (items 147)	780
Dividend refund from Page 4 (items 148)	784
Federal capital gains refund from Schedule 18 (item 149)	788
Federal qualifying environmental trust tax credit refund (item 150)	792
Canadian film or video production tax credit refund from Form T1131 (item	
Film or video production services tax credit refund from Form T1177 (item	
Tax withheld at source (item 153)	
	800
Total payments on which tax has been withheld (item 153) 801	
Allowable refund for non-resident-owned investment corporations - Schedule 26 (item	
Provincial and territorial capital gains refund from Schedule 18 (item 155)	808
Provincial and territorial refundable tax credits from Schedule 5 (item 156)	812
Royalties deductible under Syncrude Remission Order 815	
Tax remitted under Syncrude Remission Order (item 157)	816
Tax instalments paid (item 158)	840
	tal credits 890 B
Refund Code 894 Overpayment	Balance (line A minus line B)0 1
tem 159) (item 162)	
Direct Deposit Request (item 163)	If the result is negative, you have an overpayment .
To have the corporation's refund deposited directly into the corporation's	If the result is positive, you have a balance unpaid.
bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below.	Enter the amount on whichever line applies.
Start Change information 910	We do not charge or refund a difference of less than \$2.
Branch number	Balance unpaid (item 162)
914 918	Enclosed payment (item 161) 898
Institution number Account number	
If the corporation is a Canadian-controlled private corporation throughout the t	axation year,
does it qualify for the one-month extension of the date the balance is due? (ite	m 160) 896 1 Yes 2 No X NA
Certification (item	164) —
950 LOVELAND 951 KEN	954 SECRETARY
Surname First name	Position, office or rank
955 2002/11/15 956 (519) 762-2204	Tooldon, onloc of fam.
Date Telephone number	
Is the contact person the same as the authorized signing officer? If no, comple	te the information below. 957 1 Yes X 2 No
958Name	959 () -
	Telephone number
Language of correspondence - Langue d	
990 Language of choice/Langue de choix <u>1</u> English / Anglais X	2 Français / French

T2 F (01)



Canada Customs

Agence des douanes and Revenue Agency et du revenu du Canada

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Schedule 1

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

Net income (loss) after taxes and extraordinary items per financial statements	Α	(18,877)
Add:		
Amortization of tangible assets 104 6,009		
Total of fields 101 to 199 500 6,009	→	6,009
Net income (loss) for income tax purposes (enter on line 300 of the T2 return)		(12,868)

T2 SCH 1 (01)

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

NON-CAPITAL LOSS CONTINUITY AND CARRY BACK

Part 1 - Non-capital loss

Non-capita	loss	continuit	yΙ	oy year
------------	------	-----------	----	---------

			capital 1033	continuity by	your		
Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
2222/22/22							
2000/09/30							
2001/09/30							
2001/12/31					12,868		12,868
Totals					12,868		12,868

Current ye	ar non-capital loss ———————	-11 -11 n
Net income (loss) for income tax purposes		(12,868)
'uct:		
Net capital losses deducted in the year		
Taxable dividends deductible under sections 112, 113 or subs	section 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"	(12,868)
Deduct: Section 110.5 - addition for foreign tax credits		
Add: Current year farm loss		
Current year non-capital loss (if positive, enter "0")		(12,868)

Losses expired after 7 years	100 -			
Non-capital losses - beginning balance	102=			
sfers from wind-up of wholly-owned subsidiary and amalgamation			105+	
Current year non-capital loss from above	110	12,868		
Deduct - Non-capital loss carry back to:				
1st preceding taxation year against taxable income	901			
2nd preceding taxation year against taxable income	902			
3rd preceding taxation year against taxable income	903			
1st preceding taxation year against taxable dividends subject to Part IV tax	911			
2nd preceding taxation year against taxable dividends subject to Part IV tax	912			
3rd preceding taxation year against taxable dividends subject to Part IV tax	913			
Current year non-capital loss net of carryback	U	12,868	+	12,868
		Subtota	=	12,868
Deduct:				
Amount applied against taxable income (enter on line 331 of T2 return)	130			
Amount applied against dividends subject to Part IV tax	135			
Section 80 adjustments	140			
Other adjustments	150			

NON-CAPITAL LOSS CONTINUITY AND CARRY BACK

Election under paragraph 88(1.1)(f)	
Paragraph 88(1.1)(f) election indicator	190 Yes
Loss from a wholly-owned subsidiary deemed to be a loss of the parent from its immediately preced	ing taxation year.
Part 2 - Farm loss	

			arm loss cor	itinuity by ye	ar		
Year of origin	Balance at end of prior year	Transfers on amalgarnation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired		// //			
					-		
					1 -		
77					1 -		
		11/2 2 2 2					
2000/09/30					+		
2001/09/30					1 -		
2′ 1/12/31							
Tu.als							

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

NON-CAPITAL LOSS CONTINUITY AND CARRY BACK

Part 3 - Restricted farm loss

Restricted farm loss continuity by year

Year of origin	Balance at end of prior year		Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
					-		
					-		
		7777		=1/-	1 -		
2000/09/30					+ -		-
2001/09/30							
2001/12/31							
Totals							

•	stricted farm loss ——		
i sat loss from farming business			485
Deductible farm loss:			
Net loss from above	Α		
\$2,500 plus 1/2 (A - \$2,500)	В	2,500	
Maximum deduction	C	8,750	
Deductible farm loss (lesser of A, B, and C)			
Current year restricted farm loss			

Losses expired after 10 years	400-	
Restricted farm losses - beginning balance	402=	
Transfers from wind-up of wholly-owned subsidiary and amalgamation		405+
Current year restricted farm loss (enter on line 233 of Schedule 1)	410	
duct - Restricted farm loss carry back to:		
preceding taxation year against farming income	941	
2nd preceding taxation year against farming income	942	
3rd preceding taxation year against farming income	943	
Current year restricted farm loss net of carry-back		+
Deduct:		
Amount applied against taxable income (enter on line 333 of T2 return)	430	
Section 80 adjustments	440	
Other adjustments	450);
		
Restricted farm losses - ending balance	*	480=

T2 SCH 4N (01)

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Agence des douanes Agency et du revenu du Canada CAT TAL COST AL

WANCE

Schedule 8

Is the co	rporation electing	g under regulation	on 1101(5q)?	101 1 <u>Y</u> es 🗌 2	2 <u>N</u> o 🗌						
1	2	3	4	5	7	8	9	10	11	12	13
Class	UCC at start of	Cost of	Net adjustments	Proceeds of	Adjustment for	Base amount for	Rate	CCA for the year	Recapture	Terminal loss	UCC at the end
	year	additions in		dispositions in	additions (1/2 x	CCA	%	(col8x9ora	of CCA		of the year
	i	the year		the year	(col 3 - 5))			lower amount)			
200	201	203	205	207	211		212	217	213	215	220
1	286,606	5,736	9/4 4/c has	., weler.	2,868	289,474	4				292,342
6	19,530		water beat	lead cont	.94	19,530	10				19,530
8	2,070	626	tools	6	313	2,383	20				2,696
10		2,125		er	1,063	1,062	30				2,125
Totals	308,206	8,487			4,244	312,449					316,693



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

FIRST TIME FILER AFTER INCORPORATION, **AMALGAMATION, OR BY PARENT** WINDING-UP A SUBSIDIARY

Schedule 24

This schedule must be filed by corporations for the first year of filing after incorporation, amalgamation, or by parent corporations filing for the time after winding-up a wholly owned subsidiary corporation(s) under section 88 of the *Income Tax Act* during the current taxation year.

Part 1 - Type of operation	-11-11-11-11-11-11-11-11-11-11-11-11-11			
100 For those corporations filing for the first time after incorporation your corporation: 01 Crown corporation that is an agent of Her Majesty 02 Life insurance corporation 03 Deposit insurance corporation 04 General insurance corporation 05 Co-operative corporation 06 Credit union 07 Bank 08 Non-resident owned investment corporation 09 Investment corporation	or amalgamation, please ide 10 Mutual fund corpo 11 Mortgage investm 12 Traveling corporation 13 Subject corporation 14 Labour-sponsored 15 Investment corpor 16 Crown corporation 17 Non-resident insu X 99 Other - if none of	ration ent corporation ion I venture capita ations subject that is not an rer exempt fror	al corpo to Part agent on Part	oration IV tax of Her Majesty KIII withholding tax
Part 2 - First year of filing after amalgamation Full the first year of filing after an amalgamation, please provide the for	ollowing information			
Name of predecessor corporati	on(s)		Ві	usiness number
200			(Can	adian corporations only) 300
				RC
Part 3 - First year of filing after wind-up of substantial parent corporation filing for first time after winding-up a substantial the following information:	sidiary corporation(s)	ction 88 of the	Income	
Name of subsidiary corporation(s) 400	Business number Commencemer (Cdn corporations only) date of wind-up 500 600			
	RC			700



and Revenue Agency et du revenu du Canada

Canada Customs Agence des douanes

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 100	Business Number * 200	Social Insurance Number * 300	Percentage common shares 400	Percentage preferred shares 500
Municipality of Dutton/Dunwich	87078 6936 RC 0001		100.000	
	RC			

^{*} If the shareholder is a trust, fields 200 and 300 will be blank.



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

BALANCE SHEET INFORMATION

Schedule 100

Assets	Code	Amount
Cash and deposits	1000	92,682
Accounts Receivable	1060	183,397
Inventories	1120	15,200
Prepaid expenses	1484	1,492
Other machinery and equipment	1785	528,060
Accumulated amortization of other machinery and equipment	1786	(255,000
Other tangible capital assets	1900	75,656
Accumulated amortization of other tangible capital assets	1901	(56,058
Other deferred items / charges	2424	47,358
Total assets	2599	632,787

Liabilities	Code	Amount
Bank overdraft	2600	
Amounts payable and accrued liabilities	2620	168,103
Deposits received	2961	7,676
T 'l liabilities	3499	175,779

Equity	Code	Amount
Common shares	3500	475,885
Retained earnings / deficit	3600	(18,877)
Total equity	3620	457,008
Total liabilities and equity	3640	632,787

Retained earnings	Code	Amount
Retained earnings/deficit-start	3660	
Net income / loss	3680	(18,877
Total retained earnings	3849	(18,877



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

OPENING BALANCE SHEET INFORMATION

Schedule 101

Assets	Code	Amount
Cash and deposits	1000	105,550
^counts Receivable	1060	183,397
entories	1120	15,200
Prepaid expenses	1484	1,492
Other machinery and equipment	1785	528,060
Accumulated amortization of other machinery and equipment	1786	(250,180
Other tangible capital assets	1900	75,656
Accumulated amortization of other tangible capital assets	1901	(54,869
Other deferred items / charges	2424	47,358
Total assets	2599	651,664

Liabilities	Code	Amount
Bank overdraft	2600	, anount
Amounts payable and accrued liabilities	2620	168,103
Deposits received	2961	7,676
T '¬I liabilities	3499	175,779

Equity	Code	Amount
Common shares	3500	475,885
Retained earnings / deficit	3600	
Total equity	3620	475,885
Total liabilities and equity	3640	651,664

Retained earnings	Code	Amount
.ained earnings/deficit-start	3660	Amount
otal retained earnings	0040	
otal rotalitod currings	3849	

Canada Customs

Agence des douanes and Revenue Agency et du revenu du Canada

INCOME STATEMENT INFORMATION

Schedule 125

Details

Operating name, if different from the corporations' legal name

Description of operation, if filing multiple Schedules 125

Revenue	Code	Amount
Trade sales of goods and services	8000	172,952
Total sales of goods and services	8089	172,952
Other revenue	8230	4,589
Total revenue	8299	177,541

Cost of sales	Code	Amount
Opening inventory	8300	
Purchases / cost of materials	8320	163,357
Cost of sales	8518	163,357
Gross profit / loss (item 8089 - item 8518)	8519	9,595

Operating expenses	Code	Amount
Amortization of tangible assets	8670	6,009
Repairs and maintenance	8960	9,902
General and administrative expenses	9284	17,150
Total operating expenses	9367	33,061
Total expenses	9368	196,418
Net non-farming income	9369	(18,877)

	Farming revenue	Code	Amount
rains and oils	seeds	9370	
farm reve	renue	0650	
rarm reve	enue	9	659

Farming expenses	Code	Amount
Crop expenses	9660	
Total farm expenses	9898	
Net farm income	9899	
Net income / loss before taxes and extraordinary items	9970	(18,877

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-	
Deferred income tax provision	9995-	
Net income / loss after taxes and extraordinary items	9999= (18,877)	

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

NOTES CHECKLIST

Schedule 141

Involvement of accountant

0100 Who reported on/prepared the corporation's financial statements?		
1 an independent auditor with a report that expressed no reservation		
an independent auditor with a report that expressed a reservation		
3 an independent accountant with a review engagement report that expressed no	reservation	
4 an independent accountant with a review engagement report that expressed a	reservation	
an independent accountant who conducted a compilation engagement with no	review	
6 an independant accountant with a compilation engagement and review engage		
7 an independant accountant with a compilation engagement and review engage	ment resulting in a reservation	
B prepared by an employee/associate/management of the company, or a person without the involvement of an independent accountant	on behalf of the company,	
Other information		
Were any notes to the financial statements prepared?	101X <u>Y</u> es	<u>N</u> o
If yes, complete the following:		
Are any values presented at other than cost?	102 Yes	<u>N</u> o
s there been a change in accounting policies since the last return?	103 <u> </u>	No.
Are subsequent events mentioned in the notes?	104 <u> Y</u> es	No.
s re-evaluation of asset information mentioned in the notes?	105 <u>Y</u> es ∑	<u>N</u> o
Is contingent liability mentioned in the notes?		No.
Is information regarding commitments mentioned in the notes?		<u>N</u> o
Does the corporation have investments in joint venture(s) or partnerships?	108 <u> Y</u> es	<u>N</u> o
If yes, are you filing financial statements of the joint venture(s) or partnership(s)?	109	No



MPDC – **Dutton**

Attachment 2 2002 Supporting Documentation

FINANCIAL STATEMENTS

PREPARED FOR INCOME TAX PURPOSES

YEAR ENDED DECEMBER 31, 2002

NOTICE TO READER

We have compiled the balance sheet of Dutton Hydro Limited as at December 31, 2002 and the statements of operations and deficit for the year then ended from information provided by management. We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Accordingly, readers are cautioned that these statements may not be appropriate for their purposes.

RAVEN & SHAW LLP Chartered Accountants

St. Thomas, Ontario August 27, 2003

STATEMENT OF OPERATIONS AND DEFICIT

YEAR ENDED DECEMBER 31, 2002

(unaudited - see Notice to Reader)

	2002 (12 months)	2001 (3 months)
SERVICE REVENUE		
Distribution revenue	\$728,157	\$172,952
Other	16,087	4,589
Total service revenue	744,244	177,541
COST OF POWER		
Power purchased	<u>641,894</u>	<u>163,357</u>
GROSS MARGIN ON SERVICE REVENUE	102,350	14,184
EXPENSES		
Plant operations and maintenance	35,423	9,902
Billing and collection	50,206	8,788
Administration	40,097	8,362
Bad debts	5,293	1=4
Amortization of capital assets	24,369	<u>6,009</u>
Total expenses	155,388	33,061
(LOSS) FOR THE YEAR	(53,038)	(18,877)
(DEFICIT), BEGINNING OF YEAR	(18,877)	
(DEFICIT), END OF YEAR	\$ <u>(71,915</u>)	\$ <u>(18,877</u>)

BALANCE SHEET

DECEMBER 31, 2002

(unaudited - see Notice to Reader)

	2002	2001
<u>ASSETS</u>		
CURRENT ASSETS Cash Accounts receivable Unbilled revenue Inventories Prepaid expenses Other current assets CAPITAL ASSETS (Note 1)	\$ - 58,479 95,985 24,055 4,280 47,358 230,157 275,210	\$ 92,682 153,368 30,029 15,200 1,492 47,358 340,129 292,658
	\$ <u>505,367</u>	\$ <u>632,787</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES Bank indebtedness Accounts payable and accrued liabilities Current portion of customer deposits	\$ 71 95,274 2,500	\$ - 168,103
CUSTOMER DEPOSITS	97,845 <u>3,552</u> 101,397	170,603 5,176 175,779
SHAREHOLDER EQUITY		
SHARE CAPITAL (Note 2)	475,885	475,885
DEFICIT	<u>(71,915</u>)	(18,877)
	403,970	457,008
	\$ <u>505,367</u>	\$ <u>632,787</u>

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2002

(unaudited - see Notice to Reader)

1.CAPITAL ASSETS

I.CAITTAL ASSETS		2002		2001
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Distribution lines	\$344,881	\$168,443	\$176,438	\$186,211
Transformers	123,329	71,603	51,726	55,176
Meters	65,170	34,404	30,766	31,673
Water heaters	40,614	29,203	11,411	15,470
Other equipment and tools	<u>36,642</u>	31,773	4,869	4,128
	\$ <u>610,636</u>	\$ <u>335,426</u>	\$ <u>275,210</u>	\$ <u>292,658</u>
2.SHARE CAPITAL			2002	_2001_
Authorized: Unlimited number of common	shares			
Issued: 5,315,281 common shares			\$ <u>475,885</u>	\$ <u>485,885</u>

Agence des douanes and Revenue Agency et du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

Schedule 200

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial 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, including proposed legislation, see the corresponding items in the T2 Corporation - Income Tax Guide 2002.

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	o not use th	nis area
Business number (E Corporation's name 002	(item 12)	Identif	fication ————————————————————————————————————	2002	\supset	
DUTTON HYDI Has the corporation of	RO LIMITED hanged its name since		If yes, do you ha	ve a copy of		
the last time we were		03 <u>Y</u> es <u>X</u> <u>N</u> o	the articles of an		04 <u>Y</u> es	<u>N</u> o
Address of head office Has the address chan time we were notified? 011 199 MAIN STR	ged since the last	110 <u>Y</u> es <u>X</u> <u>N</u> o	From 060 2002/01	uisition of control to whi	61 2002/12	<mark>/31</mark> on 249(4)
City 015 DUTTON	016 ON		If yes, provide date cor	ntrol was acquired 0	65	
Country (other the		tal code _ 1J0	Is the corporation a p a partnership? (item 1	rofessional corporation 8) 0	on that is a 67∏ <u>Y</u> es	
Mailing address (if di Has the address chan 020 Yes No X 021 C/o 022 199 MAIN STRI	fferent from head office ged since the last time v	address) (item 14) we were notified?	Is this the first year of Incorporation? (item Amalgamation? (iter If yes, complete Sched	19) 0 n 20) 0	70 Yes 71 Yes	X <u>N</u> o X <u>N</u> o
023				d-up of a subsidiary u	nder sectio	n 88 during
City 025 DUTTON Country (other the	026 ON	vince tal code	the current taxation y If yes, complete Sched		72 <u>Y</u> es	<u> </u>
027 Location of books ar	028 NOL	_ 1J0	Is this the final taxation before amalgamation	on year ? (item 22) 0	76 <u>Y</u> es	X <u>N</u> o
199 MAIN STRI 032 City	EET	vince	Is this the final return dissolution? (item 23)		78 <u>Y</u> es	<u>X</u> <u>N</u> o
035 DUTTON Country (other the	036 ON	tal code	Is the corporation a roof Canada? (item 24) If no, give the country of	0	80⊠ <u>Y</u> es 81_	<u>N</u> o
1 X Canadian control private corpora Control Divate corpora	tion (CCPC) a p	oration controlled by bublic corporation r corporation	Is the non-resident co an exemption under a treaty? (item 24) If yes, complete Sched	in income tax 0	82 <u>Y</u> es	<u>X</u> <u>N</u> o
corporation 3 Public corporatio If the type of corporatio during the taxation yea the effective date of the	(ple n on changed r, provide	ease specify, below)	one of the following b	xempt from tax under loxes: (item 25) under 149(1)(e) or (I) under 149(1)(j) under 149(1)(t) under other paragraph		
091	092	Do not use	e this area	095	096	
097			007			

Guide	item Attachments	Yes	Schedule
27	Is the corporation related to any other corporations?	150	9
		151	19
28	Does the corporation have any non-resident shareholders?		
29	Is the corporation an associated Canadian-controlled private corporation (CCPC)?	160	23
30	Is the corporation an associated CCPC that is claiming the expenditure limit?	161	49
32	Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or		
	employees, other than transactions in the ordinary course of business? Exclude non-arm's length		
	transactions with non-residents	162	11
33	If you answered yes to the above question, and the transaction was between corporations not dealing at	20 10	
	arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163	44
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of		
	Canada?	164	14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165	15
		166	T5004
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	_	
38	Is the corporation a member of a partnership for which an identification number has been assigned?	167	T5013
40	Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did		
	not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168	22
41	Did the corporation have any foreign affiliates during the year?	169	25
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1)		
	of the federal Income Tax Regulations?	170	29
43	Has the corporation had any non-arm's length transactions with a non-resident?	171	T106
47	Has the corporation made payments to, or received amounts from a retirement compensation		
77	arrangement?	172	
G	Does the corporation (private corporations only) have any shareholders who own 10% or more of the		
+ 6		173X	50
	corporation's common and/or preferred shares?	1/3	50
55	Is the net income/loss shown on financial statements different from the net income for income tax	004[7]	4
	purposes?	201 X	1
78-81	Has the corporation made any charitable donations or gifts of cultural or ecological property?	202	2
82,104	Has the corporation received dividends or paid taxable dividends for purposes of the dividend refund?	203	3
69-76	Is the corporation claiming any type of losses?	204 X	4
131	Is the corporation claiming a provincial tax credit or does it have a permanent establishment in more than		
	one jurisdiction?	205	5
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206	6
			Ü
	(i) Is the corporation claiming the small business deduction and reporting income from: (a) property (other		
	than dividends), (b) a partnership, (c) a foreign business, or (d) a personal services business; or	207	7
14.444	(ii) is the corporation claiming the refundable portion of Part I tax?		7
57	Does the corporation have any property that is eligible for capital cost allowance?	208 X	8
58	Does the corporation have any property that is eligible capital property?	210	10
59	Does the corporation have any resource-related deductions?	212	12
60	Is the corporation claiming reserves of any kind?	213	13
		216	16
	Is the corporation claiming a patronage dividend deduction?	217	17
	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing?		
	is the corporation an investment corporation or a mutual fund corporation?	218	18
130	Is the corporation carrying on business in Canada while not a Canadian corporation?	220	20
117	Is the corporation claiming any federal or provincial foreign tax credits, or logging tax credits?	221	21
	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226	26 *
	Does the corporation have any Canadian manufacturing and processing profits?	227	27
		231	31
	Is the corporation claiming an investment tax credit?	232	T661/T665
	Is the corporation claiming any scientific research and experimental development expenditures?	_	
	Is the corporation subject to Part 1.3 tax?	233	33/34/35
123	Is the corporation a member of a related group with one or more members subject to gross Part 1.3 tax?	236	36
	Is the corporation claiming a surtax credit?	237	37
	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238	38
		242	42
127	Is the corporation claiming a Part I tax credit?		
	Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax	243	43
	on dividends paid?		
	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244	45
124	Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249	46
127	For financial institutions: Is the corporation a member of a related group of financial institutions with one or		
/	more members subject to gross Part VI tax?	250	39
107	For life insurance corporations: Is the corporation a member of a related group of insurance corporations	_	
127	For the insurance corporations, is the corporation a member of a related group of insurance corporations	251	40
	with one or more members subject to the additional gross Part VI tax?		.0
127	For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other	252	41
	than life insurance corporations) with one or more members subject to the additional Part VI tax?	_	
151	Is the corporation claiming a Canadian film or video production tax credit refund?	253	T1131

File: DUTTON HYDRO LIMITED CCRA Business # 871493722 Year-end: 2002/12/31 Printed: 2003/11/14 08:23 Attachments - Continued from page 2 -Guide item Yes Schedule 129 Is the corporation subject to Part XIII.1 tax? 92 * 152 Is the corporation claiming a film or video production services tax credit refund? T1177 44 Did the corporation have any foreign affiliates that are not controlled foreign affiliates? T1134-A 44 Did the corporation have any controlled foreign affiliates? T1134-B 44 Did the corporation own specified foreign property in the year with a cost amount over \$100,000 T1135 44 Did the corporation transfer or loan property to a non-resident trust? T1141 44 Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year? T1142 - Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada? T1145 - Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts? T1146 Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED? T1174 Additional information —— 280 1 Yes Is the corporation inactive? (item 48) 2 No X Has the major business activity changed since the last return was filed? (enter yes for first time filers) (item 49) 281 1 Yes 2 No X What is the corporation's major business activity? (item 50) 282 (Only complete if yes was entered at line 281.) " the major activity involves the resale of goods, indicate whether is is wholesale or retail (item 51) 283 1 Wholesale 2 Retail X specify the principal product(s) mined, manufactured. 284 ELECTRICITY DISTRIBUTION 100.000 % sold, constructed, or service provided, giving the % 287 approximate percentage of the total revenue that each 288 % 289 product or service represents. (item 52) Did the corporation immigrate to Canada during the taxation year? (item 53) **291** 1 Yes 2 No X 292 1 Yes 2 No X Did the corporation emigrate from Canada during the taxation year? (item 54) Taxable income Net income or (loss) for income tax purposes from Schedule 1, financial statements or GIFI (item 77) 300 (28,669) A Deduct: Charitable donations from Schedule 2 (item 78) 311 Gifts to Canada or a province from Schedule 2 (item 79) 312 Cultural gifts from Schedule 2 (item 80) 313 Ecological gifts from Schedule 2 (item 81) 314 Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 (item 82) 320 Part VI.1 tax deduction from Schedule 43 (item 83)* 325 Non-capital losses of preceding taxation years from Schedule 4 (item 84) 331 Net capital losses of preceding taxation years from Schedule 4 (item 85) 332 Restricted farm losses of prior taxation years from Schedule 4 (item 86) 333 Farm losses of prior taxation years from Schedule 4 (item 87) 334 Limited partnership losses of prior years from Schedule 4 (item 88) 335 Taxable capital gains or taxable dividends allocated from a central 340 credit union (item 89) Prospector's and grubstaker's shares (item 90) 350 Subtotal Subtotal D 355 Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions (item 91) 360 Taxable income (amount C plus amount D) (item 92) 370 Income exempt under paragraph 149(1)(t) (item 93) Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) (item 94)

* If the taxation year ends after December 31, 2002, use "3" instead of "9/4" in the calculation of the Part VI.1 tax deduction indicated in

item 83 of the T2 Corporation Income Tax Guide.

File: DUTTON HYDRO LIMITED CCRA Business # 871493722 Year-end: 2002/12/31 Printed: 2003/11/14 08 Small business deduction		mark on	
Canadian-controlled private corporations throughout the taxation year			
Income from active business carried on in Canada from Schedule 7 (item 95)		400	
Taxable income from line 360 or amount Z, whichever applies, minus 10/3 of the amount Z	ount that would be		
deductible at line 632*, and 10/4 of line 636** on page 7, and minus any amount that	, because of federal law, i		
exempt from Part I tax (item 96)		405	
Business limit:	000 00	^	
\$200,000 x Number of days in the taxation year before 2003	365 = 200,00	0	
Number of days in the taxation year	365		
\$225,000 x Number of days in the taxation year in 2003	=		
Number of days in the taxation year	365		
Maximum business limit before allocation to associated corporations	200,00	0_	
Business limit (for associated corporations, enter business limit from Schedule 23) (ite	em 97)	410	200,000
Reduction to business limit: (item 98)			
Amount C 200,000 X X D =			
11,250			
Reduced business limit (amount C minus amount E) (if negative, enter "0")		425	200,000
Small business deduction - 16% of the least of amounts A, B, C, and F		430	0
(enter amount G of line 9 on page 7)			
CCPC's investment income (line 604) and without reference to the corporate tax is Calculate the amount of foreign business income tax credit deductible at line 636 under section 123.4.	without reference to the c	corporate ta	
Calculate the amount of foreign business income tax credit deductible at line 636	the corporation for its pre-	corporate ta	tion year, befor
Calculate the amount of foreign business income tax credit deductible at line 636 under section 123.4. *** Large corporation tax for preceding year - Enter the total gross Part I.3 tax for deducting the surtax credits, increased to reflect a full-year tax liability if the previous corporations, see Schedule 23 for the special rules that apply. Accelerated tax reduction (items)	the corporation for its predous year is less than 51 were many 199)	corporate ta ceding taxa reeks. For a	tion year, befor
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Calculate the amount of foreign business income tax credit deductible at line 636 under section 123.4. *** Large corporation tax for preceding year - Enter the total gross Part I.3 tax for deducting the surtax credits, increased to reflect a full-year tax liability if the previous corporations, see Schedule 23 for the special rules that apply. *** Accelerated tax reduction (ite Canadian-controlled private corporations throughout the taxation year that clair Reduced business limit (amount from line 425) *** Net active business income (amount from line 400)* Taxable income from line 360 or amount Z on page 3, whichever applies, minus 10/4 of line 636** on page 7 and minus any amount that, because of federal law is exempt from Part I tax *** Deduct:	the corporation for its precous year is less than 51 were made the small business	corporate ta ceding taxa reeks. For a	tion year, befor
Calculate the amount of foreign business income tax credit deductible at line 636 under section 123.4. *** Large corporation tax for preceding year - Enter the total gross Part I.3 tax for deducting the surtax credits, increased to reflect a full-year tax liability if the previous corporations, see Schedule 23 for the special rules that apply. *** Accelerated tax reduction (ite Canadian-controlled private corporations throughout the taxation year that clair Reduced business limit (amount from line 425) *** Net active business income (amount from line 400)* Taxable income from line 360 or amount Z on page 3, whichever applies, minus 10/4 of line 636** on page 7 and minus any amount that, because of federal law is exempt from Part I tax *** Deduct: Aggregate investment income (amount from line 440)	the corporation for its precous year is less than 51 were made the small business	corporate ta ceding taxa reeks. For a	tion year, befor
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Calculate the amount of foreign business income tax credit deductible at line 636 under section 123.4. *** Large corporation tax for preceding year - Enter the total gross Part I.3 tax for deducting the surtax credits, increased to reflect a full-year tax liability if the previscorporations, see Schedule 23 for the special rules that apply. Accelerated tax reduction (ite Canadian-controlled private corporations throughout the taxation year that clair Reduced business limit (amount from line 425) Net active business income (amount from line 400)* Taxable income from line 360 or amount Z on page 3, whichever applies, minus 10/4 of line 636** on page 7 and minus any amount that, because of federal law is exempt from Part I tax Deduct: Aggregate investment income (amount from line 440) Amount C minus amount D (if negative, enter "0")	the corporation for its precous year is less than 51 were made the small business	corporate ta ceding taxa reeks. For a	tion year, befor
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Calculate the amount of foreign business income tax credit deductible at line 636 under section 123.4. *** Large corporation tax for preceding year - Enter the total gross Part I.3 tax for deducting the surtax credits, increased to reflect a full-year tax liability if the previscorporations, see Schedule 23 for the special rules that apply. *** Accelerated tax reduction (ite Canadian-controlled private corporations throughout the taxation year that clair Reduced business limit (amount from line 425) ** Net active business income (amount from line 400)* Taxable income from line 360 or amount Z on page 3, whichever applies, minus 10/4 of line 636** on page 7 and minus any amount that, because of federal law is exempt from Part I tax **Deduct: Aggregate investment income (amount from line 440) ** mount C minus amount D (if negative, enter "0") The least of amounts A, B, or E above Amount Z from Part 9 of Schedule 27 ** x 100 / 7 = 1.5	the corporation for its precous year is less than 51 were made on the small business t	corporate ta ceding taxa reeks. For a	tion year, befor
Calculate the amount of foreign business income tax credit deductible at line 636 under section 123.4. **** Large corporation tax for preceding year - Enter the total gross Part I.3 tax for deducting the surtax credits, increased to reflect a full-year tax liability if the previscorporations, see Schedule 23 for the special rules that apply. *** Accelerated tax reduction (ite Canadian-controlled private corporations throughout the taxation year that clair Reduced business limit (amount from line 425) *** Net active business income (amount from line 400)* Taxable income from line 360 or amount Z on page 3, whichever applies, minus 10/4 of line 636** on page 7 and minus any amount that, because of federal law is exempt from Part I tax *** Deduct: **Aggregate investment income (amount from line 440) *** Mount C minus amount D (if negative, enter "0") The least of amounts A, B, or E above **Amount QQ from Part 13 of Schedule 27 *** Amount QQ from Part 13 of Schedule 27	the corporation for its precous year is less than 51 were made the small business	corporate ta ceding taxa reeks. For a	tion year, befor
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Calculate the amount of foreign business income tax credit deductible at line 636 under section 123.4. **** Large corporation tax for preceding year - Enter the total gross Part I.3 tax for deducting the surtax credits, increased to reflect a full-year tax liability if the previcorporations, see Schedule 23 for the special rules that apply. **** Accelerated tax reduction (ite Canadian-controlled private corporations throughout the taxation year that clair Reduced business limit (amount from line 425) **** Net active business income (amount from line 400)* Taxable income from line 360 or amount Z on page 3, whichever applies, minus 10/4 of line 636** on page 7 and minus any amount that, because of federal law is exempt from Part I tax Deduct: Aggregate investment income (amount from line 440) Amount C minus amount D (if negative, enter "0") The least of amounts A, B, or E above Amount Z from Part 9 of Schedule 27 Amount QQ from Part 13 of Schedule 27 Resource allowance (amount from line 346 of Schedule 1) x 3 = Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)	em 99) med the small business Grant	corporate ta ceding taxa reeks. For a	tion year, befor
Calculate the amount of foreign business income tax credit deductible at line 636 under section 123.4. **** Large corporation tax for preceding year - Enter the total gross Part I.3 tax for deducting the surtax credits, increased to reflect a full-year tax liability if the previcorporations, see Schedule 23 for the special rules that apply. **** Accelerated tax reduction (ite Canadian-controlled private corporations throughout the taxation year that clair Reduced business limit (amount from line 425) **** Net active business income (amount from line 400)* Taxable income from line 360 or amount Z on page 3, whichever applies, minus 10/4 of line 636** on page 7 and minus any amount that, because of federal law is exempt from Part I tax **** Deduct: **Aggregate investment income (amount from line 440) **** Amount C minus amount D (if negative, enter "0") The least of amounts A, B, or E above **Amount QQ from Part 13 of Schedule 27 **Resource allowance (amount from line 346 of Schedule 1) *** Large corporation tax for previous formulation and the state of amount E in Part 3 of Schedule 17) Least of amounts on lines 400, 405, 410, and 425 of the small business deduction	the corporation for its precous year is less than 51 were ground the small business and the small business are grown of the sm	corporate ta ceding taxa reeks. For a	tion year, befor
Calculate the amount of foreign business income tax credit deductible at line 636 under section 123.4. **** Large corporation tax for preceding year - Enter the total gross Part I.3 tax for deducting the surtax credits, increased to reflect a full-year tax liability if the previcorporations, see Schedule 23 for the special rules that apply. *** Accelerated tax reduction (ite Canadian-controlled private corporations throughout the taxation year that clair Reduced business limit (amount from line 425) ** Net active business income (amount from line 400)* Taxable income from line 360 or amount Z on page 3, whichever applies, minus 10/4 of line 636** on page 7 and minus any amount that, because of federal law is exempt from Part I tax **Deduct:* Aggregate investment income (amount from line 440) ** Mount C minus amount D (if negative, enter "0") The least of amounts A, B, or E above ** Amount QQ from Part 13 of Schedule 27 ** Resource allowance (amount from line 346 of Schedule 1) ** Least of amounts on lines 400, 405, 410, and 425 of the small business deduction Total of amounts G, H, I, J, and K	em 99) med the small business Grant	corporate ta ceding taxa reeks. For a	tion year, befor
Calculate the amount of foreign business income tax credit deductible at line 636 under section 123.4. **** Large corporation tax for preceding year - Enter the total gross Part I.3 tax for deducting the surtax credits, increased to reflect a full-year tax liability if the previcorporations, see Schedule 23 for the special rules that apply. **** Accelerated tax reduction (ite Canadian-controlled private corporations throughout the taxation year that clair Reduced business limit (amount from line 425) **** Net active business income (amount from line 400)* Taxable income from line 360 or amount Z on page 3, whichever applies, minus 10/4 of line 636** on page 7 and minus any amount that, because of federal law is exempt from Part I tax **** Deduct: **Aggregate investment income (amount from line 440) **** Amount C minus amount D (if negative, enter "0") The least of amounts A, B, or E above **Amount QQ from Part 13 of Schedule 27 **Resource allowance (amount from line 346 of Schedule 1) *** Large corporation tax for previous formulation and the state of amount E in Part 3 of Schedule 17) Least of amounts on lines 400, 405, 410, and 425 of the small business deduction	em 99) med the small business Grant	corporate ta ceding taxa reeks. For a	tion year, befor

(Enter amount O on line 637 of page 7)

Accelerated tax reduction - 7% of amount 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.

Canadian-controlled private corporations throughout taxation year	ntrolled private corporations (item 100) ——————————————————————————————————
Taxable income from line 360 or amount Z of page 3	Λ
Amount Z from Part 9 of Schedule 27	x 100 / 7 = B
Amount QQ from Part 13 of Schedule 27	X 1007 7 = B
Resource allowance (amount from line 346 of Schedule 1)	x 3 = D
Amount used to calculate the credit union deduction (amount E in Part 3	
Least of amounts on lines 400, 405, 410, and 425 of the small busines	ss deduction F
Aggregate investment income from line 440 of page 6	G
Amount used to calculate the accelerated tax reduction (amount M on	page 4) H
Total of amounts B, C, D, E, F, G, and H	
Amount A minus amount I (if negative, enter "0")	J
Amount Jx <u>Number of days in the taxation year in</u> Number of days in the taxation year	n 2001 ear 365 x 1% = K
Amount J x Number of days in the taxation year in Number of days in the taxation year in	n 2002 ar 365 x 3% = L
Amount Jx <u>Number of days in the taxation year in</u> Number of days in the taxation year in	
General tax reduction for Canadian-controlled private corporation	ns - total of amounts K. L and M
(enter amount N on line 638 of page 7)	
General tax reductions other than a Canadian-controlled private corporation corporation, a mutual fund corporation, or a non-resident-owned	uction (item 101) n, an investment corporation, a mortgage investment investment
Taxable income from line 360 or amount Z of page 3	
	Α
Amount Z from Part 9 of Schedule 27	x 100 / 7 = B
Amount Z from Part 9 of Schedule 27 Amount QQ from Part 13 of Schedule 27	x 100 / 7 = B C
Amount QQ from Part 13 of Schedule 27	C x3=D
Amount QQ from Part 13 of Schedule 27 Resource allowance (amount from line 346 of Schedule 1)	C D D E
Amount QQ from Part 13 of Schedule 27 Resource allowance (amount from line 346 of Schedule 1) Amount used to calculate the credit union deduction (amount E in Part 3	C D D E
Amount QQ from Part 13 of Schedule 27 Resource allowance (amount from line 346 of Schedule 1) Amount used to calculate the credit union deduction (amount E in Part 3 Least of amounts on lines 400, 405, 410, and 425 of the small busines	C D D E
Amount QQ from Part 13 of Schedule 27 Resource allowance (amount from line 346 of Schedule 1) Amount used to calculate the credit union deduction (amount E in Part 3 Least of amounts on lines 400, 405, 410, and 425 of the small busines Total of amounts B, C, D, E and E1	C x 3 = D of Schedule 17) Ess deduction F G
Amount QQ from Part 13 of Schedule 27 Resource allowance (amount from line 346 of Schedule 1) Amount used to calculate the credit union deduction (amount E in Part 3 Least of amounts on lines 400, 405, 410, and 425 of the small busines Total of amounts B, C, D, E and E1 ount A minus amount F (if negative, enter "0") Amount G x Number of days in the taxation year in 200	C D E E E1 F G C D H
Amount QQ from Part 13 of Schedule 27 Resource allowance (amount from line 346 of Schedule 1) Amount used to calculate the credit union deduction (amount E in Part 3 Least of amounts on lines 400, 405, 410, and 425 of the small busines Total of amounts B, C, D, E and E1 punt A minus amount F (if negative, enter "0") Amount G X Number of days in the taxation year in 200 Number of days in the taxation year in 200 Amount G X Number of days in the taxation year in 200	C D D Signature of Schedule 17) E E E1 F G G D H D2
Amount QQ from Part 13 of Schedule 27 Resource allowance (amount from line 346 of Schedule 1) Amount used to calculate the credit union deduction (amount E in Part 3 Least of amounts on lines 400, 405, 410, and 425 of the small busines Total of amounts B, C, D, E and E1 2unt A minus amount F (if negative, enter "0") Amount G X Number of days in the taxation year in 200 Number of days in the taxation year in 200 Number of days in the taxation year Amount G X Number of days in the taxation year in 200 Number of days in the taxation year in 200 Number of days in the taxation year in 200 Number of days in the taxation year in 200 Number of days in the taxation year in 200 Number of days in the taxation year in 200 Number of days in the taxation year in 200 Number of days in the taxation year in 200 Number of days in the taxation year in 200 Number of days in the taxation year in 200 Number of days in the taxation year	C x3 = 0 of Schedule 17) Es deduction F G 21 x 1% = H 22 x 3% = 1

File: DUTTON HYDRO LIMITED CCRA Business # 871493722 Year				
Canadian-controlled private corporations through Aggregate investment income 440 (Amount P from Part 1 of Schedule 7)	ble portion of Part I tax out the taxation year X 26 2/3 % =	(Item 102) —		A
Foreign non-business income tax credit from line 632	on page 7			
Deduct:	on page /		_	
Foreign investment income 445	X 9 1/3 % =			
(Amount O from Part 1 of Schedule 7)	(if negative, enter "0")		-	В
Amount A minus amount B (if negative, enter "0")	(in negative, enter o)		=	c
Taxable income from line 360 on page 3				
Deduct:				
Least of amounts on lines 400, 405, 410, and 425				
on page 4 Foreign non-business income tax credit	9			
from line 632 on page 7 x 25/9 =	=			
Foreign business income tax credit from	5 2			
line 636 on page 7 x 10/4 =				
			_	
	:		X 26 2/3% =	D
Part I tax payable minus investment tax credit refund			_	
e 700 minus line 780 on page 8)				
Deduct corporate surtax from line 600 on page 7				
Net amount			_▶	E
Refundable portion of Part I tax - the least of amou	nts C, D, and E		45	0 0 F
Refundah	le dividend tax on hand	(item 103) —		
Refundable dividend tax on hand at the end of the		,		
Deduct dividend refund for the previous taxation y			2.1	
Dealest dividend for the provided taxation y			-	Α
Add the total of:			= 1	
Refundable portion of Part I tax from line 450 at	nove			
Total Part IV tax payable from line 360 on page			=:	
Net refundable dividend tax on hand transferred		1	-2	
corporation on amalgamation, or from a wound-	up subsidiary corporation 480			
			_	В
fundable dividend tax on hand at the end of the	taxation year - Amount A plus	Amount B	48	5 0
	The state of the s			
	Dividend refund (item 104	4)		
Private and subject corporations at the time taxab				
Taxable dividends paid in the taxation year from lir	e 460 on page 2 of Schedule 3	2 111-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-	_ X 1/3	Α
Refundable dividend tax on hand at the end of the	taxation year from line 485 abo	ve		B
Dividend refund - Lesser of amounts A and B (enter	this amount on line 784 on pag	je 8)		0

Part I tax —			
Base amount of Part I tax - 38% of taxable income (line 360 or amount Z, which from page 3 (item 105)	ever applies)	550	0 A
Corporate surtax calculation (item 106) Base amount from line A above		4	
Deduct:		'	
10% of taxable income (line 360 or amount Z, whichever applies) from page 3		2	
Investment corporation deduction from line 620 below		3	
Federal logging tax credit from line 640 below			
Federal qualifying environment trust tax credit from line 648 below		5	
For a mutual fund corporation or an investment corporation throughout			
the taxation year, enter the least of a, b and c below on line 6: 28% of taxable income from line 360 on page 3	а		
28% of taxed capital gains	_ b	6	
Part I tax otherwise payable			
(line A plus line C and D minus line F)	С		
Total of lines 2 to 6		7	
Net amount (line 1 minus line 7)		8	
91		600	В
Corporate surtax - 4% of the amount on line 8		600	
recapture of investment tax credit from line XX in Part 16 on page 8 of Schedule	31 (item 107)	602	C
Calculation for the refundable tax on Canadian-controlled private corporatio (for a CCPC throughout the taxation year) (item 108)	n's investment inco	ome	
Aggregate investment income from line 440 on page 6		i	
Taxable income from line 360 on page 4			
Deduct:			
The least of amounts on lines 400, 405, 410, and 425			
on page 4		365	
Net amount			
Refundable tax on CCPC's investment income - 6 2/3 % of the lesser of amount	nts i or ii	604	D
Su	ıbtotal (add lines A, E	3, C, and D)	E
Deduct:			
Small business deduction from line 430 on page 4		9	
Jeral tax abatement (item 109)	608		
Manufacturing and processing profits deduction from amount BB or VV			
of Schedule 27 (item 110)	616		
Investment corporation deduction (item 111)	620		
(Taxed capital gains 624)			
Additional deduction - credit unions from Schedule 17 (item 112)	628		
Federal foreign non-business income tax credit from Schedule 21 (item 113)	632		
Federal foreign business income tax credit from Schedule 21 (item 114)	636		
Accelerated tax reduction from amount O of page 4 (item 115)	637		
General tax reduction for CCPC's from amount N of page 5 (item 116)	638		
General tax reduction from amount K of page 5 (item 116)	639		
Federal logging tax credit from Schedule 21 (item 117)	640		
Federal political contribution tax credit (item 118)	644	*	
Federal political contributions 646			
Federal qualifying environmental trust tax credit (item 119)	648		
Investment tax credit from Schedule 31 (item 120)	652		
	ubtotal		F
Part Ltay payable. Line E minus line E (enter amount G on line 700 on page 8) (0 G

Part I tax payable from page 5 (item 122)	700
Part I.3 tax payable from Schedule 33, 34, or 35 (item 123)	704
Part II tax payable from Schedule 46 (item 124)	708
Part IV tax payable from Schedule 3 (item 125)	712
Part IV.1 tax payable from Schedule 43 (item 126)	716
Part VI tax payable from Schedule 38 (item 127)	720
Part VI.1 tax payable from Schedule 43 (item 128)	724
Part XIII.1 tax payable from Schedule 92 (item 129)	727
Part XIV tax payable from Schedule 20 (item 130)	728
	Total federal tax 0
Add provincial and territorial tax	
Provincial or territorial jurisdiction (item 131) 750 ON	
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)	
Net provincial and territorial tax payable (except Quebec, Ontario and Alberta) (item 13	32) 760
Provincial tax on large corporations (New Brunswick and Nova Scotia) (item	146) 765
	Total tax payable 770 0 A
Deduct other credits	
Investment tax credit refund from Schedule 31 (items 147)	780
Dividend refund from Page 4 (items 148)	784
Federal capital gains refund from Schedule 18 (item 149)	788
Federal qualifying environmental trust tax credit refund (item 150)	792
Canadian film or video production tax credit refund from Form T1131 (item	151) 796
Film or video production services tax credit refund from Form T1177 (item 1	
Tax withheld at source (item 153)	800
Total payments on which tax has been withheld (item 153) 801	
Allowable refund for non-resident-owned investment corporations - Schedule 26 (item	154) 804
Provincial and territorial capital gains refund from Schedule 18 (item 155)	808
Provincial and territorial refundable tax credits from Schedule 5 (item 156)	812
	816
Tax remitted under Syncrude Remission Order (item 157)	840
Tax instalments paid (item 158)	
	That of Calls 000
Refund Code 894 Overpayment	Balance (line A minus line B)
(item 159) (item 162)	to the second is a second way to the open open and the manufacture of the second open open open open open open open open
Direct Deposit Request (item 163)	If the result is negative, you have an overpayment.
To have the corporation's refund deposited directly into the corporation's	If the result is positive, you have a balance unpaid.
bank account at a financial institution in Canada, or to change banking	Enter the amount on whichever line applies.
information you already gave us, complete the information below. Start Change information 910	We do not charge or refund a difference of less than \$2.
Start Change information 910 Branch number	Balance unpaid (item 162)
914 918	Enclosed payment (item 161) 898
Institution number Account number	Endosed payment (nem 101) 000
If the corporation is a Canadian-controlled private corporation throughout the t	exation year
does it qualify for the one-month extension of the date the balance is due? (ite	
Certification (item	
950 LOVELAND 951 KEN	954 SECRETARY
Surname First name	Position, office or rank
955 <u>2003/11/14</u> 956 <u>(519) 762-2204</u>	
Date Telephone number	ete the information below. 957 1 Yes X 2 No
Is the contact person the same as the authorized signing officer? If no, comple	ete the information below.
958	959 ()
Name	Telephone number
Language of correspondence - Langue c	de correspondance (item 165)
990 Language of choice/Langue de choix 1 English / Anglais	2 Français / French

File: DUTTON HYDRO LIMITED CCRA Business # 871493722 Year-end: 2002/12/31 Printed: 2003/11/14 08:23

Canada Customs

Agence des douanes and Revenue Agency et du revenu du Canada

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Schedule 1

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

Net income (loss) after taxes and extraordinary items per financial statements			A,_	(53,038)
Add: Amortization of tangible assets	104	24,369		
Total of fields 101 to 199	500	24,369	> _	24,369
Net income (loss) for income tax purposes (enter on line 300 of the T2 return)				(28,669)

Canada Customs and Revenue Agency and Revenue Agency et du revenu du Canada NON-CAPITAL LOSS CONTINUITY AND CARRY BACK

Part 1 - Non-capital loss

Non-capital loss continuity by year	Non-capital	loss c	ontinuity	by year
-------------------------------------	-------------	--------	-----------	---------

		11011	-capital 1055	Continuity by	year		
Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
					-l		
2000/12/31					1 -		
2001/12/31	12,868						12,868
2002/12/31		···			28,669		28,669
Totals	12,868				28,669		41,537

et income (loss) for income tax purposes		(28,669)
rduct:		
Net capital losses deducted in the year		
Taxable dividends deductible under sections 112, 113 or subsection	138(6)	
Amount of Part VI.1 tax deductible		
Amount deductible as prospector's and grubstaker's shares - Paragra	aph 110(1)(d.2)	
	Subtotal - if positive, enter "0"	(28,669)
educt: Section 110.5 - addition for foreign tax credits		
dd: Current year farm loss		
urrent year non-capital loss (if positive, enter "0")		(28,669)

Non-capital losses at end of preceding taxation year		12,868		
Losses expired after 7 years	100-			
Non-capital losses - beginning balance	102=	12,868		12,868
nsfers from wind-up of wholly-owned subsidiary and amalgamation			105+	
Current year non-capital loss from above	110	28,669		
Deduct - Non-capital loss carry back to:				
1st preceding taxation year against taxable income	901			
2nd preceding taxation year against taxable income	902			
3rd preceding taxation year against taxable income	903			
1st preceding taxation year against taxable dividends subject to Part IV tax	911			
2nd preceding taxation year against taxable dividends subject to Part IV tax	912			
3rd preceding taxation year against taxable dividends subject to Part IV tax	913			
Current year non-capital loss net of carryback	· · · · · · · · · · · · · · · · · · ·	28,669	+	28,669
		Subtotal	=	41,537
Deduct:				
Amount applied against taxable income (enter on line 331 of T2 return)	130			
Amount applied against dividends subject to Part IV tax	135			
Section 80 adjustments	140			
Other adjustments	150			
			-	
Non-capital losses - ending balance			180=	41,537

NON-CAPITAL LOSS CONTINUITY AND CARRY BACK

Election under paragraph 88(1.1)(f)	
Paragraph 88(1.1)(f) election indicator	00 Yes
Loss from a wholly-owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year	(_e

Part 2 - Farm loss

Farm loss continuity	by	year	
----------------------	----	------	--

	T		arm loss cor	itilitality by ye	aı		
Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
					-		
					-		-
							-
					-		
					-		
2000/40/04							
2000/12/31							
2001/12/31							
2002/12/31							
. als							

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

NON-CAPITAL LOSS CONTINUITY AND CARRY BACK

Part 3 - Restricted farm loss

Restricted farm loss continuity by year

			cieu iaimi ios	5 Continuity	by year		
Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
					1 -		
				H=====================================			
					1		
2000/12/31					1 -		
2001/12/31							
2002/12/31				-	1		
Totals					1		

et loss from farming business			485
Deductible farm loss:			
Net loss from above	A		
\$2,500 plus 1/2 (A - \$2,500)	В	2,500	
Maximum deduction	С	8,750	
Deductible farm loss (lesser of A, B, and C)			<u> </u>
Current year restricted farm loss			

Losses expired after 10 years	400-	
Restricted farm losses - beginning balance	402=	
Transfers from wind-up of wholly-owned subsidiary and amalgamation		405+
Current year restricted farm loss (enter on line 233 of Schedule 1)	410	
nduct - Restricted farm loss carry back to:		
ા preceding taxation year against farming income	941	
2nd preceding taxation year against farming income	942	
3rd preceding taxation year against farming income	943	-
Current year restricted farm loss net of carry-back		<u> </u>
Deduct:		
Amount applied against taxable income (enter on line 333 of T2 return)	430	
Section 80 adjustments	440	
Other adjustments	450	
		-
Restricted farm losses - ending balance	7.1.7	480=

Canada Customs

Agence des douanes et du revenu du Canada and Revenue Agency

CAPITAL LOSS CONTINUITY AND CARRY BACK

Part 1 - Capital Ioss	۲ar	i 1 -	· Ca	pita	Ho	220
-----------------------	-----	-------	------	------	----	-----

Part 1 - Ca	pital loss	011				
A advad a saited			nuity and carry-back	request		
Transfers from	losses at end of precedir wind-up of wholly-owned	ig taxation year		200		
Current year o	capital loss	i subsidiary and amaigan	nation	205 210		
				210	Subtotal	
Allowable busi	iness investment loss exp	ired as a non-capital loss		X 4/3	22	0
Deduct:					Subtotal	
	olied against current year	capital gain (see note 1)		225		
Section 80	adjustments			240		
Other adjus	tments			250		
Deduct - capit	tal loss carry back to: (s	ee note 2)			Subtotal	Cranical Control of Co
	Net loss	applied Inclusion rate	e Actu	ıal		
1st preceding t		+50.0000	% = 951			
2nd preceding 3rd preceding			% = 952			
ord proceding	taxation year		% = 953 Subtotal			
pital losses	- ending balance				28	0
Current vear ca	apital loss available for ca	rn/fonward				
Note 1	aprical 1000 detailable 101 Ga	Trylorward				-
	the T2 return, enter the a	mount from line 225 multi	plied by the current ve	ear inclusion i	rate (see Schedu	ıle 6)
Note 2						
Enter on lines 2 carryback, the	225, 951, 952, or 953, wh net capital loss amount w	ichever is applicable, the	actual amount of the	oss. At the til	me of the applica	ation of the loss
	ed personal proper		clusion rate of the year	to which the	net capital loss	it is applied.
Year of origin	Balance at end of prior			Current v	rear loss net of	
	year	Adjustments	Applied		rry-back	Ending balance
		Expired				
				-	-	
000/12/31				_	_	
001/12/31				-	-	
002/12/31						
otals						
	Liste	d personal property los	s continuity and carr	y-back requ	est	
	property losses at end of	preceding taxation year				
	personal property losses		on years	500		
	property losses - beginni			502		
Current year list	ed personal property loss	(from Schedule 6)		510		
	l personal property loss taxation year	carry back to:	961			
	g taxation year		962			
	taxation year		963			
isted personal	property losses net of car	ry-back				+
Daduet:					Subtotal	
Deduct: Amount applie	ed against listed persona	I proporty goin (anton an	line GEE of Cabadala C	• \	F00	
Other adjustm		property gain (enter on	inie 000 of Scheaule b))	530 550	
	property losses - closing l	balance			550 580	
	, , , , , , , , , , , , , , , , , , , ,					

Schedule 4

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

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	Column 4 - 5 if negative, enter "0"	Current year limited partnershi losses
600	602	604	606	resource expenses 608		Column 3 - 6 620

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

Continuity of	of limited partner	rship losses that ca	an be carried forw	ard to future taxa	tion years
Partnership identifier	Losses at end of	Losses transferred from amalgamation or wind-up of subsidiary	Current year limited	Limited partnership losses applied (cannot exceed 650)	Limited partnership losses closing balance
660	662	664	670	675	680
	Total	l (enter this amount on lin	e 335 of the T2 return)		

Canada Customs

Agence des douanes and Revenue Agency et du revenu du Canada

CA TAL COST ALLOWANCE

Schedule 8

Is the corporation electing under regulation 1101(5q)? 101 1 \underline{Y} es $\underline{}$ 2 $\underline{\underline{N}}$ 0 $\underline{\underline{}}$

1	2	3	4	5	7	8	9	10	11	12	13
Class	UCC at start of		Net adjustments	Proceeds of	Adjustment for	Base amount for	Rate	CCA for the year	Recapture	Terminal loss	UCC at the end
	year	additions in		dispositions in	additions (1/2 x		%	(col8x9ora	of CCA	1 0111111111111111111111111111111111111	of the year
		the year		the year	(col 3 - 5))			lower amount)			o. a.o you,
200	201	203	205	207	211		212	217	213	215	220
1	292,342	5,319			2,660	295,001	4				297,661
6	19,530					19,530	10				19,530
8	2,696	1,601	10m	praguero	801	3,496	20				
10	2,125		Cones		001	2,125	30				4,297
			1			2,125	30				2,125
Totals	316,693	6,920			3,461	320,152					323,613

File: DUTTON HYDRO LIMITED CCRA Business # 871493722 Year-end: 2002/12/31 Printed: 2003/11/14 08:23

S8Supp

Reconciliation of NBV and UCC

NBV of capital assets, beginning of year	292,658	
Less: Land		
NBV of depreciable capital assets, beginning of year	292,658	292,658
UCC beginning of year		316,693
Timing difference, beginning of year		(24,035) A
CCA and amortization		
CCA claimed	+	
Terminal loss	+	
Recapture	-	
Amortization per financial statements	24,369	
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)	3 /	
Gains and losses		
Tain on disposal of capital assets per financial statements	+	
upital 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		
Pre-valuation day depreciation	-	
Timing difference, current year	(24,369)	+ (24,369) B
Timing difference, end of year (A + B)		(48,404) C
Proof		
NBV of capital assets, end of year	275,210	
'ess: Land		
V of depreciable capital assets, end of year	275,210	275,210
	222 612	
UCC end of year	323,613	
Less: Ending Class 14 balance	= 323,613	= 323,613
Adjusted UCC	_ 323,013	
Timing difference as at 2002/12/31 (amount D should equal amount C)		(48,403) D

Notes

File: DUTTON HYDRO LIMITED CCRA Business # 871493722 Year-end: 2002/12/31 Printed; 2003/11/14 08:23

Canada Customs

Agence des douanes and Revenue Agency et 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 100	Business Number * 200	Social Insurance Number * 300		Percentage preferred shares 500
Municipality of Dutton/Dunwich	87078 6936 RC 0001		100.000	
	RC			

^{*} If the shareholder is a trust, fields 200 and 300 will be blank.

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

BALANCE SHEET INFORMATION

Schedule 100

Assets	Code	Amount
Cash and deposits	1000	
Accounts Receivable	1060	154,464
rentories	1120	24,055
repaid expenses	1484	4,280
Other machinery and equipment	1785	533,380
Accumulated amortization of other machinery and equipment	1786	(274,450
Other tangible capital assets	1900	77,256
Accumulated amortization of other tangible capital assets	1901	(60,976
Other deferred items / charges	2424	47,358
Total assets	2599	505,367

Liabilities	Code	Amount
Bank overdraft	2600	71
Amounts payable and accrued liabilities	2620	95,274
Deposits received	2961	6,052
*al liabilities	3499	101,397

Equity	Code	Amount
Common shares	3500	475,885
Retained earnings / deficit	3600	(71,915
Total equity	3620	403,970
Total liabilities and equity	3640	505,367

Retained earnings	Code	Amount
tained earnings/deficit-start	3660	(18,877)
rvet income / loss	3680	(53,038
Total retained earnings	3849	(71,915)

Canada Customs

Agence des douanes and Revenue Agency et du revenu du Canada

INCOME STATEMENT INFORMATION

Schedule 125

Details

Operating name, if different from the corporations' legal name

escription of operation, if filing multiple Schedules 125

_ _02

Revenue	Code	Amount
Trade sales of goods and services		Amount
	8000	728,157
Total sales of goods and services		
Other revenue	8089	728,157
Other revenue	8230	16,087
Total revenue		
	8299	744,244

Cost of sales	Code	Amount
Opening inventory	8300	Amount
Other direct costs	8450	641,894
Cost of sales	8518	641,894
ss profit / loss (item 8089 - item 8518)	8519	86,263

Operating expenses	Code	Amount
Bad debt expense	8590	
Amortization of tangible assets		5,293
Collection and credit costs	8670	24,369
Repairs and maintenance	8717	50,206
	8960	35,423
General and administrative expenses	9284	40,097
T 'al operating expenses	9367	455.000
.al expenses		155,388
Net non-farming income	9368	797,282
rection-laming income	9369	(53,038)

Farming revenue	Code	Amount
Grains and oilseeds	9370	Aniount
T. farm revenue	9659	

Farming expenses	Code	Amount
Crop expenses	9660	Amount
Total farm expenses	9898	
Net farm income	9899	-
Net income / loss before taxes and extraordinary items	9970	(53,038)

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-	
Corrent income taxes	9990-	
rred income tax provision	9995-	
Net income / loss after taxes and extraordinary items	9999 = (53,038)	

Schedule 141

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

NOTES CHECKLIST

Involvement of accountant

0100 Who reported on/prepared the corporation's financial stater	nents?		
an independent auditor with a report that expressed no reservat	ion		X
∠ an independent auditor with a report that expressed a reservation	on		ñ
3 an independent accountant with a review engagement report the	at expressed no reservation		ñ
4 an independent accountant with a review engagement report the			$\overline{\sqcap}$
5 an independent accountant who conducted a compilation engage			
6 an independant accountant with a compilation engagement and			
7 an independant accountant with a compilation engagement and	review engagement resulting in a reservation		
8 prepared by an employee/associate/management of the compa without the involvement of an independent accountant	ny, or a person on behalf of the company,		
Other information			
Were any notes to the financial statements prepared?		101	<u> N</u> o
If yes, complete the following:			
△re any values presented at other than cost?		102 Yes	X <u>N</u>
as there been a change in accounting policies since the last retu	n?	103 Yes	X No
Are subsequent events mentioned in the notes?		104 Yes	X No
Is re-evaluation of asset information mentioned in the notes?		105 Yes	X N
Is contingent liability mentioned in the notes?		106 X Yes	
Is information regarding commitments mentioned in the notes?		107 <u>Y</u> es	X No
Does the corporation have investments in joint venture(s) or partner	erships?	108 <u>Y</u> es	X N
If yes are you filing financial statements of the joint venture(s) or r	artnershin(s)?	109 Yes	\square No



MPDC – **Dutton**

Attachment 3 2003 Supporting Documentation

Financial Statements Year Ended December 31, 2003 and Auditors' Report to the Shareholder



204-460 Wellington Street St. Thomas, ON N5R 6H9 Telephone: (519) 631-8250 Telephone: (519) 637-3500

Facsimile: (519) 631-8919

AUDITORS' REPORT

To the Shareholder of Dutton Hydro Limited:

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We have audited the balance sheet of Dutton Hydro Limited as at December 31, 2003 and the statements of operations and deficit and cash flows for the year then ended. These financial statements are the responsibility of the Corporation'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 Dutton Hydro Limited as at December 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

April 27, 2004

BALANCE SHEET

DECEMBER 31, 2003

	_2003	2002
ASSETS		
CURRENT ASSETS Cash Accounts receivable (Note 3) Unbilled revenue Inventories Prepaid expenses	\$ 48,356 121,404 35,418 18,486 	\$ - 58,479 95,985 24,055 4,280
	230,562	182,799
CAPITAL ASSETS (Note 4)	<u>255,785</u>	275,210
	\$ <u>486,347</u>	\$ <u>458,009</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES Bank indebtedness Accounts payable and accrued liabilities Due to shareholder (Note 5) Current portion of customer deposits CUSTOMER DEPOSITS CONTINGENT LIABILITY (Note 11)	\$ - 117,533 30,000 2,000 149,533	\$ 71 95,274 - 2,500 97,845
SHAREHOLDER EQUITY		
SHARE CAPITAL (Note 6)	475,885	475,885
DEFICIT	<u>(150,495</u>)	(119,273)
	325,390	356,612
On behalf of the Board:	\$ <u>486,347</u>	\$ <u>458,009</u>
Director		
Director		

STATEMENT OF OPERATIONS AND DEFICIT

YEAR ENDED DECEMBER 31, 2003

	2003	2002
DISTRIBUTION REVENUE	\$ 634,262	\$ 728,157
COST OF POWER	515,224	641,894
GROSS MARGIN ON DISTRIBUTION REVENUE	119,038	<u>86,263</u>
EXPENSES		
Plant operations and maintenance	43,082	35,423
Billing and collection	51,939	50,206
Administration	37,038	40,097
Bad debts	-	5,293
Amortization of capital assets	24,518	24,369
Total expenses	156,577	155,388
(LOSS) FROM OPERATIONS	(37,539)	(69,125)
OTHER INCOME (Note 7)	6,317	16,087
(LOSS) FOR THE YEAR	(31,222)	(53,038)
DEFICIT, BEGINNING OF YEAR	(119,273)	(66,235)
DEFICIT, END OF YEAR	\$ <u>(150,495</u>)	\$ <u>(119,273</u>)

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2003

OPERATING ACTIVITIES	2003	2002
(Loss) for the year	\$(31,222)	\$(53,038)
Items not affecting cash: Amortization of capital assets	24,518	24,369
	(6,704)	(28,669)
Changes in non-cash working capital items		
Net increase (reduction) in non-cash working capital items	22,852	(55,539)
Increase (decrease) in customer deposits	<u>7,372</u>	(1,624)
Cash provided by (used in) operating activities	23,520	(85,832)
INVESTING ACTIVITIES		
Purchase of capital assets	(5,093)	(6,921)
FINANCING ACTIVITIES		
Advances from shareholder	30,000	
NET CASH INFLOW (OUTFLOW)	48,427	(92,753)
CASH POSITION, BEGINNING OF YEAR	<u>(71</u>)	92,682
CASH POSITION, END OF YEAR	\$ <u>48,356</u>	\$ <u>(71</u>)

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2003

1. BUSINESS OPERATIONS

Dutton Hydro Limited is a wholly owned subsidiary company of the Corporation of the Municipality of Dutton/Dunwich and commenced operations of electrical distribution services to the inhabitants of Dutton, Ontario on November 1, 2000.

The Ontario Energy Board (OEB) is responsible for regulating rates for the transmission and distribution of electricity, charges for repayment of the former Ontario Hydro's previous debt as well as the delivery charges to the consumer from the local distribution company. The OEB does not regulate the market price of the electricity (commodity) purchased.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and reflect the following policies.

a) Revenue Recognition

Distribution revenue is recognized on the basis of regular meter readings and estimates of customer usage from the last meter reading to the end of the year.

b) <u>Inventories</u>

Inventories of materials and supplies are valued at the lower of cost and net realizable value.

c) Capital assets

Capital assets are recorded at cost and amortized on a straight-line basis over their estimated service lives as follows:

Distribution lines, transformers and meters 25 years Water heaters 10 years Other equipment 10 years

When a non-grouped capital asset is sold or otherwise disposed of, the related cost and accumulated amortization are removed from the respective accounts and any gain or loss on disposition is recognized in earnings.

Grouped assets are, by their nature, not readily identifiable as individual assets. The related cost and accumulated amortization is therefore removed from the respective accounts at the end of their estimated useful lives regardless of actual service life. Any proceeds on disposition are recognized in earnings in the year of disposition.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2003

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

d) Contributions to capital costs

Contributions toward capital costs are included in capital assets as an offset against the related capital asset accounts and are amortized over their estimated service life.

... &

3. ACCOUNTS RECEIVABLE

ACCOUNTS RECEIVABLE	2003	2002
Customer service revenue Municipality of Dutton/Dunwich Sundry	\$ 86,454 29,618 	\$27,898 18,833 <u>12,948</u>
	122,604	59,679
Less: allowance for doubtful accounts	1,200	1,200
	\$ <u>121,404</u>	\$ <u>58,479</u>

4. CAPITAL ASSETS

		2003		2002
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Distribution lines	\$349,975	\$183,064	\$166,911	\$176,438
Transformers	123,329	75,053	48,276	51,726
Meters	65,170	36,060	29,110	30,766
Water heaters	40,614	33,141	7,473	11,411
Other equipment and tools	<u>36,642</u>	32,627	4,015	4,869
	\$ <u>615,730</u>	\$ <u>359,945</u>	\$ <u>255,785</u>	\$ <u>275,210</u>

DUE TO SHAREHOLDER 5.

The amount due to shareholder is non-interest bearing without stated repayment terms.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2003

6.	SHARE CAPITAL	_2003_	2002
	Authorized: Unlimited number of common shares		
	Issued: 5,315,281 common shares	\$ <u>475,885</u>	\$ <u>475,885</u>
7.	OTHER INCOME	2003	2002
	Rentals Interest Late payment charges Collection fees Other	\$3,681 990 867 554 	\$ 4,586 921 101 1,245 9,234
		\$ <u>6,317</u>	\$ <u>16,087</u>

8. INCOME TAXES

Dutton Hydro Limited is exempt from income taxes under the Income Tax Act (Canada) as a wholly owned subsidiary of the Municipality of Dutton/Dunwich. Effective October 1, 2000 and pursuant to the Electricity Act, 1998 (Ontario), Dutton Hydro Limited is required to make payments-in-lieu of taxes to the Ontario Electricity Financial Corporation. The payments-in-lieu of taxes are approximately equal to federal and provincial corporation income and capital taxes payable if the corporation was a taxable corporation under the Income Tax Act (Canada).

No recognition has been made in the accounts for possible tax reductions in future years resulting from tax losses carried forward in the amount of \$48,241, expiring in 2010.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2003

9. RELATED PARTY TRANSACTIONS AND BALANCES

Dutton Hydro Limited, in the normal course of operations, has routine transactions with the Municipality of Dutton/Dunwich. These transactions have been carried out on the same terms as would apply with unrelated parties.

The following table details related party transactions and balances with the Municipality of Dutton/Dunwich for the year ended December 31, 2003:

Sale of electricity to Dutton/Dunwich	\$37,367
Purchase of labour, benefits, materials and services from Dutton/Dunwich	\$76,337
Accounts receivable balance from Dutton/Dunwich at the end of the year	\$29,618

10. FINANCIAL INSTRUMENTS

The carrying value of all financial assets and liabilities approximates their fair value.

11. CONTINGENT LIABILITY

Dutton Hydro Limited has provided a letter of credit in the amount of \$150,000 in favour of Enwin Utilities Ltd. in accordance with a credit support agreement dated September 18, 2002.

4

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.

| O55 | Do not use this area |

			Identif	ication ———		est.	
Business number (B	N) (item 11) 001	87149 37	22 RC 0001				
Corporation's name					2003		
002				(1003	•	
DUTTON HYDRO	LIMITED						
Has the cornoration of	nanged its name since			If yes do you ha	ave a copy of	DAT.	
the last time we were	notified?	03 <u> Y</u> es	X <u>N</u> o	the articles of ar	mendment? 0	04 Yes	No
Address of head office		100	<u> </u>		ar does this return app		
Has the address chang				From 060 2003/01		61 2003/12	
time we were notified?	ged since the last	10 <u>Y</u> es	<u> </u>				
011 199 MAIN STREE		10 103	<u>M</u> 140	Has there been an acc	uisition of control to wh	ich subsect 63∏ <u>Y</u> es	X <u>N</u> o
012				applies since the previ	ous taxation year?	0 2□ Te2	V IIO
City	Prov	ince, territo	ory, or state	If yes, provide date co	ntrol was acquired 0	65	
1 - 15 DUTTON	016 ON		2,7, 0. 0.0.0	ii yoo, provido date 15			
Country (other tha		al code/Zip	code	le the corneration a r	professional corporation	nn that is a	member of
1 - 17	018 NOL			a partnership? (item		67 <u>Y</u> es	
				a partite simp : (item	.5,		
Mailing address (if dif	ferent from head office	address) (i	tem 14)	is this the first year o	f filing after:	_	
Has the address chang	ged since the last time v	ve were no	titied?	Incorporation? (iten		70 <u>Y</u> es	X No
020 <u>Yes No X</u>				Amalgamation? (ite	m 20) 0	71 🗌 <u>Y</u> es	X No
021 C/o	_			If yes, complete Sched	dule 24		
022 199 MAIN STREE							
023	Dro	inaa tarrit	ani aratata		d-up of a subsidiary u	nder sectio	on 88 during
City	026 ON	ince, territ	ory, or state	the current taxation y			
O25 DUTTON Country (other tha		al code/Zip	code	If yes, complete Sched	dule 24 0	72 Yes	X <u>N</u> o
027	028 NOL	.ai codeizik 1.10	code				
021	020 1102	100		Is this the final taxati		70 TV	₩.
Location of books an	d records (item 15)			before amalgamation	1? (Item 22)	76 Yes	
031 199 MAIN STREE				Is this the final return	un to		
n32				dissolution? (item 23		78 <u>Y</u> es	X <u>N</u> o
City	Prov	ince, territo	ory, or state	dissolution: (itom 20	,	🗆 🚊	
1135 DUTTON	036 ON			Is the corporation a	resident		
Country (other that		al code/Zip	code	of Canada? (item 24)	C	80 ⊠ <u>Y</u> es	<u>N</u> o
037	038 NOL	1J0		If no, give the country		181	
0.40 T 5		/!! - :	10)				
	ion at end of taxation			Is the non-resident c	orporation claiming		
1 X Canadian control		oration con Jublic corpo		an exemption under	an income tax	82 <u>Y</u> es	<u> N</u> o
2 Other private		corporation		treaty? (item 24) If yes, complete Schee		102 <u>1</u> es	
corporation		ease speci					
3 Public corporation			,,,	If the corporation is	exempt from tax under	section 14	49, tick
				one of the following	boxes: (item 25)		
If the type of corporation					ot under 149(1)(e) or (l)		
during the taxation year					ot under 149(1)(j) ot under 149(1)(t)		
the effective date of the	conange 043				ot under 149(1)(t) ot under other paragrapl	ne of section	n 149
				4 🛛 Exemp	n under other paragraps	13 01 3561101	1 140
			Do not us	e this area	Land	1000	
091	092	093		094	095	096	
097							

Guide	itam Attachments	Yes	Schedule
		150	9
27	Is the corporation related to any other corporations?	151	
28	Does the corporation have any non-resident shareholders?		19
29	Is the corporation an associated Canadian-controlled private corporation (CCPC)?	160	23
30	Is the corporation an associated CCPC that is claiming the expenditure limit?	161	49
32	Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or		
02	employees, other than transactions in the ordinary course of business? Exclude non-arm's length		
		162 X	11
	transactions with non-residents	_ 102//	., 1
33	If you answered yes to the above question, and the transaction was between corporations not dealing at	400	
	arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163	44
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of	1722 - 271	
	Canada?	164	14
25	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165	15
35_		166	T5004
_37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?		
38	Is the corporation a member of a partnership for which an identification number has been assigned?	167	T5013
40	Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did		
	not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168	22
41	Did the corporation have any foreign affiliates during the year?	169	25
1000	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1)		
42		170□	29
	of the federal Income Tax Regulations?		
43	Has the corporation had any non-arm's length transactions with a non-resident?	_ 171 📗	T106
47	Has the corporation made payments to, or received amounts from a retirement compensation	_	1
	arrangement?	172	****
16	Does the corporation (private corporations only) have any shareholders who own 10% or more of the		1
,O		173X	50
	corporation's common and/or preferred shares?	170[]	00
55	Is the net income/loss shown on financial statements different from the net income for income tax	004	190
	purposes?	201🛚	1
78-81	Has the corporation made any charitable donations, gifts to Canada, a province, or a territory, or gifts of	_	
	cultural or ecological property?	202	2
92 104	Has the corporation received dividends or paid taxable dividends for purposes of the dividend refund?	203	3
		204 X	4
	Is the corporation claiming any type of losses?	204[/]	7
132	Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in	005	_
	more than one jurisdiction?	205	5
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206	6
103	(i) Is the corporation claiming the small business deduction and reporting income from : (a) property (other		
100	than dividends), (b) a partnership, (c) a foreign business, or (d) a personal services business; or		
		207	7
(0.00 even) (0.00	(ii) is the corporation claiming the refundable portion of Part I tax?		
57	Does the corporation have any property that is eligible for capital cost allowance?	208 X	8
58	Does the corporation have any property that is eligible capital property?	210	10
59	Does the corporation have any resource-related deductions?	212	12
60	Is the corporation claiming reserves of any kind?	213	13
		216	16
61	Is the corporation claiming a patronage dividend deduction?	210	10
12	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an	047	47
	additional deduction?	217	17
50	is the corporation an investment corporation or a mutual fund corporation?	218	18
131	Was the corporation carrying on business in Canada as a non-resident corporation?	220	20
	Is the corporation claiming any federal or provincial foreign tax credits, or logging tax credits?	221	21
118	is the corporation claiming any rederan or provincial foreign tax creatis, or organization constitutions.	226	26 *
155	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	227	27
111	Does the corporation have any Canadian manufacturing and processing profits?		
121	Is the corporation claiming an investment tax credit?	231	31
63	Is the corporation claiming any scientific research and experimental development expenditures?	232	T661/T665
124	Is the corporation subject to Part 1.3 tax?	233	33/34/35
	is the corporation subject to rait 1.5 tax?	236	36
124	Is the corporation a member of a related group with one or more members subject to gross Part 1.3 tax?	237	37
124	Is the corporation claiming a surtax credit?		
128	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238	38
128	Is the corporation claiming a Part I tax credit?	242	42
129	Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax		
123		243	43
485	on dividends paid?	244	45
129	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?		
125	Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249	46
128	For financial institutions: Is the corporation a member of a related group of financial institutions with one or	,	
	more members subject to gross Part VI tax?	250	39
128	For life insurance corporations: Is the corporation a member of a related group of insurance corporations		
120	1 of the modulance corporations, is the corporation a member of a following strong str	251	40
	with one or more members subject to the additional gross Part VI tax?		

Client: DUTTON HYDRO LIMITED CRA Business # 871493722 Year-end: 2003/12/31 Printed: 2004/06/23 14:22

Attachments - Continued from page 2	V Calandula
Guide item	Yes Schedule
 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? Is the corporation claiming a Canadian film or video production tax credit refund? Is the corporation subject to Part XIII.1 tax? Is the corporation claiming a film or video production services tax credit refund? Did the corporation have any foreign affiliates that are not controlled foreign affiliates? Did the corporation have any controlled foreign affiliates? Did the corporation own specified foreign property in the year with a cost amount over \$100,000? Did the corporation transfer or loan property to a non-resident trust? Did the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada? Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts? Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED? 	92 * T1177 T1134-A T1134-B T1141 T1142
Additional information	7:
Is the corporation inactive? (item 48)	280 1 Yes 2 No X
Has the major business activity changed since the last return was filed? (enter yes for first time filers) (item 49)	281 1 Yes 2 No X
/hat is the corporation's major business activity? (item 50) 282	
the major activity involves the resale of goods, indicate whether is is wholesale or retail (item 51)	1 Wholesale 2 Retail X
Specify the principal product(s) mined, manufactured, 284 ELECTRICITY DISTRIBUTION	285 100.000 %
sold constructed or service provided, giving the	287% 289 %
approximate percentage of the total revenue that each product or service represents. (item 52)	
Did the corporation immigrate to Canada during the taxation year? (item 53)	291 1 Yes 2 No X 292 1 Yes 2 No X
Did the corporation emigrate from Canada during the taxation year? (item 54)	292 1 Yes 2 No X
Taxable income	
Net income or (loss) for income tax purposes from Schedule 1, financial statements or GIFI (item 77)	300 (6,704) A
Deduct: Charitable donations from Schedule 2 (item 78)	
Gifts to Canada or a province, or a territory from Schedule 2 (item 79)	
Cultural gifts from Schedule 2 (item 80)	
Ecological gifts from Schedule 2 (item 81) 314	
Taxable dividends deductible under section 112 or 113, or subsection	
130(0) 110111 3cheddic 3 (1tc111 62)	
Part VI.1 tax deduction from Schedule 43 (item 83)* 325 Non-capital losses of preceding taxation years from Schedule 4 (item 84) 331	
Non-capital losses of preceding taxation years from Schedule 4 (item 85) Net capital losses of preceding taxation years from Schedule 4 (item 85) 332	
Restricted farm losses of prior taxation years from Schedule 4 (item 86) 333	
Farm losses of prior taxation years from Schedule 4 (item 87)	
Limited partnership losses of prior years from Schedule 4 (item 88)	
Taxable capital gains or taxable dividends allocated from a central	
credit union (item 89) Prospector's and grubstaker's shares (item 90) 340 350	
Subtotal	B
Subtotal (amount A minus amount B) (if negative, enter	r "0")C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions (item 91)	355 D
Taxable income (amount C plus amount D) (item 92)	3600
	370
Income exempt under paragraph 149(1)(t) (item 93) Taxable income for a corporation with exempt income under paragraph 149(1)(t)	3
(line 360 minus line 370) (item 94)	Z
* If the taxation year ends after December 31, 2002, use "3" Instead of "9/4" in the calculation of the Pa	art VI.1 tax deduction indicated in

Add amounts at line 1, 2, and 3 Susiness limit (see notes 1 and 2 below) Number of days in the taxation year in 2004 Number of days in the taxation year	Canadian-controlled private corporations throughout the taxation y	/ear			
reachle income from line 360 on page 7, aminus 10/3 the amount at line 632* on page 7, aminus 3 times he amount at line 636* on page 7, aminus any amount that, because of federal law, is exempt from 2nd 1 tax (item 96) and 1 cPCPs, calculate the amount at line 4 below 200,000 x Number of days in the taxation year before 2003 = 1 x225,000 x Number of days in the taxation year in 2003 365 = 225,000 2 Number of days in the taxation year in 2003 365 = 225,000 2 Number of days in the taxation year in 2003 365 = 365 x225,000 x Number of days in the taxation year in 2004 365 Number of days in the taxation year in 365 x255,000 x Number of days in the taxation year in 2004 365 Xousiness limit (see notes 1 and 2 below) 300 x0410 225,000 x0410 x0410 x0410 x0410 x0410 x0410 x0410 x0410 x0410 x0410 x0410 x0410 x0410 x0410 x0410 x0410 x0410 x0410 x0410 x0410 x0410 x0410 x0410 x0410 x0410 x0410 x0410 x0410 x0410 x0410 x0410 x0410 x0410 x0410	ncome from active business carried on in Canada from Schedule 7 (itel	m 95)		400	
August 1	axable income from line 360 on page 3, minus 10/3 the amount at line	e 632* on page	7, minus 3 tim	es	
Accelerated tax reduction: (item 99) Accelerated tax reduction: (item		se of federal la	aw, is exempt fro	om 405	
or all CCPCs, calculate the amount at line 4 below Number of days in the taxation year a 365 Number of days in the taxation year in 2003 Number of days in the taxation year in 2003 Number of days in the taxation year in 2003 Number of days in the taxation year in 2003 Number of days in the taxation year in 2004 Number of days in				405	
Number of days in the taxation year before 2003	call CCPCs, calculate the amount at line 4 helow				
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Number of days in the taxation year 250,000 x Number of days in the taxation year in 2004 Number of days in the taxation year in 2004 Add amounts at line 1, 2, and 3 225,000 4 Add amounts at line 1, 2, and 3 225,000 4 Add amounts at line 1, 2, and 3 225,000 4 At10 225,000 At25,000 4 At25,000 At25,000 At36 At47 At48 At48 At49 At		365	:=	225,000 2	
Number of days in the taxation year in 2004 Number of days in the taxation year a 365 Add amounts at line 1, 2, and 3 225,000 4 10 225,000 10tes: 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 like 410. 2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered at line 410 12. For associated CCPCs, use Schedule 23 to calculate the amount to be entered at line 410 13. Amount C					
Number of days in the taxation year 366 Add amounts at line 1, 2, and 3 225,000 4 410 225,000 Ides: 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 like 410. 2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered at line 410 Susiness limit reduction: (item 98) 4 mount C 225,000 X 415*** D = 11,250 2duced business limit (amount C minus amount E) (if negative, enter "0") 425 225,000 Accelerated tax reduction (item 99) Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction reducted business limit (amount from line 425) Accelerated tax reduction (item 99) Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction reduced business limit (amount from line 425) Accelerated tax reduction (item 99) Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction reduced business limit (amount from line 420) Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction reduced business limit (amount from line 420) Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction reduced business limit (amount from line 420) Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction reduced business limit (amount from line 420) Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction reduced business limit (amount from line 420 on page 3 minus 3 times the amount at line 636** The properties of the from the small business deduction reduced business limit (amount from line 440 of page 6) Amount Q from Part 13 of Schedule 27 T			=	3	
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Reduced business limit (amount from line 425) Net active business income (amount from line 400)* Faxable 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 (item 96) Caduct: Aggregate investment income (amount from line 440 of page 6) Amount C minus amount D (if negative, enter "0") Amount A, B, or E above, whichever is less 10 1 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Canadian-controlled private corporations throughout the taxation	year that clai	med the small l	ousiness deduction	1
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* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business

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

Schedule 4

Agence des douanes et du revenu du Canada and Revenue Agency

Canada Customs

CAPITAL LOSS CONTINUITY AND CARRY BACK

Transfers from wind-up of wholly-owned subsidiary and amalgamation Current year capital loss Allowable business investment loss expired as a non-capital loss Deduct: Amount applied against current year capital gain (see note 1) Section 80 adjustments Other adjustments Deduct - capital loss carry back to: (see note 2)	year inclus ne loss. At the ear to which	Subtotal 220 Subtotal Subtotal Subtotal 280 ion rate (see Schedule in the application of the application in the application	lule 6.)
Allowable business investment loss expired as a non-capital loss Deduct: Amount applied against current year capital gain (see note 1) Section 80 adjustments Other adjustments Deduct - capital loss carry back to: (see note 2) Net loss applied Inclusion rate Inclusion rat	X 4/3 225 240 250 Actual Actual	Subtotal 220 Subtotal Subtotal Subtotal 280 ion rate (see Schedule time of the application rate loss	lule 6.)
Allowable business investment loss expired as a non-capital loss Deduct: Amount applied against current year capital gain (see note 1) Section 80 adjustments Other adjustments Deduct - capital loss carry back to: (see note 2) Net loss applied Inclusion rate Inclusion rate 50.0000 % = 951 Inclusion rate 50.0000 % = 952 Inclusion rate 50.0000 % = 953 Inclusion rate 50.0000 % = 951 Inclusion rate 50.0000 % Inclusion rate 50.0000 % Inclusion rate 50.0000	X 4/3 225 240 250 Actual Eyear inclusione loss. At the ear to which	Subtotal 220 Subtotal Subtotal Subtotal 280 ion rate (see Schedule time of the application rate loss)	lule 6.)
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Expired	2.	cárry-back	Ending balance
00/12/31			
01/12/31			
02/12/31			
'12/31 ''3 s			
"als			
Listed personal property loss continuity and ca	arry-back r	eduest	
isted personal property losses at end of preceding taxation year	,		
	500		
	502		
	510		
Deduct - Listed personal property loss carry back to:			
1st preceding taxation year 961	_		
2nd preceding taxation year 962	-		
3rd preceding taxation year 963			
interd never not necessary leaded not of corn, book			
isted personal property losses net of carry-back		·	<u>+</u>
	-	Subtotal	+
Peduct:	ulo 6\	•	+
	lle 6)	Subtotal 530-550-	

Schedule 4

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LIMITED PARTNERSHIP LOSSES

		Current year lir	nited partners	iiib iosses		7
1	2	3	4	5	b	
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 partnersh losses Column 3 - 6
600	602	604	606	608		620
						1

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

Continuity of Partnership identifier	Losses at end of preceding taxation	Losses that c Losses transferred from amalgamation or wind-up of subsidiary 664	Current year limited partnership loss	Limited partnership	losses closing balance
	Total	enter this amount on lin	e 335 of the T2 return)		

Canada Customs

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C 1 L COST ALLOWANCE

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

1 Class	2 UCC at start of	3 Cost of additions in	4 Net adjustments	5 Proceeds of dispositions in	additions (1/2 x	8 Base amount for CCA	9 Rate %	10 CCA for the year (col 8 x 9 or a	11 Recapture of CCA	12 Terminal loss	13 UCC at the end of the year
200	201	the year 203	205	the year 207	(col 3 - 5)) 211		212	lower amount) 217	213	215	220 302,754
1	297,661	5,093			2.547	300,207	4				
1		3,093				19,530	10				19,530
<u>i</u>	19,530					4,297	20				4,297
3	4,297										2,125
10	2,125					2,125	30				
Totals	323,613	5,093			2,547	326,159					328,706

Client: DUTTON HYDRO LIMITED CRA Business # 871493722 Year-end: 2003/12/31 Printed: 2004/06/23 14:22

Canada Customs and Revenue Agency et du revenu du Canada

Agence des douanes

TRANSACTIONS WITH SHAREHOLDERS, OFFICERS, OR EMPLOYEES

Schedule 11

Provide the details of any transactions with shareholders, officers or employes that involve:

- payments the corporation made or amounts credited to the account of shareholders, officers, or employees which were not part of their remuneration or reimbursement of expenses;
- assets the corporation sold to or purchased from shareholders, officers, or employees, including those for which an election was made under subsection 85; or
- loans or indebtedness to shareholders, officers, or employees, or persons connected with a shareholder which were not repaid by the end of the taxation year.

Relationship code (note 1)	Payments	Reimbursement	Loans	Assets sold or purchased	Does Section 85 apply to assets sold or purchased?
100	200	300	400	500	550
100			30,000		0
		+			0

Note 1: Enter the number of the relationship that applies: 1 - Shareholder

2 - Officer

3 - Employee

Client: DUTTON HYDRO LIMITED CRA Business # 871493722 Year-end: 2003/12/31 Printed: 2004/06/23 14:22



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SHAREHOLDER INFORMATION

Schedule 50

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

Name of shareholder	Business Number * 200	Social Insurance Number * 300	Percentage common shares 400	Percentage preferred shares 500
Municipality of Dutton/Dunwich	87078 6936 RC 0001		100.000	
	RC			

^{*} If the shareholder is a trust, enter NR at field 200 or NA at field 300.



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BALANCE SHEET INFORMATION

Schedule 100

Assets	Code	Amount
Cash and deposits	1000	48,356
Accounts Receivable	1060	156,822
Inventories	1120	18,486
Prepaid expenses	1484	6,898
Other machinery and equipment	1785	538,474
Accumulated amortization of other machinery and equipment	1786	(294,177
Other tangible capital assets	1900	77,256
Accumulated amortization of other tangible capital assets	1901	(65,768
Other deferred items / charges	2424	47,358
Total assets	2599	533,705

Liabilities	Code	Amount
Bank overdraft	2600	
Amounts payable and accrued liabilities	2620	117,533
Deposits received	2961	13,424
Due to individual shareholder(s)	3261	30,000
Total liabilities	3499	160,957

Equity	Code	Amount
mmon shares	3500	475,885
Retained earnings / deficit	3600	(103,137)
Total equity	3620	372,748
Total liabilities and equity	3640	533,705

Retained earnings	Code	Amount
Retained earnings/deficit-start	3660	(71,915)
Net income / loss	3680	(31,222)
Total retained earnings	3849	(103,137)

Agence des douanes and Revenue Agency et du revenu du Canada

INCOME STATEMENT INFORMATION

Schedule 125

Details

Operating name, if different from the corporations' legal name

Description of operation, if filing multiple Schedules 125

0002

Revenue	Code	Amount
Trade sales of goods and services	8000	634,262
Total sales of goods and services	8089	634,262
Other revenue	8230	6,317
Total revenue	8299	640,579

Cost of sales	Code	Amount
Opening inventory	8300	,, •
Other direct costs	8450	515,224
Cost of sales	8518	515,224
oss profit / loss (item 8089 - item 8518)	8519	119,038

Operating expenses	Code	Amount
Amortization of tangible assets	8670	24,518
Collection and credit costs	8717	51,939
Repairs and maintenance	8960	43,082
General and administrative expenses	9284	37,038
Total operating expenses	9367	156,577
Total expenses	9368	671,801
Net non-farming income	9369	(31,222)

Code	Amount
9370	
9650	

Farming expenses	Code	Amount
crop expenses	9660	
i otal farm expenses	9898	
Net farm income	9899	
Net income / loss before taxes and extraordinary items	9970	(31,222)

Summary

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

9975-		
9976-		
9980+	9980+	
9985-	9985-	
9990-	9990-	
9995-	9995-	
9999=	(31,222)	
	9976 - 9980 + 9985 - 9990 -	

Canada Customs

Agence des douanes and Revenue Agency et du revenu du Canada

NOTES CHECKLIST

Schedule 141

- This form is to be used by all corporations that do not use a software package to prepare financial statement information and are that not eligible to use the GIFI-Short form.
- Use this schedule to report a notes checklist for the corporation's financial statement information. For more information, see the Guide to the General Index of Financial Information (GIFI) for Corporations and the T2 Corporation –
- For the purposes of this schedule, the person who reported on or prepared the financial statements of the corporation is referred to as the "accounting practitioner".

_ Part 1 – Accounting practitioner information		
Choose only one of the following three options, whichever applies to the accounting practitioner:	096	
Chartered accountant	_ 1 🛛	
Other professional designation	<u>2</u>	
No professional designation	3 🗌	
Is the accounting practitioner connected* with the corporation?	097	X <u>N</u> o
* A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the		ares;
Part 2 – Type of involvement		
noose the option that represents the highest level of involvement of the accounting practitioner:	098	
Completed an auditor's report	1 🗌	
Completed a review engagement report	2 🗌	
Compiled the financial statements along with reviewing the books	<u>3</u> X	
Conducted a compilation engagement	4	
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∏ <u>Y</u> es	<u>N</u> o
Part 4 – Other information		
Were notes to the financial statements prepared?	101 ∑ Yes	
If you answered Yes to the question at line 101, complete lines 102 to 107 below:		
Are any values presented at other than cost?	102 <u>Y</u> es	
Has there been a change in accounting policies since the last return?	103 <u>Y</u> es	X <u>N</u> o
Are subsequent events mentioned in the notes?		X <u>N</u> o
Is re-evaluation of asset information mentioned in the notes?	105 Yes	<u> N</u> o
Is contingent liability mentioned in the notes?	4001 11/	X No
Is information regarding commitments mentioned in the notes?		<u> N</u> o
Does the corporation have investments in joint venture(s) or partnership(s)?	108 <u>Y</u> es	X No
If you answered Yes to the question at line 108, complete line 109 below:		
Are you filing financial statements of the joint venture(s) or partnership(s)?	109 <u>Y</u> es	<u>N</u> o

MPDC – **Dutton**

Attachment 4 2004 Supporting Documentation

Financial Statements Year Ended December 31, 2004 and Auditors' Report to the Shareholder



204-460 Wellington Street St. Thomas, ON N5R 6H9 Telephone: (519) 631-8250 Telephone: (519) 637-3500

Facsimile: (519) 631-8919

AUDITORS' REPORT

To the Shareholder of Dutton Hydro Limited:

+ Shaw

We have audited the balance sheet of Dutton Hydro Limited as at December 31, 2004 and the statements of operations and deficit and cash flows for the year then ended. These financial statements are the responsibility of the Corporation'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 Dutton Hydro Limited as at December 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

May 13, 2005

BALANCE SHEET

DECEMBER 31, 2004

	2004	2003
<u>ASSETS</u>		
CURRENT ASSETS Cash	\$ -	\$ 48,356
Accounts receivable (Note 3)	102,680	121,404
Unbilled revenue	34,805	35,418
Inventories	15,885	18,486
Prepaid expenses	<u>8,944</u>	<u>6,898</u>
	162,314	230,562
CAPITAL ASSETS (Note 4)	231,710	255,785
	\$ <u>394,024</u>	\$ <u>486,347</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Bank indebtedness	\$ 10,552 81,079	\$ - 117,533
Accounts payable and accrued liabilities Due to shareholder	01,079	30,000
Current portion of customer deposits	2,000	2,000
	93,631	149,533
CUSTOMER DEPOSITS	10,550	_11,424
	104,181	160,957
CONTINGENT LIABILITY (Note 11)		
SHAREHOLDER EQUITY		
SHARE CAPITAL (Note 6)	475,885	475,885
DEFICIT	(186,042)	<u>(150,495</u>)
	289,843	325,390
On behalf of the Board:	\$ <u>394.024</u>	\$ <u>486,347</u>
Director		
Director		

STATEMENT OF OPERATIONS AND DEFICIT

YEAR ENDED DECEMBER 31, 2004

	2004	2003
DISTRIBUTION REVENUE	\$ 724,240	\$ 628,433
COST OF POWER	612,853	515,224
GROSS MARGIN ON DISTRIBUTION REVENUE	111,387	113,209
EXPENSES		
Plant operations and maintenance	29,535	43,082
Billing and collection	56,404	51,939
Administration	49,223	37,038
Bad debts	1,660	-
Amortization of capital assets	24,538	<u>24,518</u>
Total expenses	161,360	<u>156,577</u>
(LOSS) FROM OPERATIONS	(49,973)	(43,368)
OTHER INCOME (Note 7)	14,426	12,146
(LOSS) FOR THE YEAR	(35,547)	(31,222)
DEFICIT, BEGINNING OF YEAR	(150,495)	(119,273)
DEFICIT, END OF YEAR	\$ <u>(186,042</u>)	\$ <u>(150,495</u>)

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2004

ODED ATING A CTIMITIES	2004	2003_
OPERATING ACTIVITIES (Loss) for the year Items not affecting cash: Amortization of capital assets	\$(35,547)	\$(31,222)
	24,538	24,518
	(11,009)	(6,704)
Changes in non-cash working capital items		
Net increase (reduction) in non-cash working capital items	(16,562)	22,852
Increase (decrease) in customer deposits	<u>(874</u>)	<u>7,372</u>
Cash provided by (used in) operating activities	(28,445)	23,520
INVESTING ACTIVITIES		
Purchase of capital assets	(463)	(5,093)
FINANCING ACTIVITIES		
(Repayment to) advances from shareholder	<u>(30,000</u>)	30,000
NET CASH (OUTFLOW) INFLOW	(58,908)	48,427
CASH POSITION, BEGINNING OF YEAR	48,356	<u>(71</u>)
CASH POSITION, END OF YEAR	\$ <u>(10,552</u>)	\$ <u>48,356</u>

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2004

1. BUSINESS OPERATIONS

Dutton Hydro Limited is a wholly owned subsidiary company of the Corporation of the Municipality of Dutton/Dunwich and commenced operations of electrical distribution services to the inhabitants of Dutton, Ontario on November 1, 2000.

The Ontario Energy Board (OEB) is responsible for regulating rates for the transmission and distribution of electricity, charges for repayment of the former Ontario Hydro's previous debt as well as the delivery charges to the consumer from the local distribution company. The OEB does not regulate the market price of the electricity (commodity) purchased.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and reflect the following policies.

a) Revenue Recognition

Distribution revenue is recognized on the basis of regular meter readings and estimates of customer usage from the last meter reading to the end of the year.

b) Inventories

Inventories of materials and supplies are valued at the lower of cost and net realizable value.

c) Capital assets

Capital assets are recorded at cost and amortized on a straight-line basis over their estimated service lives as follows:

Distribution lines, transformers and meters	25 years
Water heaters	10 years
Other equipment	10 years

When a non-grouped capital asset is sold or otherwise disposed of, the related cost and accumulated amortization are removed from the respective accounts and any gain or loss on disposition is recognized in earnings.

Grouped assets are, by their nature, not readily identifiable as individual assets. The related cost and accumulated amortization is therefore removed from the respective accounts at the end of their estimated useful lives regardless of actual service life. Any proceeds on disposition are recognized in earnings in the year of disposition.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2004

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

d) Contributions to capital costs

Contributions toward capital costs are included in capital assets as an offset against the related capital asset accounts and are amortized over their estimated service life.

3. ACCOUNTS RECEIVABLE

		2003
Customer service revenue	\$ 85,620	\$ 86,454
Municipality of Dutton/Dunwich	12,157	29,618
Sundry	6,103	6,532
	103,880	122,604
Less: allowance for doubtful accounts	1,200	1,200
	\$ <u>102,680</u>	\$ <u>121,404</u>

4. CAPITAL ASSETS

		2004		<u>2003</u>
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Distribution lines	\$349,975	\$197,685	\$152,290	\$166,911
Transformers	123,329	78,503	44,826	48,276
Meters	65,633	37,735	27,898	29,110
Water heaters	40,614	37,079	3,535	7,473
Other equipment and tools	<u>36,642</u>	33,481	3,161	4,015
	\$ <u>616,193</u>	\$ <u>384,483</u>	\$ <u>231,710</u>	\$ <u>255,785</u>

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2004

5.	SHARE CAPITAL	2004	2003
	Authorized: Unlimited number of common shares		
	Issued: 5,315,281 common shares	\$ <u>475,885</u>	\$ <u>475,885</u>
6.	OTHER INCOME	2004	_2003_
	Rentals Interest Late payment charges Collection fees Other	\$ 3,752 333 7,134 422 2,785	\$ 3,681 990 6,696 554 225
		\$ <u>14,426</u>	\$ <u>12,146</u>

7. INCOME TAXES

Dutton Hydro Limited is exempt from income taxes under the Income Tax Act (Canada) as a wholly owned subsidiary of the Municipality of Dutton/Dunwich. Effective October 1, 2000 and pursuant to the Electricity Act, 1998 (Ontario), Dutton Hydro Limited is required to make payments-in-lieu of taxes to the Ontario Electricity Financial Corporation. The payments-in-lieu of taxes are approximately equal to federal and provincial corporation income and capital taxes payable if the corporation was a taxable corporation under the Income Tax Act (Canada).

No recognition has been made in the accounts for possible tax reductions in future years resulting from tax losses carried forward in the amount of \$59,250, expiring in 2014.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2004

8. RELATED PARTY TRANSACTIONS AND BALANCES

Dutton Hydro Limited, in the normal course of operations, has routine transactions with the Municipality of Dutton/Dunwich. These transactions have been carried out on the same terms as would apply with unrelated parties.

The following table details related party transactions and balances with the Municipality of Dutton/Dunwich for the year ended December 31, 2004:

Sale of electricity to Dutton/Dunwich \$39,392

Purchase of labour, benefits, materials and services from Dutton/Dunwich \$64,464

Accounts receivable balance from Dutton/Dunwich at the end of the year \$12,157

9. FINANCIAL INSTRUMENTS

Management estimates that the fair values of all financial assets and liabilities are not materially different from their carrying values.

10. CONTINGENT LIABILITY

Dutton Hydro Limited has provided a letter of credit in the amount of \$150,000 in favour of Enwin Utilities Ltd. in accordance with a credit support agreement dated September 18, 2002.



Ministry of Finance

2006

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

This form is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Government Services (MGS) Annual Return. Page 1 is a common page required for both Returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the Exempt from Filing (EFF) declaration on page 2 or

CT23 Corporations Tax and

For taxation years commencing after December 31, 2003

Corporations Tax Act - Ministry of Finance (MOF)

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

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 share-capital corporations that have an extra-provincial licence to operate in CT23 Short-Form Return (see page 2). Ministry Use MGS Annual Return Required? (Not required if already filed or Annual Return exempt. Refer to Guide) Yes No Page 1 of 20 Corporation's Legal Name (including punctuation) Ontario Corporations Tax Account No. (MOF) **DUTTON HYDRO LIMITED** 6966864 This Return covers the Taxation Year Mailing address Start 2004/01/01 199 MAIN STREET End 2004/12/31 Province Country Postal code DUTTON ON CA NOL 1J0 Has the mailing address changed year month day Date of Incorporation or Amalgamation ΠYes Date of change since last filed CT23 Return? Registered/Head Office Address 2000/03/28 199 MAIN STREET City Province Country Postal code DUTTON ON Ontario CA NOL 1J0 Corporation No. 1390779 (MGS) Location of Books and Records 199 MAIN STREET Canada Revenue Agency Business No. City Province Country Postal code DUTTON 871493722RC0001 ON CA N0L 1J0 Name of person to contact regarding this CT23 Return Telephone No. Fax No. KEN LOVELAND (519) 762-2204 (519) 762-2278 Jurisdiction Incorporated ONTARIO Address of Principal Office in Ontario (Extra-Provincial Corporations only) (MGS) 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) Not Applicable (MGS) Ceased X Not Applicable Preferred Language / Langue de préférence No. of Schedule(s) Information on Directors/Officers/Administrators must be completed on MGS English French Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MGS). anglais français 0 Ministry Use If there is no change to the Directors'/Officers'/Administrators' information previously submitted to MGS, please check / this box. Schedule(s) A and K are not required (MGS). ▶∏No Change Certification (MGS) I certify that all information set out in the Annual Return is true, correct and complete. Name of Authorized Person KEN LOVELAND Other individual having knowledge Director Officer 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
r	Corporations Tax Account No. (MOF)
This EFF Declaration must be filed for each taxation year that t from filing and must be filed within 6 months after the corpora	he corporation is exempt
 Criteria for exempt from filing status: a) has filed a federal Income Tax Return (T2) with Canada Revenu 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 	Tax Act (Canada)); e) had provided its Canada Revenue Agency business number to the Ministry of Finance; 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
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 enterprets:	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,
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.	ministry 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 case	
which includes page 1, is also being filed, completion of these fields is not 1. Corporation's Mailing Address	requirea.
1. Corporations Maining Address	7
City Province Country Postal code	2. Ontario Corporation No. (MGS) 3. Canada Revenue Agency Business No. RC
	declare that:
The above corporation meets all of the exempt from filing criter the Corporations Tax Act as exempt from filing an Ontario Corp	ria (a) through (f) above for the taxation year and therefore qualifies under porations Tax Return.
Signature Title/Relationship to Corporation	
Please note that making a false statement to avoid compliance Corporations Tax Act is an offence which can result in a penal	with the ty and/or fine.
If you check "Yes" to ALL of the following criteria, you are elightous to obtain a copy, contact the Ministry Information Centre at the	gible to file the CT23 Short-Form Corporation Tax Return. ne numbers listed on page 2 of the Guide.
Yes No (a) The corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year. (nearest whole the corporation with full patients.)	Yes No (d) The corporation's taxation year ends on or after January 1, 2001, and its gross revenue and total assets are each \$1,500,000 or less and the corporation is not a financial institution; or
Indicate Share Capital with full voting percentage) rights owned by Canadian Residents 100 (b) The corporation's taxable income for the taxation ye is \$200,000 or less. For a taxation year with less that 51 weeks, taxable income must be grossed-up. (Re	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.
to Guide) (c) The corporation is not a member of a partnership/joventure or a member of an associated group of corporations during the taxation year.	(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 (GTTC) or Apprenticeship Training Tax Credit (ATTC).
MO	(f) The corporation's Ontario allocation factor is 100%.
Note: Family Farm or Fishing corporations that have a taxation year end Tax, may also use the CT23 Short-Form Corporations Tax Return if the CT23 Short-Form Corporation Tax Return if the CT23 Short-Form Tax Return if the CT23	ding on or after January 1, 2000 and that are not subject to the Corporate Minimum he corporation checks "Yes" to a), b), c), e) and f) above.

CT23 Page 3 of 20

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

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

Type of Co	rporation		This is the first year filing after incorporation or an
1 1 X	Canadian-controlled private (CCPC) all year (Generally a		amalgamation (If checked, attach Ontario Schedule 24.)
	private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))		Amended Return
0 27			Taxation year end change - Canada Revenue Agency approval required
2 🔝	Other Private	200	Final taxation year up to dissolution (Note: for discontinued
3 🔝	<u>P</u> ublic	-	businesses, see guide.)
4 🕜	Non-share Capital		Final taxation year before amalgamation
			The corporation has a floating fiscal year end
5	Other (specify)		There has been a transfer or receipt of asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
	re Capital with full voting rights (nearest percent) ed by Canadian Residents%		There was an acquisition of control to which subsection 249(4) of the federal <i>Income Tax Act</i> (ITA) applies since the previous taxation year
2 1	Family Farm Corporation s.1(2)		If checked, date control was acquired
2 📗	Family Fishing Corporation s.1(2)		The corporation was involved in a transaction where all or
3 🔲	Mortgage Investment Corp s.47		substantially all (90% or more) of the assets of a non-arm's length corporation were received in the taxation year and
4 🔲	Credit Union s.51		subsection 85(1) or 85(2) of the federal ITA applied to the
5 🔲	Bank Mortgage Subsidiary s.61(4)	m .	transaction (If checked, attach Ontario Schedule 44.)
6	Bank s.1(2)		First year filing of a parent corporation after winding-up a subsidiary corporation(s) under section 88 of the federal ITA
7 🔲	Loan and Trust Corporation s.61(4)		during the taxation year. (If checked, attach Ontario Schedule
8	Non-resident Corp s.2(2)(a) or (b)		24.) Section 83.1 of the CTA applies (redirection of payments for
9 🔲	Non-resident Corporation s.2(2)(c)	tani	certain electricity corporations)
10	Mutual Fund Corporation s.48	Yes N	10
11 🔲	Non-resident owned investment Corporation s.49		Was the corporation inactive throughout the taxation
12 🗌	Non-resident <u>ship</u> or aircraft under reciprocal agreement with Canada s.28(b)	year?	Has the corporation's Federal T2 Return been filed with
14 🔲	Bare <u>Trustee Corporation</u>	the	Canada Revenue Agency?
15 🔲	Branch of Non-resident s.63(1)		Are you requesting a refund due to: the Carry-back of a Loss?
16	Financial institution prescribed by Regulation only		an Overpayment?
17 📗	Investment Dealer		a Specified Refundable Tax Credit?
18	Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale		Are you a Member of a Partnership or a Joint Venture?
19 🛛	Hydro successor, Municipal Electrical Utility or subsidary of either	Ontario	olete if applicable Ontario Employer Health Tax
20 🗌	Producer and seller of steam for uses other than for the generation of electricity		No.(Use Head Office No.) Account No. (Use Head Office No.)
21 📗	Insurance Exchange s.74.4	Specif	y major business activity
22 🗌	Farm Feeder Finance Co_operative Corporation		
23 🗍	Professional Corporation (incorporated professionals only)		

Ontario: DUTTON HYDRO LIMITED Ontario Account # 6966864 Year-end: 2004/12/31 Printed: 2011/10/05 09:03

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).

and the state of t	tion, to that juneatonon (0.00) (mab. o	000).		
Net income (loss) for Ontario purposes (per re	conciliation schedule, page 15)	Fr	rom 690 ±	(11,009)
Subtract: Charitable donations			1	
Subtract: Gifts to Her Majesty in right of Canad		operty (Attach schedule 2)	2	
Subtract: Taxable dividends deductible, per fe			3 -	
Subtract: Ontario political contributions (Attac			4 -	
Subtract: Federal Part VI.1 tax	X3		5 -	
Subtract: Prior years' losses applied - Nor	n-capital losses		rom 704 -	
Not capital I	From 715 osses (page 16)	inclusion X rate 50.000000 %	/ 714	HARTON CONTRA
Farm losses			rom 724 -	
Restricted fa			rom 734 -	
9	nership losses		rom 754 -	
Taxable income (Non-capital loss)	icidilp loades		10 =	(11,009)
Addition to taxable income for unused foreign	tax deduction for federal nurnoses	11 🛱	STICES.	(11,000)
Adjusted taxable income 10 + 11 (if 10 is ne		20 =	SEXT A	
Taxable Income	·	er of days in Taxation Yea		
i axable ilicollie		Dec. 31, 2002 Total Days	ı	
	and before	Jan. 1, 2004		
	100.0000 % X 12.5 % X 33	÷ 73 366	= 29 <u>+</u>	
		Dec. 31, 2003 Total Days		
From 10 (or 20)X30		366 ÷ 73 366	= 32+	
Income Tax Payable (before deduction of tax	ntario Allocation		40 =	
Incentive Deduction for Small Busin			40 =	U. F. Commission of the Commis
If this section is not completed, the IDSBC Did you claim the federal Small Business D Business Deduction had the provisions of * Income from active business carried on in Ca	eduction (fed.s.125(1)) in the taxation fed.s.125(5.1) not been applicable in		e claimed the f	ederal Small
for federal purposes (fed.s.125(1)(a))	anada	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 <u>+</u>	_		
Subtract: Losses of other years				
deducted for Ontario purposes (s.34)	53	_		
Federal Business limit (line 410 of the T2 return before application of fed.s.125(5.1)	n) for the year 55 + 250,000	_ > 54 [
Ontario Business Limit Calculation 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 <u>366</u> ÷** <u>366</u> =+ 47	400,000 Percentage of Fed Business limit (fro Schedule 23). Ent	m T2		
Business limit	if not associated	Province of the Committee of the Committ	raif.	
for Ontario purposes 46 + 47 = 44_	400 000 V 40 400 0000 0/	4E 400.000	3	
	400,000 X 48 100.0000 %	o = 45 400,000	ם .	
Income eligible for the IDSBC	400,000 X 48 100.0000 % From 30 100.0000 % ***Ontario Allocat	X 56	60 <u>=</u>	
Income eligible for the IDSBC * Note: Modified by s.41(6) and (7) for corporations	From 30 100.0000 % ***Ontario Allocat	X 56 Least of 50, 54 or 45	60 <u>=</u>	

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

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

Income Tax continued from Page 4

Number of Days in Taxation Year

Claim	From 60	X	From	78 _	8.5000	%		70 =	
IDSBC Rate for Taxation Year 89 + 90			5					78 =	8.5000
	8.5 % X 34	366		73	, 0.0. 20,0		_	90 ±	8.5000
Outodiation of IDODO Hate	7.0 70 70	Days after Dec. 31, 2003		_	Total Davs				
Calculation of IDSBC Rate	7.0 % X 31	and 301510 5am 1, 200	. ÷ 7	73			=	89 +	
		Days after Dec. 31, 2002 and before Jan. 1, 2004			Total Davs				

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 t	the corporation					From 10 (d	or 20 if applicable)	80	+	
If you are a member	of an associated	d group	(V)	81 (Yes)						
Taxable income of ass	sociated corporat	ions (Att	ach s	chedule)				82	+	
Aggregate Taxable Inc	come		.110.22	•				85	=	A DE VIII SIVE
	Number of	days in	Taxat	ion Year						
	Days after Dec. 31 and before Jan. 1,			Total Days						
320,000 X	Days after Dec. 31	÷ , 2003	73	366 =	115+		6			
400,000 X	34 36	6_÷	73	366 =	116+	400,000				
				115 + 116	=	400,000	•	114	-	400,000
(If negative, enter nil)								86	=	
					Number Days after De	er of Days in Ta	axation Year Total Days			
Calculation of Specif	fied Rate for Sur	tax		4.667% X 38		366 ÷ 73	366 =	97	+	4.6670
From 86			97	4.6670 %	=			87	=	
From 87	X	From	60		÷ From	114	400,000	88	=	
Surtax: Lesser of 70 o	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.

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

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 <u>+ (11,009)</u>
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 30100.0000 % X 1.5% X 33 ÷ 73366 = *Ontario Allocation Days after Dec. 31, 2003 Total Days	154_+
143 X From 30 100.0000 % X 2.0% X 34 366 ÷ 73 366 =	156
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))	- 2000
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 Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequ (Refer to the former <i>Small Business Development Corporations Act</i>)	ient years' income taxes.
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 scientific research and experimental development in Ontario. Eligible Credit from 5620 OITC Claim Form (Attach original Claim Form) 191+

204

Co-operative Education Tax Credit (CETC) (s.43.4) Applies to employment of eligible students.

Eligible Credit from 5798 CT23 Schedule 113 (Attach Schedule 113)

192+

Ontario Film & Television Tax Credit (OFTTC) (s.43.5)

Applies to qualifying Ontario labour expenditures for

Name of Production

eligible Canadian content film and television productions.

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

194

No. of Graduates From 6596

commencing prior to July 6, 2004 and expenditures incurred prior to January 1, 2005. Eligible Credit from 6598 CT23 Schedule 115 (Attach Schedule 115)

195 +

Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)

Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.

Eligible Credit from 6900 OBPTC Claim Form

(Attach both the original Claim Form and the Certificate of Eligibility)

196+

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)

Applies to labour relating to computer animation and special effects on an eligible production.

Eligible Credit from 6700 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)

(Attach the original Certificate of Eligibility)

197+

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)

Applies to qualifying R&D expenditures under an eligible research institute contract.

Eligible Credit from 7100 OBRITC Claim Form (Attach original Claim Form)

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)

No. of Apprentices From 5896 202

Total Specified Tax Credits: 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 203

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.

CT23 Page 8 of 20

Corporate Minimum Tax (CMT)

Total Assets of the corporation	240 +	441,382		
Total Revenue of the corporation			241 +	738,666
The above amounts include the corporation's and associated corporations' share or revenue.	f any partnershi	o(s) / joint vent	ture(s) total a	ssets and tota
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=	441,382		
Aggregate Total Revenue			250=	738,666
Determination of Applicability				
Applies if either Total Assets 249 exceeds \$5,000,000 or Total Revenue 250 exce	eds \$10,000,00	0.		
Short Taxation Years - Special rules apply for determining total revenue where the corporation or any fiscal period of any partnership(s) / joint venture(s) of which the c than 51 weeks.				
Associated Corporation - The total assets or total revenue of associated corporat year ending on or before the date of the claiming corporation's taxation year end.	ions is the total	assets or total	revenue for	the taxation
If CMT is applicable to current taxation year, complete section Calculation: CMT be	elow and Corp o	orate Minimun	n Tax Sched	ule 101.
Calculation: CMT (Attach Schedule 101.)				
Gross CMT Payable - CMT Base From Schedule 101 2136 X Fro	om 30 100.0 Ontario Alloca	0000 % X 4% ation	276=	
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule)			277-	
Subtract: Income Tax		Fror	n 190	
Net CMT Payable (if negative, enter Nil on page 17.)			280=	S. PLOP.
If 280 is less than zero and you do not have a CMT credit carryover, transfer 230 from If 280 is less than zero and you have a CMT credit carryover, complete A & B below	_	icome Tax Su	mmary, on F	'age 17.
in 20 to 1000 than 2010 and you have a divisit order our gover, complete A & B bolov				

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.

From 2333 CMT Credit Carryover available From Schedule 101 **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 -290-If 276 - 277 is negative, enter NIL in 290 300= Income Tax eligible for CMT Credit В. 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.

CT23 Page 9 of 20

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

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

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

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

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

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital. Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

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

Paid-up Capital		
Paid-up capital stock (Int.B. 3012R and 3015R)	350 +	475,885
Retained earnings (if deficit, deduct) (Int.B. 3012R)	351 ±	(138,684)
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 <u>+</u>	
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=	337,201
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=	337,201
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	381 -	
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	382 -	
Net Paid-up Capital	390=	337,201
iver rain-up Capital	330-	001,201

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 taxat	ion
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=

Ontario: DUTTON HYDRO LIMITED Ontario Account # 6966864 Year-end: 2004/12/31 Printed: 2011/10/05 09:03 Capital Tax continued from Page 9 CT23 Page 10 of 20 Total Assets (Int.B. 3015R) Total Assets per balance sheet 420 + 441,382 Mortgages or other liabilities deducted from assets 421 +422 **+** Share of partnership(s)/joint venture(s) total assets (Attach schedule) Subtract: Investment in partnership(s)/joint venture(s) 423 -Total Assets as adjusted 430 =441.382 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 441,382 450= Investment Allowance (410 ÷ 450) × 390 Not to exceed 410 460= Taxable Capital 390 - 460 470= 337,201 Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue) Gross Revenue of the corporation 738,666 Corporation's Share of partnership(s)/joint venture(s) Gross Revenue (Attach schedule) Aggregate of Gross Revenue 738,666 480 738,666 Total Assets (as adjusted) From 430 441,382 Calculation of Capital Tax for all Corporations except Financial Institutions Note: This version (2006) of the CT23 may only be used for a taxation year that commenced after December 31, 2003. 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 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. Calculation of Taxable Capital Deduction (TCD) **Number of Days in Taxation Year**

Days before Jan. 1, 2005 Total Days 5,000,000 5,000,000 X 35 366 ÷ 73 = 500 + Days after Dec. 31, 2004 Total Days and before Jan.1, 2006 7,500,000 X 36 366 = 501 +Days after Dec. 31, 2005 Total Days and before Jan.1, 2007 366 = 502 + 10,000,000 X **37** 73 Taxable Capital Deduction (TCD) 500 + 501 + 502 503 = 5,000,000 SECTION C This section applies if the corporation is **not** a member of an associated group and/or partnership C1. If 430 and 480 on page 10 are both \$3,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point. C2. If Taxable Capital in 470 is equal to or less than the TCD in 503, enter NIL in 550 on page 12 and complete the return from that point. C3. If Taxable Capital in 470 exceeds the TCD in 503, complete the following calculation and transfer the amount from 523 to 543 on page 12, and complete the return from that point. + From 470 Days in taxation year - From 503 x 0.3000 % x 555 x From 30 523 +365 (366 if leap year) Transfer to 543 on page 12 Ontario Allocation If floating taxation year, and complete the return refer to Guide. from that point

Capital Tax Calculation continued from Page 10

SECTION D

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

D1. ■ **509** (✓ if applicable) All corporations that you are associated with do not have a permanent establishment in Canada. If Taxable Capital 470 on page 10 is equal to or less than the TCD 503 on page 10, enter NIL in 550 on page 12 and complete the return from that point. If Taxable Capital 470 on page 10 exceeds the TCD 503 on page 10, proceed to Section E, enter the TCD amount in 542 in Section E, and complete Section E and the return from that point. D2 524 (✓ if applicable) One or more of the corporations that you are associated with maintains a permanent establishment in Canada. You and your associated group may continue to allocate the TCD by completing the Calculation below. Or, the associated group may file an election under subsection 69(2.1) of the Corporations Tax Act, whereby total assets are used to allocate the TCD among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the capital tax effect relating to the TCD to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group. The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year. In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group. Calculation Do not complete this calculation if ss.69(2.1) election is filed Taxable Capital form 470 on page 10 From 470+ Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada Taxable Capital of associated corporations (Attach schedule) 531 +Aggregate Taxable Capital 470 + 531 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 **540** X From **503**

Ss.69(2.1) Election Filed

From

Election filed. Attach a copy of Schedule 591 with this CT23 Return.

Proceed to Section F on page 12.

continued on Page 12

591 (✓ if applicable)

Transfer to 542 in Section E

on page 12

Ontario: DUTTON HYDRO LIMITED Ontario Account # 6966864 Year-end: 2004/12/31 Printed: 2011/10/05 09:03

Capital Tax Calculation continued from Page 11

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S			

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.

+ F	rom 470				Total Capital Tax for
77	542			Days in the taxation year	
= 0	471	x From 30	% x 0.3000 9		= 523+
		Ontario Alle	ocation	*365 (366 if leap year)	Transfer to 543 and complete the return from that point
SECT	ION F				Parestre, its Paredic
This se	ection applies if a co	rporation is a member of an associa	ated group and the as	sociated group has filed a ss	s.69(2.1) election
+ F	rom 470	X From 30 Ontario Alle	x <u>0.3000</u> % ocation		= 561 +
- Capi	tal tax deduction fro	m 995 relating to your corporation	's Capital Tax deducti	on, on Schedule 591 Fro	m 995 <u> </u>
Capita	il Tav	562	X	Days in taxation year 555	= 563+
очрис	Tux	302		*365 (366 if leap year)	Transfer to 543 and complete the return from that point
* If floa	ating taxation year, r	efer to Guide			
					540
		tion of specified credits	avalla /Defecto Cuid	n)	543 <u>=</u> 546 -
		edits applied to reduce capital tax p	ayable (Heter to Gula	" "	
Capit	iai iax 543 - 546 (amount cannot be negative)			550 ≡ Transfer to Page 17
					Transier to rage 17

Calculation of Capital Tax for Financial Institutions

	exation years commencing after May 4, 1	999 ente	er NIL in 55	on page	12, and complete	the return from th	nat point.
	Other than Credit Unions in details of calculations for amounts in b	oxes 56 5	5 and 570 .	Do not su	bmit with this tax re	eturn.)	
CENSUS TON MILE					Days in taxation	•	
T a ir	x 0.6000 % x From esser of adjusted axable Paid Up Capital and Basic Capital Amount accordance with bivision B.1	_	ario Alloca	_% x tion	555	÷ *365 (366 if leap y	= 569+ ear)
especies (III)					Days in taxation	•	
P ir D	djusted Taxable raid Up Capital (Refer to Guide) raccordance with bivision B.1 in excess f Basic Capital Amount	x From	-	% > Allocation	555	÷ *365 (366 if leap y	= 574 <u>+</u> ear)
Capit	al Tax for Financial Institutions - other	than C	redit Unior	ns (before	Section 2) 569 +	574	575 ■
* If flo	ating taxation year, refer to Guide.						
2. St	mall Business Investment Tax C	Credit					
appro	in details of eligible investment calculation ving the credit issued in accordance with it with this tax return.)						er
Allow	able Credit for Eligible Investments						585 -
	cial Institutions: Claiming a tax credit for ess Investment Fund (CSBIF)? (🗸) 🗌 Y		ent in Com	munity Sm	all		
Capit	al Tax - Financial Institutions 575 - 58	5					586 = Transfer to 543 on Page 1.
Pre	mium Tax (s.74.2 & 74.3)	(Refer	to Guide)				
(1)	Uninsured Benefits Arrangements	·		58	7	x 2%	588=
` '	Applies to Ontario-related uninsured b	enefits a	rrangemen	its.			
(2)	Unlicensed Insurance (enter premium to subject to tax under (1) above, add both <i>Applies</i> to Insurance Brokers and othe Ontario with unlicensed insurers.	n taxes t	ogether an	d enter tot	al tax in 588 .)		
Dedu	ct: Specified Tax Credits applied to redu	ce premi	um tax (Re	efer to Guid	de)		589-
Prem	ium Tax 588 - 589						590 <u>=</u>
							Transfer to Page 17

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

Net II	ncome (loss) for federal income tax purposes, per federal 12 Schedule 1		600± (11,009)
			Transfer to Page 15
Add:	*		
Add.	Federal capital cost allowance	601+	
	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		=
	residents		
	Number of Days in Taxation Year		
	Days after Dec. 31, 2002 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 +		
			ei e
		613+	
	ral Scientific Research Expenses claimed in year from line 460 of fed. form T661	A STEEL OF STREET	
	ding any negative amount in 473 from Ont. CT23 Schedule 161	615+	2
	any negative amount in 473 from Ont. CT23 Schedule 161	616+	Д
	ral allowable business investment loss	620 <u>+</u>	_
	of other items not allowed by Ontario but allowed federally (Attach schedule)	614 <u>+</u>	_
Total	of Additions 601 to 611 + 617 + 613 + 615 + 616 + 620 + 614		_640
			Transfer to Page 15
Dedu	ict:		
	Ontario capital cost allowance (excludes amounts deducted under 675)	650 +	
	Ontario cumulative eligible capital deduction	651 +	
	Federal taxable capital gain	652 <u>+</u>	_
	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 <u>+</u>	_
	Federal allowable reserves. Balance beginning of year	656 ±	#1 전 <u>-</u>
	Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE)		
	(Retain calculations. Do not submit.)	657_ <u>+</u>	_
	Ontario depletion allowance	658 <u>+</u>	_
	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	KAN ANDREW SHIP	
	renewable resources.	675 +	
	Subtotal of deductions for this page 650 to 659 + 661 + 675	681	_
		Transfer to Page 1	5

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

	or federal income tax pu	urposes, per federal Sc	nedule 1			1 600 ±	(11,009)
Total of Additions o	n page 14				From	1 640 =	
Sub Total of deduct	tions on page 14			From	681 =		
					- 1		
	chnology Tax Incentive those corporations who on year.)		less than 10	0% in			
	wance (Ontario) (CCA) tual property deducted	in the current	62		-		
	deduction calculation						
From	Gross-up of CCA	100 0000 From 66	20		ceo	i	
002		ario Allocation			663=	1	
	I Care Tax Incentive (\ le expenditures incurre		005.)				
Qualifying expend	ditures: 665	x30% x10		0.0000 Allocatio	666 <u>=</u>		
Washeless Asse		(ALATI)					
	ssibility Tax Incentive le expenditures incurre		005.)				
Qualifying expend	ditures: 667	x 100% x 10	00/ 30 1	00.0000 Allocatio	668 <u>=</u>	l	
Number of Emplo	yees accommodated 6	669					
	Bus Safety Tax Incent ligible acquisition of sch Guide)		after May 4, 1	999 and I	pefore January 1,	 -	
Qualifying expend	ditures 670	x 30% x 100	0/ 30 1 Ontario /	00.0000 Allocation	671 =		
	hnology Tax Incentive		005.)				
Qualifying expend	ditures 672	x 15% x 100		00.0000 Allocation	673=		
Ontario allowabl	le business investme	nt loss			678 <u>+</u>		
Ontario Scientifi Schedule 161	c Research Expenses	s claimed in year in 47	77 from Ont.	CT23	679+		
	o income federally for 31, line 454 or 455 (if fi				677+		
Total of other de	eductions allowed by	Ontario (Attach schedu	ule)		664_+		
Total of Deduction	ns 681 + 663 + 666 + 668	+ 671 + 673 + 678 + 679	+ 677 + 664		_ E	_ 680	
Net income (los	ss) for Ontario Pu	rposes 600 + 640 -	680			690 <u>=</u>	(11,009)
						Transi	fer to Page 4

Continuity of Losses Carried Forward

CT23 Page 16 of 20

Continuity of Losses C			r <u> </u>			Page 16 01 2
	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) 48,241	710 (2)	720 (2)	730	740	750
Add: Current year's losses (7)	701 11,009	711	721	731	741	751
Losses from predecessor corporations (3)	702	712	722	732		752
Subtotal	703 11,009	713	723	733	743	753
Subtract: Utilized during the year to	704 (2)	715 (2)(4)	724 (2)	734 (2)(4)	744 (4)	754 (4)
reduce taxable income 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
Balance at End of Year	709 (8) 59,250	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
805 4th preceeding taxation year 2000/12/31	822	832	842	855	875
806 3rd preceeding taxation year 2001/12/31	823	833	843	856	876
807 2nd preceeding taxation year 2002/12/31	824	834	844	857	877
808 1st preceeding taxation year 2003/12/31	825	835	845	858	878
809 Current taxation year 2004/12/31	826	836	846	859	879
Total	829 59,250	839	849	869	889

Notes:

- (1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- (2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5) as made applicable by s.34.
- (3) Include losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.
- (4) To the extent of applicable gains/income/at-risk amount only.
- (5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.
- (6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.
- (7) Include amounts from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.
- (8) Amount in **709** must equal total of **829** + **839**.
- (9) Include non-capital losses incurred in taxation years ending after March 22, 2004.

CT23 Page 17 of 20

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

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

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

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

Application of Losses		Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
		910	920	930	940
Total amount of loss		11,009			
applied to reduce taxal Pred	rried back to preceding taxation years and ble income. ecessor Corporation's Taxation Year Account No. (MOF) Ending	911	921	931	941
i) 3rd preceding	901 2001/12/31				
		912	922	932	942
ii) 2nd preceding	902 2002/12/31	Para and think and			
		913	923	933	943
iii) 1st preceding	903 2003/12/31				
	· · · · · · · · · · · · · · · · · · ·	From 706	From 716	From 726	From 736
Total loss to be carrie	ed back				
Balance of loss availa	able for carry-forward	919 11,009	929	939	949

Summary

Income Tax	From 230	or 3	20+
Corporate Mi	nimum Tax Fro	m 2	80 +
Capital Tax	Fro	m 5	50+
Premium Tax	Fro	m 5	90+
Total Tax Pa	yable	9	50≡
Subtract:	Payments	9	60-
	Capital Gains Refund (s.48)) 9	65 -
	Qualifying Environmental		-
	Trust Tax Credit		
	(Refer to Guide)	9	85-
	Specified Tax Credits		
	(Refer to Guide)	9	55 -
Balance		9	70=
If payment d	ue Enclosed	* 9	90
If overpayme	ent: Refund (Refer to Guide)	9	75=
	Apply to	9	80
	N 7 8 8		(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	
KEN LOVELAND	
Title	
SECRETARY	
Full Residence Address 199 MAIN STREET	
100 WWW CTILL	

City		
DUTTON		
Province	Country	Postal Code
ON	CA	NOL 1J0
Signature	•	Date
		2011/10/05

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	(11,009)
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"	(11,009)
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	(11,009)
Current-year farm loss	
Current-year non-capital loss (if positive, enter "0")	(11,009)

Continuity of non-capital losses and request fo	r a car	ryback		
Non-capital loss at end of preceding taxation year		48,241		
Deduct: Non-capital loss expired	#			
Non-capital losses at beginning of taxation year	=	48,241		48,241
Add: Non-capital losses transferred on an amalgamation or				
the wind-up of a subsidiary corporation			+	
Current-year non-capital loss (from calculation above)		11,009		
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				
		44.000		44.000
Current-year non-capital loss net of carryback	-	11,009	<u>+</u>	11,009
		Subtotal	=	59,250
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			=	59,250

Part 2 - Capital losses

	ontinuity of ca			•			Gross amount
Capital losses at end of preceding to	axation year						
Capital losses transferred on an am	algamation or the	vindu	p of a subsidiary	corp	oration		+
Current-year capital loss							+
						Subtotal	=
Add:							
Allowable business investment to	oss expired as a no	n-cap	ital loss			X 4/3	+
						Subtotal	
Deduct:							
Amount applied against current y	ear capital gain						-
Section 80 adjustments for forgiv	en amounts						-
Other adjustments							*
						Subtotal	=
Deduct Peguant to come book of	onital laga ta:						
Deduct - Request to carry back ca	Loss applied	In	clusion rate		Total		
First preceding taxation year	_ccc applied	÷	50.0000 %	=			
Second preceding taxation year	9		50.0000 %			•	
		- <u>-</u> -	50.0000 %	_			
I hird preceding taxation year						-	
Third preceding taxation year			Subtota				/ =

Ontario: DUTTON HYDRO LIMITED Ontario Account # 6966864 Year-end: 2004/12/31 Printed: 2011/10/05 09:03

OS4 Schedule 4

Ontario loss continuity

Part 3 - Farm loss

Continuity of farm losses and request for	a carryba	ack —	
Farm losses at end of preceding taxation year	a carryb	dCK	
Deduct: Farm loss expired after 10 taxation years			
Farm losses at beginning of taxation year	=		
Add: Farm losses transfered on an amalgamation or the windup of a subsidiary corporati	ion		+
		-	
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			
Subtota			
Current-year farm loss net of carryback	_	0	+
Deduct:		Subtotal	=
Amount applied against taxable income (enter on line 724 of the CT23)			
Section 80 - Adjustments for forgiven amounts			
Other adjustments			
one adjacenting	-		
Farm losses - Closing balance			=
Part 4 - Restricted farm loss			
Total losses for the year from farming business	93		А
Minus the deductible farm loss:			
\$2,500 plus B or C, whichever is less			
(Amount A above – \$2,500) divided by 2	В		
Maximum	С	6,250	
Deductible farm loss			
Current-year restricted farm loss			
Continuity of restricted farm losses and reques	st for a c	arryback -	
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			<u>+</u>
Deduct:			
Amount applied against taxable income (enter on line 734 of the CT23)			
Section 80 – Adjustments for forgiven amounts			
Other adjustments			
			<u></u>
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
2000/10/01				
2000/12/31				
2001/12/31	12,868			
2002/12/31	28,669			
2003/12/31	6,704			
2004/12/31	11,009			
Total	59,250			

^{*} 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
	To	otal (enter this amount of	n line 754 of the CT23)		



Corporation's Legal Name

Ministry of Finance

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

Ontario Capital Cost Allowance Schedule 8

Taxation Year End

Ontario Corporations Tax Account No. (MOF)

ONTARIO CAPITAL COST ALLOWANCE

DUTTO	N HYDRO LIMI	TED							6966864		2004/	12/31
Is the co	the corporation electing under regulation 1101(5q)? 101 1 Yes 2 No											
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	Cost of acquisitions during the the year See note 1 below	Net adjustments	Proceeds of dispositions during the year	Ontario undepreciated capital cost (col 2 + 3 or col 2 - 4 - 5)	50% rule See note 2 below	Reduced undepreciated capital cost (col 6 - 7)	CCA rate %	Recapture of capital cost allowance	Terminal loss	Ontario capital cost allowance (col 8 x 9 or a lower amount)	Ontario undepreciated capital cost at the end of the year (col 6 - 12)
1	302,754	463			303,217	232	302,985	4				303,217
6	19,530				19,530		19,530	10				19,530
8	4,297				4,297		4,297	20				4,297
10	2,125				2,125		2,125	30				2,125
Totals	328,706	463				232	328,937					329,169

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

Authorizing or Cancelling a Representative

Complete this form to:

- authorize the release of confidential information about the Corporations Tax, Mining Tax or Electricity Act account(s) to the representative named below.
- cancel an existing authorization.

Part 1 Client Informa Legal name	tion	Phone number	This authorization applies to the following statute(s) and
DUTTON HYDRO LIMITE	ED	(519) 762-2204	account number(s). Corporations Tax Act
Mailing address Apt./Suite/Unit no. Street number		Maria de la companya del companya de la companya de la companya del companya de la companya de l	6966864 Mining Tax Act
City	Province/Territory	Postal code	☐ Electricity Act
DUTTON	ON	NOL 1J0	
Part 2 Authorize the re Name of representative (elease of information to a represent If a firm, name of firm.)	tative Phone number	Fax number
Raven & Shaw		(519) 631-8250	(519) 631-8919
Mailing address Apt./Suite/Unit no. Street number 204-460 Wellington St.	er and name / PO Box, RR		
City	Province/Territory	Postal code	
St. Thomas	ON	N5R 6H9	
	pecific individual in the firm, you are a	uthorizing the Ministry of Finan Title	ce to deal with anyone from that firm.
Part 3 Authorization s	cope and applicable years	ï	
Representative to deal fully on your behalf with the Ministry of Fina Representative to deal in a limited manner on your behalf, for mat (e.g., account inquiry, applications, annual returns, payments, etc.)		f, for matters specified here.	 X Representative to act for all years, including all previous and future years. or □ Representative to act for specific year or years (describe).
Part 4 Cancel the rele	ase of information to a representat	ive	
Name of representative			
Last	First	Ÿ.	
If your representative is	l s an individual within a firm, state t	heir name and title.	
Name of person in firm		Title	
Last	First	Ï	Y STATE OF THE STA
Part 5 Signature This	form will not be accepted unless i	t is completed fully, signed a	nd dated.
I authorize the Ministry of release confidential in manner described in locancel an existing aut	f Finance to: If ormation about the tax accounts spe	ecified in Part 1 and to deal with	n the representative named in Part 2 in the
Name Last	First	Title / Relationship to	Corporation Phone number
LOVELAND	KEN	SECRETARY	(519) 762-2204
		Signature	Date
			2011/10/05

Agence du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

Schedule 200

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

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

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

| OSS | Do not use this area

 Identification 				1		
Business number (B Corporation's name 002DUTTON HYDRO		87149 3722 RC 0001		(20	904	
Has the corporation c the last time we were	hanged its name since notified? 0	03	If <i>Yes</i> , do you hat the articles of an	nendment?	004 <u>Y</u> es	<u>N</u> o
Address of head offic Has this address chan time we were notified? (If Yes, complete lines 011 199 MAIN STREE	ged since the last 0 011 to 018)	110	From 060 2004/01/ Has there been an acq applies since the previo	uisition of control to whous tax year?	061 <u>2004/12/</u> nich subsecti 063 <u>Y</u> es	
City 015 DUTTON Country (other tha	016 ON	vince, territory, or state	If Yes, provide the date	(065	mombou of
017	018 NOL	. 1J0	Is the corporation a p a partnership?	rofessional corporati	067 <u>Y</u> es	Member of
Has this address chan 020 Yes No (If Yes, complete lines) 021 c/o			Is this the first year o Incorporation? Amalgamation? If Yes, complete lines (()70 Yes)71 Yes Schedule 24,	X <u>N</u> o X <u>N</u> o
022 199 MAIN STREE	T		Has there been a win	dun of a subsidianu	ınder sectio	n 88
O23 City O25 DUTTON	026 ON	vince, territory, or state	during the current tax If Yes, complete and a	year?	072	<u>⊠ N</u> o
027			Is this the final tax ye before amalgamation	ar ?	076 <u>Y</u> es	<u> </u>
the last time we were r	oks and records change notified?	ed since 30 <u>Y</u> es <u>X</u> <u>N</u> o	Is this the final return dissolution?	up to	078 <u>Y</u> es	<u> </u>
(If Yes, complete lines 031 199 MAIN STREE 032	T .		Is the corporation a roof Canada? If No, give the country		080	<u>N</u> o
City 035 DUTTON	Prov 036 ON	vince, territory, or state	081 and complete and		081	
040 Type of corpora	038 NOL	tax year	Is the non-resident co an exemption under a treaty? If Yes, complete and a	an income tax	082 <u>Y</u> es	<u>⊠ N</u> o
private corpora Other private corporation Public corporation	<u>5</u> ☐ Othe (sp	oration controlled by bublic corporation corporation pecify, below)	2 Exemp		(1)(e) or (I) (1)(j)	9, tick
If the type of corporation during the tax year, pro- effective date of the ch	vide the	=======================================	4 🛛 Exemp	t under other paragrap		149
		Do not us	e this area			
091	092	093	094	095	096	
100						

Attachments		
Financial statement information: Use GIFI schedules 100, 125, and 141.		
Schedules - Answer the following questions. For each Yes response, attach to the T2 return the schedule that applies		
	Yes	Schedule
Is the corporation related to any other corporations?	150	9
Is the corporation an associated Canadian-controlled private corporation (CCPC)?	160	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161	49
Does the corporation have any non-resident shareholders?	151	19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or		
employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions	_	
with non-residents	162	11
If you answered Yes to the above question, and the transaction was between corporations not dealing at arm's		
length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165	15
Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166	T5004
Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167[]	T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not		
deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168	22
Did the corporation have any foreign affiliates during the year?	169	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of		
the federal Income Tax Regulations?	170	29
Has the corporation had any non-arm's length transactions with a non-resident?	171	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the	🗔	
corporation's common and/or preferred shares?	173X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan	4-6	
arrangement during the year?	172[
Is the net income/loss shown on the financial statements different from the net income/loss for income tax	204	22
purposes?	201 🛛	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; or gifts of cultural		_
or ecological property?	202	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203	3
Is the corporation claiming any type of losses?	204×	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in	00=[]	_
more than one jurisdiction?	_205	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206	6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than		
dividends deductible on line 320 of the T2 return, b) a partnership, c) a foreign business, or d) a personal services business; or		
ii) is the corporation claiming the refundable portion of Part I tax?	207	7
Does the corporation have any property that is eligible for capital cost allowance?	208 X	7 8
Does the corporation have any property that is eligible capital property?	210	10
Does the corporation have any property that is engine capital property? Does the corporation have any resource-related deductions?	212	12
Is the corporation claiming reserves of any kind?	213	
Is the corporation claiming a patronage dividend deduction?	216	13 16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional	210	10
deduction?	217	17
is the corporation an investment corporation or a mutual fund corporation?	218	18
Was the corporation carrying on business in Canada as a non-resident corporation?	220	20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax		20
credits?	221	21
Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226	26 *
Does the corporation have any Canadian manufacturing and processing profits?	227	27
Is the corporation claiming an investment tax credit?	231	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	233	33/34/35
Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236	36
Is the corporation claiming a surtax credit?	237	37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238	38
Is the corporation claiming a Part I tax credit?	242	36 42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on		44
dividends paid?	243	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244	45 45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249	45 46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or		40
more members subject to gross Part VI tax?	250	39
Is the corporation claiming a Canadian film or video production tax credit refund?	253	T1131
Is the corporation claiming a canadian lim of video production tax credit refund?	254	T1177
Is the corporation subject to Part XIII.1 tax?	255	92 *
* We do not	print this	scnedule.

00			Yes Schedule
D: 1.11			
	corporation have any foreign affiliates that are not controlled foreign affiliates that are not controlled foreign affiliates.	ates?	256 T1134-A
	corporation have any controlled foreign affiliates? corporation own specified foreign property in the year with a cost amount	over \$100,0002	258 T1134-B 259 T1135
	corporation transfer or loan property to a non-resident trust?	. ονει φτου,ουσ:	260 T1141
	corporation receive a distribution from or was it indebted to a non-resider	nt trust in the vear?	261 T1142
	corporation entered into an agreement to allocate assistance for SR&ED		262 T1145
Has the	corporation entered into an agreement to transfer qualified expenditures		
	D contracts?		263 T1146
	corporation entered into an agreement with other associated corporation lemployees for SR&ED?	is for salary or wages of	264
Addi	tional information		
	rporation inactive?		280 1 Yes 🗌 2 No 🛚
	major business activity changed since the last return was filed?		281 1 Yes 2 No X
What is	the corporation's major business activity? 282		
(Only co	mplete if Yes was entered at line 281.)		
If the ma	jor business activity involves the resale of goods, show whether it is who	olesale or retail 283	1 Wholesale 2 Retail
	he principal product(s) mined, manufactured, 284 ELECTRICITY DIST	TRIBUTION	285 100.000 %
sold, cor	structed, or services provided, giving the 286		287%
	nate percentage of the total revenue that each 288		%
	or service represents.		291 1 Yes 2 No X
	orporation immigrate to Canada during the tax year?		292 1 Yes 2 No X
Dia ino c	orporation ornigrate from earlace earling the tax years		202 1100 2110 2
Taxa	ble income		i
Net inco	me or (loss) for income tax purposes from Schedule 1, financial stateme	nts, or GIFI	300 (11,009) 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	<u>=</u>
	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	
	Subto		В
	Subtotal (amount A minus am	ount 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 e	exempt under paragraph 149(1)(t)		370
	income for a corporation with exempt income under paragraph 149(1)(1)	
	minus line 370)	, 	Z
* This	amount is equal to 3 times the Part VI.1 tax payable at line 724 on page	8.	

 Small bus 	iness deduction				
	trolled private corporations (CCPCs) throughout	the tax year			
	ctive business carried on in Canada from Schedule 7			400	Α
Taxable income	e from line 360 on page 3, minus 10/3 of the amoun	t on line 632 on pa	age 7, minus 3		
times the amou	int on line 636 on page 7, and minus any amount the	at, because of fed	eral law, is exen	npt	
from Part I tax				405	B
	the business limit:				
	calculate the amount at line 4 below.				
\$250,000 x	Number of days in the tax year in 2004	366	=2	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			
		lines 1, 2, and 3	2	250,000 4	
Business limit (see notes 1 and 2 below)			410	250,000 C
Notes: 1. For C	CPCs that are not associated, enter the amount from	n line 4 on line 41	0. However, if th		
tax ve	ear is less than 51 weeks, prorate the amount from li	ne 4 by the number	er of days in the	tax	
	divided by 365, and enter the result on line 410.	,,	,		
•	ssociated CCPCs, use Schedule 23 to calculate the	amount to be ente	ered on line 410		
Business limit		amount to be one	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
Amount C	250,000 X 415	D			
Amount 0				<u></u>	E
	11,;	250			
Reduced busin	ess limit (amount C minus amount E) (if negative, er	nter "0")		425	250,000 F
Small busines	s deduction – 16% of whichever amount is the leas	t: A, B, C, or F		430	0 G
(enter amount 0	G on line 9 of page 7)				
	ed tax reduction —				
(For tax years	s ending before January 1, 2006)				
(For tax years	s ending before January 1, 2006) trolled private corporations throughout the taxati	on year that clai	med the small b	ousiness deductio	n
(For tax years	s ending before January 1, 2006)	on year that claii	med the small b	ousiness deductio	ona
(For tax years	s ending before January 1, 2006) trolled private corporations throughout the taxati	on year that clai	med the small b	ousiness deductio	on a
(For tax years Canadian-cont Reduced busing	s ending before January 1, 2006) trolled private corporations throughout the taxati	on year that clai	med the small b	ousiness deductio	ona
(For tax years Canadian-cont Reduced busin Net active busin Taxable income	s ending before January 1, 2006) trolled private corporations throughout the taxati ess limit (amount from line 425) ness income (amount from line 400)* e from line 360 on page 3 minus 3 times the amount	x at line 636**	med the small b	ousiness deductio	a
(For tax years Canadian-cont Reduced busin Net active busin Taxable income on page 7, and	s ending before January 1, 2006) trolled private corporations throughout the taxati ess limit (amount from line 425) ness income (amount from line 400)*	x at line 636**	med the small t	ousiness deductio	a
(For tax years Canadian-cont Reduced busin Net active busin Taxable income on page 7, and Part I tax	s ending before January 1, 2006) trolled private corporations throughout the taxati ess limit (amount from line 425) ness income (amount from line 400)* e from line 360 on page 3 minus 3 times the amount	x at line 636**	med the small t	ousiness deduction	a
(For tax years Canadian-cont Reduced busin Net active busin Taxable income on page 7, and Part I tax Deduct:	s ending before January 1, 2006) trolled private corporations throughout the taxati ess limit (amount from line 425) ness income (amount from line 400)* e from line 360 on page 3 minus 3 times the amount minus any amount that, because of federal law, is a	x at line 636**	med the small t	c	a
Canadian-cont Reduced busine Net active busine Taxable income on page 7, and Part I tax Deduct: Aggregate inve	s ending before January 1, 2006) trolled private corporations throughout the taxati ess limit (amount from line 425) ness income (amount from line 400)* e from line 360 on page 3 minus 3 times the amount minus any amount that, because of federal law, is a stment income (amount from line 440 of page 6)	x at line 636**	med the small b	= =	a
Canadian-cont Reduced busine Net active busine Taxable income on page 7, and Part I tax Deduct: Aggregate inve	s ending before January 1, 2006) trolled private corporations throughout the taxati ess limit (amount from line 425) ness income (amount from line 400)* e from line 360 on page 3 minus 3 times the amount minus any amount that, because of federal law, is a	x at line 636**	med the small b	c	a
Canadian-cont Reduced busine Net active busine Taxable income on page 7, and Part I tax Deduct: Aggregate inve	s ending before January 1, 2006) trolled private corporations throughout the taxati ess limit (amount from line 425) ness income (amount from line 400)* e from line 360 on page 3 minus 3 times the amount minus any amount that, because of federal law, is a stment income (amount from line 440 of page 6)	x at line 636**	med the small b	c	a
(For tax years Canadian-cont Reduced busin Net active busin Taxable income on page 7, and Part I tax Deduct: Aggregate inve Amount c minus	s ending before January 1, 2006) trolled private corporations throughout the taxati ess limit (amount from line 425) ness income (amount from line 400)* e from line 360 on page 3 minus 3 times the amount minus any amount that, because of federal law, is a stment income (amount from line 440 of page 6)	x at line 636**	med the small b	c	a
(For tax years Canadian-cont Reduced busin Net active busin Taxable income on page 7, and Part I tax Deduct: Aggregate inve Amount c minus Amount a, b, or	s ending before January 1, 2006) trolled private corporations throughout the taxati ess limit (amount from line 425) ness income (amount from line 400)* e from line 360 on page 3 minus 3 times the amount minus any amount that, because of federal law, is of the standard	x at line 636**		c	a
(For tax years Canadian-cont Reduced busin Net active busin Taxable income on page 7, and Part I tax Deduct: Aggregate inve Amount c minus Amount a, b, or Amount Z from	s ending before January 1, 2006) trolled private corporations throughout the taxati ess limit (amount from line 425) ness income (amount from line 400)* e from line 360 on page 3 minus 3 times the amount minus any amount that, because of federal law, is of stment income (amount from line 440 of page 6) s amount d (if negative, enter "0") re above, whichever is less Part 9 of Schedule 27	t at line 636** exempt from		c d	a
(For tax years Canadian-cont Reduced busin Net active busin Taxable income on page 7, and Part I tax Deduct: Aggregate inve Amount c minus Amount z from Amount QQ fro	s ending before January 1, 2006) trolled private corporations throughout the taxati ess limit (amount from line 425) ness income (amount from line 400)* e from line 360 on page 3 minus 3 times the amount minus any amount that, because of federal law, is of stment income (amount from line 440 of page 6) s amount d (if negative, enter "0") re above, whichever is less Part 9 of Schedule 27 m Part 13 of Schedule 27	t at line 636** exempt from		c d	a
(For tax years Canadian-cont Reduced busin Net active busin Taxable income on page 7, and Part I tax Deduct: Aggregate inve Amount c minus Amount z from Amount QQ fro Taxable resour	s ending before January 1, 2006) trolled private corporations throughout the taxati ess limit (amount from line 425) ness income (amount from line 400)* e from line 360 on page 3 minus 3 times the amount minus any amount that, because of federal law, is of stment income (amount from line 440 of page 6) s amount d (if negative, enter "0") re above, whichever is less Part 9 of Schedule 27 m Part 13 of Schedule 27 ce income from line 435 on page 5	t at line 636** exempt from x 100 / 7 =		c d	a
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(For tax years Canadian-cont Reduced busin Net active busin Taxable income on page 7, and Part I tax Deduct: Aggregate inve Amount c minus Amount z from Amount QQ fro Taxable resour Amount used to	s ending before January 1, 2006) trolled private corporations throughout the taxaticess limit (amount from line 425) ness income (amount from line 400)* e from line 360 on page 3 minus 3 times the amount minus any amount that, because of federal law, is destined income (amount from line 440 of page 6) amount d (if negative, enter "0") The above, whichever is less Part 9 of Schedule 27 The Part 13 of Schedule 27 The part 13 of Schedule 27 The ce income from line 435 on page 5 The calculate the credit union deduction (amount e in Page 400, 405, 410 or 425 of the small business deduction	x at line 636** exempt from x 100 / 7 =		c d	a
(For tax years Canadian-cont Reduced busin Net active busin Taxable income on page 7, and Part I tax Deduct: Aggregate inve Amount c minus Amount a, b, or Amount Z from Amount QQ fro Taxable resour Amount used to Amount on line whichever is less	sending before January 1, 2006) trolled private corporations throughout the taxativess limit (amount from line 425) ness income (amount from line 400)* e from line 360 on page 3 minus 3 times the amount minus any amount that, because of federal law, is constructed as a samount d (if negative, enter "0") re above, whichever is less Part 9 of Schedule 27 m Part 13 of Schedule 27 ce income from line 435 on page 5 or calculate the credit union deduction (amount e in Part 400, 405, 410 or 425 of the small business deductions	x at line 636** exempt from x 100 / 7 = x 100 / 7 =		c d	a
(For tax years Canadian-cont Reduced busin Net active busin Taxable income on page 7, and Part I tax Deduct: Aggregate inve Amount c minus Amount a, b, or Amount Z from Amount QQ fro Taxable resourd Amount used to Amount on line whichever is les Total of amount	sending before January 1, 2006) trolled private corporations throughout the taxativess limit (amount from line 425) ness income (amount from line 400)* e from line 360 on page 3 minus 3 times the amount minus any amount that, because of federal law, is constant income (amount from line 440 of page 6) as amount d (if negative, enter "0") The above, whichever is less Part 9 of Schedule 27 The Part 13 of Schedule 27 The part 13 of Schedule 27 The constant income from line 435 on page 5 The constant income from line 440 of page 6) The constant income from line 440 of page 6 The constant income from line 440 of page 6 The constant income from line 440 of page 6 The constant income from line 440 of page 6 The constant income from line 440 of page 6 The constant income from line 440 of page 6 The constant income from line 440 of page 6 The constant income from line 440 of page 6 The constant income from line 440 of page 6 The constant income from line 440 of page 6 The constant income from line 440 of page 6 The constant in	x at line 636** exempt from x 100 / 7 = art 3 of Schedule 17)		c d	a
(For tax years Canadian-cont Reduced busin Net active busin Taxable income on page 7, and Part I tax Deduct: Aggregate inve Amount c minus Amount Z from Amount QQ fro Taxable resour Amount used to Amount on line whichever is les Total of amount Amount f minus	sending before January 1, 2006) trolled private corporations throughout the taxativess limit (amount from line 425) ness income (amount from line 400)* e from line 360 on page 3 minus 3 times the amount minus any amount that, because of federal law, is destined income (amount from line 440 of page 6) as amount d (if negative, enter "0") The above, whichever is less Part 9 of Schedule 27 The Part 13 of Schedule 27 The part 14 of Schedule 27 The part 15 of Schedule 27 The part 15 of Schedule 27 The part 16 of Schedule 27 The part 17 of Schedule 27 The part 17 of Schedule 27 The part 18 of Schedule 27 The part 19 of Schedule 27 The par	x at line 636** exempt from x 100 / 7 = x 100 / 7 =		c d	e f m
(For tax years Canadian-cont Reduced busin Net active busin Taxable income on page 7, and Part I tax Deduct: Aggregate inve Amount c minus Amount Z from Amount QQ fro Taxable resour Amount used to Amount on line whichever is les Total of amount Amount f minus Accelerated ta	sending before January 1, 2006) trolled private corporations throughout the taxativess limit (amount from line 425) ness income (amount from line 400)* e from line 360 on page 3 minus 3 times the amount minus any amount that, because of federal law, is destined income (amount from line 440 of page 6) as amount d (if negative, enter "0") The e above, whichever is less Part 9 of Schedule 27 The Part 13 of Schedule 27 The part 13 of Schedule 27 The ce income from line 435 on page 5 The calculate the credit union deduction (amount e in Part 400, 405, 410 or 425 of the small business deductions to generally a secure of the small business deductions a secure of the small formula in part of the small formula in part of the small formula in part of the small business deductions a secure of the small business deductions a secure of the small formula in part of the small formula in part of the small business deductions a secure of the small business deductions are of the small business deductions.	x at line 636** exempt from x 100 / 7 = art 3 of Schedule 17)		c d	abef
(For tax years Canadian-cont Reduced busin Net active busin Taxable income on page 7, and Part I tax Deduct: Aggregate inve Amount c minus Amount Z from Amount QQ fro Taxable resour Amount used to Amount on line whichever is les Total of amount Amount f minus Accelerated ta	sending before January 1, 2006) trolled private corporations throughout the taxativess limit (amount from line 425) mess income (amount from line 400)* e from line 360 on page 3 minus 3 times the amount minus any amount that, because of federal law, is destinated as a summer of the federal law, i	x at line 636** exempt from x 100 / 7 = art 3 of Schedule 17)		c d	e f m
Canadian-content Reduced busing Reduced busing Reduced busing Taxable incomes on page 7, and Part I tax Deduct: Aggregate invector Amount c minus Amount a, b, or Amount Z from Amount QQ from Taxable resour Amount used to Amount on line whichever is less Total of amount Amount f minus Accelerated ta (enter amount minus and the state of the st	sending before January 1, 2006) trolled private corporations throughout the taxativess limit (amount from line 425) ness income (amount from line 400)* e from line 360 on page 3 minus 3 times the amount minus any amount that, because of federal law, is destined income (amount from line 440 of page 6) as amount d (if negative, enter "0") The e above, whichever is less Part 9 of Schedule 27 The Part 13 of Schedule 27 The part 13 of Schedule 27 The ce income from line 435 on page 5 The calculate the credit union deduction (amount e in Part 400, 405, 410 or 425 of the small business deductions to generally a secure of the small business deductions a secure of the small formula in part of the small formula in part of the small formula in part of the small business deductions a secure of the small business deductions a secure of the small formula in part of the small formula in part of the small business deductions a secure of the small business deductions are of the small business deductions.	x 100 / 7 = x 100 / 7 = art 3 of Schedule 17)		c d g	e f m n
Canadian-content Reduced busing Reduced busing Reduced busing Taxable incomes on page 7, and Part I tax Deduct: Aggregate invector Amount c minus Amount a, b, or Amount Z from Amount QQ from Taxable resour Amount on line whichever is less Total of amount Amount f minus Accelerated ta (enter amount manual content income.	sending before January 1, 2006) trolled private corporations throughout the taxativess limit (amount from line 425) ness income (amount from line 400)* e from line 360 on page 3 minus 3 times the amount minus any amount that, because of federal law, is constructed as a samount d (if negative, enter "0") re above, whichever is less Part 9 of Schedule 27 me Part 13 of Schedule 27 me Part 13 of Schedule 27 ce income from line 435 on page 5 of calculate the credit union deduction (amount e in Path 400, 405, 410 or 425 of the small business deductions amount I (if negative, enter "0") ex reduction - 7% of amount mention line 637 of page 7) and at line 450 of Schedule 7 is positive, members of the small line 450 of Schedule 7 is positive.	x at line 636** exempt from x 100 / 7 = art 3 of Schedule 17) on, partnerships need	d to use Schedu	g h i j k	et active business
Canadian-content Reduced busing Reduced busing Reduced busing Taxable incomes on page 7, and Part I tax Deduct: Aggregate invector Amount c minus Amount a, b, or Amount Z from Amount QQ from Taxable resour Amount on line whichever is less Total of amount Amount f minus Accelerated ta (enter amount manual content income.	sending before January 1, 2006) trolled private corporations throughout the taxativess limit (amount from line 425) mess income (amount from line 400)* e from line 360 on page 3 minus 3 times the amount minus any amount that, because of federal law, is destinent income (amount from line 440 of page 6) amount d (if negative, enter "0") The above, whichever is less Part 9 of Schedule 27 The Part 13 of Schedule 27 The part 13 of Schedule 27 The ce income from line 435 on page 5 The calculate the credit union deduction (amount e in Path 400, 405, 410 or 425 of the small business deductions to a mount I (if negative, enter "0") The amount I (if negative, enter "0") The amount of foreign business income tax credit decreases the amount of foreign business income tax credit decreases.	x at line 636** exempt from x 100 / 7 = art 3 of Schedule 17) on, partnerships need	d to use Schedu	g h i j k	et active business

Resource deduction [axable resource income [as defined]	in subsection 125.11(1)]	435	H
Amount Hx	Number of days in the taxation year in 2003 Number of days in the taxation year	366 × 1% =	
mount Hx	Number of days in the taxation year in 2004 Number of days in the taxation year	366 x 2% =	J
Amount Hx	Number of days in the taxation year in 2005 Number of days in the taxation year	366 × 3% =	K
mount Hx	Number of days in the taxation year in 2006 Number of days in the taxation year	366 × 5% =	L
xmount Hx	Number of days in the taxation year after 2006 Number of days in the taxation year	366 × 7% =	
Resource deduction – total of amou	ints I, J, K, L, and M	438	
enter amount N on line 10 of page 7			
Canadian-controlled private corporate income from line 360 page Amount Z from Part 9 of Schedule 2	3 27x 100 / 7 =	В	
Amount QQ from Part 13 of Schedu	le 27	C	
Taxable resource income from line		D E	
	union deduction (amount E in Part 3 of Schedule 17)		
Aggregate investment income from	25 on page 4, whichever is the least		
	erated tax reduction (amount m of page 4)		
Amount used to calculate the accen	Subtotal		
Amount A minus amount H (if negat			
Amount A minus amount 11 (ii negal	ive, onto o j		
	an-controlled private corporations - Amount x 7%		
(Enter amount J on line 638 of page	e 7)		
General tax reduction —			ant
corporations other than a Canadia	n-controlled private corporation, an investment cor oration; and for tax years starting after May 1, 2006	any corporation with taxable	income that
ot subject to the full tax rate of 38	3% (eg. deposit insurance company).	, a,	
axable income from line 360 on pag	in 3		
mount Z from Part 9 of Schedule 27		N	
mount QQ from Part 13 of Schedule	27	0	
axable resource income from line 4		P	
	inion deduction (amount E in Part 3 of Schedule 17)	Q	
otal of amounts N, O, P, and Q		→	
mount M minus amount R (if negat	ive, enter "0")		
General tax reduction - Amount S			
enter amount T on line 639 of page			

Client: DUTTON HYDRO LIMITED CRA Business # 871493722 Year-end: 2004/12/31 Printed: 2011/10/05 09:04 Refundable portion of Part I tax Canadian-controlled private corporations throughout the tax year Aggregate investment income 440 X 26 2/3 % = (Amount O from Part 1 of Schedule 7) Foreign non-business income tax credit from line 632 on page 7 **Deduct:** Foreign investment income X 9 1/3 % =(Amount L from Part 2 of Schedule 7) (if negative, enter "0") Amount A minus amount B (if negative, enter "0") Taxable income from line 360 on page 3 Deduct: Amount on line 400, 405, 410, or 425 on page 4, whichever is the least Foreign non-business income tax credit from line 632 of page 7 x 25/9 =Foreign business income tax credit from line 636 of page 7 Part I tax payable minus investment tax credit refund (line 700 minus line 780 on page 8) Deduct: Corporate surtax from line 600 of page 7 Net amount Ε 0 F Refundable portion of Part I tax - Amount C, D, or E, whichever is the least 450 Refundable dividend tax on hand Refundable dividend tax on hand at the end of the preceding tax year 460 Deduct: 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

Refundable dividend tax on hand at the end of the tax year - Amount G plus ar	mount H 485	0
Dividend refund Private and subject corporations at the time taxable dividends were paid in the Taxable dividends paid in the tax year from line 460 on page 2 of Schedule 3	ne tax year X 1/3	1
Refundable dividend tax on hand at the end of the tax year from line 485 above Dividend refund – Amount I or J, whichever is less (enter this amount on line 784	of page 8)	J

480

corporation on amalgamation, or from a wound-up subsidiary

corporation

ш

Part I tax		
Base amount of Part I tax - 38% of taxable income (line 360 or amount Z, whice from page 3	chever applies)	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	3	2
Investment corporation deduction from line 620 below		3
Federal logging tax credit from line 640 below		4
Federal qualifying environment trust tax credit from line 648 below		5
For a mutual fund corporation or an investment corporation throughout the tax year, enter amount a, b, or c below on line 6, whichever is the least: 28% of taxable income from line 360 on page 3	a	
28% of taxed capital gains	h	6
Part I tax otherwise payable		
//	С	
Total of lines 2 to 6		7
		ı
Net amount (line 1 minus line 7)		8
Corporate surtax - 4% of the amount on line 8		600 B
Recapture of investment tax credit from line III in Part 24 of Schedule 31		602 C
Calculation for the refundable tax on Canadian-controlled private corporati (if it was a CCPC throughout the tax year) Aggregate investment income from line 440 on page 6	ion's (CCPC) investment i	ncome
	-	•
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		н
Refundable tax on CCPC's investment income – 6 2/3% of whichever is less:	amount i or ii	604 D
Sub	total (add lines A, B, C, and	D)E
Deduct:		
Small business deduction from line 430 on page 4		9
Federal tax abatement	608	
Manufacturing and processing profits deduction from amount BB or amount RR		
of Schedule 27	616	
Investment corporation deduction	620	
(taxed capital gains 624		
Additional deduction – credit unions from Schedule 17	628	
Federal foreign non-business income tax credit from Schedule 21	632	
Federal foreign business income tax credit from Schedule 21	636	
Accelerated tax reduction from amount n of page 4	637	
Resource deduction from line 438 of page 5		10
General tax reduction for CCPCs from amount J on page 5	638	
General tax reduction from amount T on page 5	639	
Federal logging tax credit from Schedule 21	640	
Federal political contribution tax credit	644	
Federal political contributions 646	- T 1	
Federal qualifying environmental trust tax credit	648	
Investment tax credit from Schedule 31	652	
Apprenticeship Job Creation Tax Credit (Applicable for salaries and wages		
paid to qualifying apprentices on or after May 2, 2006)		
Subtota		F
Part I tax payable – Line E minus line F (enter amount G on line 700 of page 8		0 G
- art - tax payable - Line E minus inte i lenter amount d on line 100 or page of	7	u

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 7700 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
	predits 890 B
Refund Code 894 Overpayment	Balance (line A minus line B)0 1
Direct Deposit Request	If the result is negative, you have an overpayment .
To have the corporation's refund deposited directly into the corporation's	If the result is positive, you have a balance unpaid.
bank account at a financial institution in Canada, or to change banking	Enter the amount on whichever line applies.
information you already gave us, complete the information below:	Generally, we do not charge or refund a difference of \$2
Start Change information 910	or less.
Branch number	
914	Balance unpaid
Institution number Account number	Enclosed payment 898
If the corporation is a Canadian-controlled private corporation throughout the ta	ax vear
does it qualify for the one-month extension of the date the balance of tax is due	
Certification	
950 LOVELAND 951 KEN	954 SECRETARY
Surname First name	Position, office or rank
955 <u>2011/10/05</u> 956 <u>(519)</u> 762-2204	
Date Telephone number	
Is the contact person the same as the authorized signing officer? If no, comple	ete the information below. 957 1 Yes X 2 No _
958	959 ()
Name	Telephone number
Language of correspondence - Langue de correspondance	
990 Language of choice/Langue de choix 1 English / Anglais 🛛	

Client: DUTTON HYDRO LIMITED CRA Business # 871493722 Year-end: 2004/12/31 Printed: 2011/10/05 09:04

Canada Revenue Agence du revenu du Canada

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Schedule 1

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

Net income (loss) after taxes and extraordinary items per financial statements				(35,547)
Add:				
Amortization of tangible assets	104	24,538		
Total of fields 101 to 199	500	24,538	·	24,538
Net income (loss) for income tax purposes (enter on line 300 of the T2 return)		(11,009)		

CORPORATION LOSS CONTINUITY AND APPLICATION

- For use by a corporation to determine the continuity and use of available losses; to determine the current-year non-capital loss, farm loss, restricted farm loss, and limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that may be applied in a year; and to request a loss carryback to previous years.
- The corporation can choose whether or not to deduct an available loss from income in a tax year. It can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- In accordance with subsection 111(4) of the Income Tax Act when control has been acquired no amount of capital loss for a tax year ending (TYE) before that time is deductible in computing taxable income in a TYE after that time AND no amount of capital loss incurred in a TYE after that time is deductible in computing taxable income of a TYE before that time.

Determination of current-year non-capital loss

- When control has been acquired, subsection 111(5) provides similar treatment of non-capital and farm losses except as listed in paragraphs 111(5)(a) & (b).
- For information on these losses, see the T2 Corporation Income Tax Guide.
- File one completed copy of this schedule with the T2 return, or send it by itself to the tax centre where the return is filed.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal Income Tax Act.

Part 1 – Non-capital losses

Net income (loss) for income tax purposes	on oupnum		_	(11,009)
Deduct: (increase a loss)				
Net capital losses deducted in the year (enter as a positive amount)				
Taxable dividends deductible under sections 112, 113 or subsection 138(6)				
Amount of Part VI.1 tax deductible				
Amount deductible as prospector's and grubstaker's shares -				
Paragraph 110(1)(d.2)				
	-			
	Subtotal (if pos	sitive, enter "0")		(11,009)
Deduct: (increase a loss)				
Section 110.5 and/or subparagraph 115(1)(a)(vii) - Addition for foreign tax dedu	ıctions			
Add: (decrease a loss)		Subtotal		(11,009)
Current-year farm loss				
Current-year non-capital loss (if positive, enter "0")				(11,009)
Continuity of non-capital losses and re	quest for a	carryback -		
Non-capital loss at the end of preceding tax year	·	48,241		
Deduct: Non-capital loss expired *	100			
Non-capital losses at beginning of tax year	102	48,241		
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	11,009		59,250
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		59,250
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			
	911			
First preceding tax year to reduce taxable dividends subject to Part IV tax	911			
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	912	- 12		
			-3	

'And	on-cap	ital los	s expi	res 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 Ye	es
Loss from a wholly owned subsidiary deemed to be a loss of the parent from its immediately preceding tax year.	

Part 2 - Capital losses

Continuity of capital losses	and request for a carryback ————————————————————————————————————
Capital losses at end of preceding tax year	200
Capital losses transferred on an amalgamation or the 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 preceing tax year* that expired this year	A
Allowable business investment losses (ABIL) incurred in the same preceding tax year* referred to at line A	В
Enter amount from line A or B, whichever is less215	
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, expired as non-capital loss for each predecessor or subsidiary.	do a separate calculation of the allowable business investment loss 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 aree is equal to amount M on schedule 6 version T2SCH6(01)
- For ABIL's incurred in 2002 and later tax years, use 0.5

Part 3 – Farm losses

Continuity of farm losses and reque	stion a carry	Dack	
arm losses at end of preceding tax year			
Deduct: Farm loss expired after 10 tax years	300		
Farm losses at beginning of tax year	302		
Add: Farm losses transfered on an amalgamation or the	305		
windup of a subsidiary corporation			
Current-year farm loss	310		
Deduct:			
Other adjustments (includes adjustments for an acquistion of control)	350		
Section 80 - Adjustments for forgiven amounts	340		
Amount applied against taxable income (enter on line 334 of T2 return)	330		
Amount applied against taxable dividends subject to Part IV tax	335		
Deduct - Request to carry back farm loss to:	-		
First preceding tax year to reduce taxable income	921		
Second preceding tax year to reduce taxable income	922		
Third preceding tax year to reduce taxable income	923		
First preceding tax year to reduce taxable dividends subject to Part IV tax	931	- A	
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		
Carry lances Olecine belong		200	
Farm losses - Closing balance art 4 – Restricted farm losses		380	
Current-vear restricted fa	rm loss —		
Current-year restricted fa Total losses for the year from farming business Minus the deductible farm loss:	rm loss —	485	
Total losses for the year from farming business Minus the deductible farm loss:	rm loss —	485	(
Total losses for the year from farming business	rm loss —	485	(
Total losses for the year from farming business #inus the deductible farm loss: \$2,500 plus D or E, whichever is less		4856,250_ E	(
Total losses for the year from farming business Minus the deductible farm loss: \$2,500 plus D or E, whichever is less (Amount C above – \$2,500) divided by 2	D		
Total losses for the year from farming business #inus the deductible farm loss: \$2,500 plus D or E, whichever is less	D		`
Total losses for the year from farming business Minus the deductible farm loss: \$2,500 plus D or E, whichever is less (Amount C above – \$2,500) divided by 2 Current-year restricted farm loss (amount C minus amount F)(enter this amount C ontinuity of restricted farm losses and	D nt on line 410)	6,250 E	
Total losses for the year from farming business Minus the deductible farm loss: \$2,500 plus D or E, whichever is less (Amount C above – \$2,500) divided by 2 Current-year restricted farm loss (amount C minus amount F)(enter this amount C minus amount F) (enter this amount C minus amount F) (enter this amou	nt on line 410)	6,250 E	
Total losses for the year from farming business Minus the deductible farm loss: \$2,500 plus D or E, whichever is less (Amount C above – \$2,500) divided by 2 Current-year restricted farm loss (amount C minus amount F)(enter this amount C minus amount F) (enter this amount C minus amount F) (enter this amou	nt on line 410) request for a	6,250 E	
Total losses for the year from farming business Minus the deductible farm loss: \$2,500 plus D or E, whichever is less (Amount C above – \$2,500) divided by 2 Current-year restricted farm loss (amount C minus amount F)(enter this amount C minus amount F) (enter this amount C minus amount F) (enter this amou	nt on line 410)	6,250 E	
Total losses for the year from farming business Minus the deductible farm loss: \$2,500 plus D or E, whichever is less (Amount C above – \$2,500) divided by 2 Current-year restricted farm loss (amount C minus amount F)(enter this amount C minus amount F) (enter this amount C minus amount F) (enter this amou	nt on line 410) request for a 400 402	6,250 E	
Total losses for the year from farming business Minus the deductible farm loss: \$2,500 plus D or E, whichever is less (Amount C above – \$2,500) divided by 2 Current-year restricted farm loss (amount C minus amount F)(enter this amount C minus amount F) (enter this amount C minus amount F) (enter this amou	D nt on line 410) request for a 400 402 405	6,250 E	
Total losses for the year from farming business Minus the deductible farm loss: \$2,500 plus D or E, whichever is less (Amount C above – \$2,500) divided by 2 Current-year restricted farm loss (amount C minus amount F)(enter this amount C minus amount F) (enter this amount C minus amount F) (enter this amou	nt on line 410) request for a 400 402	6,250 E	
Total losses for the year from farming business Minus the deductible farm loss: \$2,500 plus D or E, whichever is less (Amount C above – \$2,500) divided by 2 Current-year restricted farm loss (amount C minus amount F)(enter this amount C minus amount F) (enter this amount C minus amount F) (enter this amou	D nt on line 410) request for a 400 402 405	6,250 E	
Total losses for the year from farming business Minus the deductible farm loss: \$2,500 plus D or E, whichever is less (Amount C above – \$2,500) divided by 2 Current-year restricted farm loss (amount C minus amount F)(enter this amount C minus amount F) (enter this amount M minus F) (enter this amount C minus amount F) (enter this amount F) (enter this amount minus amount F) (enter this amount F) (enter this amount minus amount F) (enter this amount minus amount F) (enter this a	D nt on line 410) request for a 400 402 405	6,250 E	E
Total losses for the year from farming business Minus the deductible farm loss: \$2,500 plus D or E, whichever is less (Amount C above – \$2,500) divided by 2 Current-year restricted farm loss (amount C minus amount F)(enter this amount C minus amount F) (enter this amount F) (ent	nt on line 410) request for a 400 402 405 410	6,250 E	E
Total losses for the year from farming business Minus the deductible farm loss: \$2,500 plus D or E, whichever is less (Amount C above – \$2,500) divided by 2 Current-year restricted farm loss (amount C minus amount F)(enter this amount C minus amount F) (enter this amount M minus F) (enter this amount C minus amount F) (enter this amount F) (enter this amount minus amount F) (enter this amount F) (enter this amount minus amount F) (enter this amount minus amount F) (enter this a	nt on line 410) request for a 400 402 405 410	6,250 E	E
Minus the deductible farm loss: \$2,500 plus D or E, whichever is less (Amount C above – \$2,500) divided by 2 Current-year restricted farm loss (amount C minus amount F)(enter this amount C minus amount F) (enter this am	nt on line 410) request for a 400 402 405 410 430 440	6,250 E	E
Total losses for the year from farming business Minus the deductible farm loss: \$2,500 plus D or E, whichever is less (Amount C above — \$2,500) divided by 2 Current-year restricted farm loss (amount C minus amount F)(enter this amount C minus amount F) (enter this amount M minus amount F) (enter this amount M minus amount F) (enter this amount minus amount F) (enter this amount minus amount F) (enter this amount minus M minus amount F) (enter this amount minus M minus Amount minus M minu	do	6,250 E	E
Minus the deductible farm loss: \$2,500 plus D or E, whichever is less (Amount C above — \$2,500) divided by 2 Current-year restricted farm loss (amount C minus amount F)(enter this amount C ontinuity of restricted farm losses and restricted farm losses at end of preceding tax year restricted farm losses at beginning of tax year restricted farm losses at beginning of tax year restricted farm losses transferred on an amalgamation or the windup of a subsidiary corporation restricted farm loss (enter on line 233 of Schedule 1) Deduct: Amount applied against farming income (enter on line 333 of T2 return) Section 80 — Adjustments for forgiven amounts Other adjustments Deduct — Request to carry back restricted farm loss to: First preceding tax year to reduce farming income	nt on line 410) request for a 400 402 405 410 430 440 450 941	6,250 E	E
Total losses for the year from farming business Minus the deductible farm loss: \$2,500 plus D or E, whichever is less (Amount C above — \$2,500) divided by 2 Current-year restricted farm loss (amount C minus amount F)(enter this amount C minus amount F) (enter this amount M minus amount F) (enter this amount M minus amount F) (enter this amount minus amount F) (enter this amount minus amount F) (enter this amount minus M minus amount F) (enter this amount minus M minus Amount minus M minu	do	6,250 E	E
Minus the deductible farm loss: \$2,500 plus D or E, whichever is less (Amount C above – \$2,500) divided by 2 Current-year restricted farm loss (amount C minus amount F)(enter this amount C active farm losses and in the second farm losses and in the second farm losses and in the second farm losses at end of preceding tax year continuity of the second farm losses at beginning of tax year continuity farm losses at beginning of tax year continuity farm losses at beginning of tax year continuity farm losses transferred on an amalgamation or the windup of a subsidiary corporation continuity farm loss (enter on line 233 of Schedule 1) Continuity of restricted farm losses and in the second farm loss expired after 10 tax years continuity farm losses and in the second farm loss and in the second farm loss of tax year continuity farm loss of the second farm loss of the second farm loss to the second farm loss to reduce farming income second farming tax year to reduce farming income	do nt on line 410) request for a 400 402 405 410 430 440 450 941 942	6,250 E	E

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:	<u> </u>		
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	12,868			
2002/12/31	28,669			
2003/12/31	6,704			
2004/12/31	11,009			
Total	59,250			

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

Part 7 – Limited partnership losses

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

	0	100000 110111	or that your o	at may applied in		7
1	2	3	4	5		/
Partnership	Fiscal	Limited	Corporation's	Corp's share of	Column 4 - 5	Limited
identifier	period	partnership	at risk amount	partnership ITC,	if negative,	partnership loss
	ending	losses at end of		business or property	enter "0"	that may be
		preceding tax		losses, and resource		applied in the ye
		vear		expenses		The lesser of
		,				columns 3 and
630	632	634	636	638		650

Continuit	y of limited parti	nership losses tha	t can be carried fo	rward to future ta	x years
Partnership identifier	Losses at end of 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 balanc (662+664+670-675)
660	662	664	670	675	680
	Total	enter this amount on lin	e 335 of the T2 return)		



Canada Revenue Agency Agence du revenu du Canada

CAPITAL COST ALLOWANCE

Schedule 8

Is the corporation electing under regulation 1101(5q)? 101 1 \underline{Y} es $\underline{\square}$ 2 \underline{N} 0 \underline{X}

1	2	3	4	5	7	8	9	10	11	12	13
Class	UCC at start of	Cost of	Net adjustments	Proceeds of	Adjustment for	Base amount for	Rate	CCA for the year	Recapture	Terminal loss	UCC at the end
	year	additions in		dispositions in	additions (1/2 x	CCA	%	(col 8 x 9 or a	of CCA		of the year
		the year		the year	(col 3 - 5))			lower amount)			
200	201	203	205	207	211		212	217	213	215	220
1	302,754	463			232	302,985	4				303,217
6	19,530					19,530	10				19,530
8	4,297					4,297	20				4,297
10	2,125					2,125	30				2,125
Totals	328,706	463			232	328,937					329,169

Canada Revenue Agence du revenu du Canada

SHAREHOLDER INFORMATION

Schedule 50

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

Name of shareholder (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") *		Trust Number (If a trust number is not available, enter "NA") *	Percentage common shares	Percentage preferred shares
100	200	300	350	400	500
Municipality of Dutton/Dunwich	87078 6936 RC 0001			100.000	
	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.



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

BALANCE SHEET INFORMATION

Schedule 100

Assets	Code	Current year	Prior year
Cash and deposits	1000		48,356
Accounts Receivable	1060	137,485	156,822
Inventories	1120	15,885	18,486
Prepaid expenses	1484	8,944	6,898
Other machinery and equipment	1785	538,937	538,474
Accumulated amortization of other machinery and equipment	1786	(313,923)	(294,177)
Other tangible capital assets	1900	77,256	77,256
Accumulated amortization of other tangible capital assets	1901	(70,560)	(65,768)
Other deferred items / charges	2424	47,358	47,358
Total assets	2599	441,382	533,705

Liabilities	Code	Current year	Prior year
Bank overdraft	2600	10,552	
Amounts payable and accrued liabilities	2620	81,079	117,533
Deposits received	2961	12,550	13,424
Due to individual shareholder(s)	3261		30,000
Total liabilities	3499	104,181	160,957

Equity	Code	Current year	Prior year
Common shares	3500	475,885	475,885
Retained earnings / deficit	3600	(138,684)	(103,137)
Total equity	3620	337,201	372,748
Total liabilities and equity	3640	441,382	533,705

Retained earnings	Code	Current year	Prior year
Retained earnings/deficit-start	3660	(103,137)	(71,915)
Net income / loss	3680	(35,547)	(31,222)
Total retained earnings	3849	(138,684)	(103,137)

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

INCOME STATEMENT INFORMATION

Details

Operating name, if different from the corporations' legal name

Description of operation, if filing multiple Schedules 125

0002

Revenue	Code	Current year	Prior year	
Trade sales of goods and services	8000	724,240	628,43	
Total sales of goods and services	8089	724,240	628,433	
Other revenue	8230	14,426	12,146	
Total revenue	8299	738,666	640,579	

Cost of sales	Code	Current year	Prior year
Opening inventory	8300		
Other direct costs	8450	612,853	515,224
Cost of sales	8518	612,853	515,224
Gross profit / loss (item 8089 - item 8518)	8519	111,387	113,209

Operating expenses	Code	Current year	Prior year
Bad debt expense	8590	1,660	
Amortization of tangible assets	8670	24,538	24,518
Collection and credit costs	8717	56,404	51,939
Repairs and maintenance	8960	29,535	43,082
General and administrative expenses	9284	49,223	37,038
Total operating expenses	9367	161,360	156,577
Total expenses	9368	774,213	671,801
Net non-farming income	9369	(35,547)	(31,222)

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	(35,547)	(31,222

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 -		<u> </u>	
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=	(35,547)	=	(31,222)

Canada Customs

Agence des douanes and Revenue Agency et du revenu du Canada

NOTES CHECKLIST

Schedule 141

This schedule should be completed from the perspective of the person who prepared or reported on the financial statements. This person is referred to as the "accounting practitioner", in this schedule.

For more information, see RC4088, Guide to the General Index of Financial Information (GIFI) for Corporations and T4012, T2 Corporation - Income Tax Guide.

Attach a copy of this schedule, along with any Notes to the financial statements, to the GIFI.

Part 1 – Accounting practitioner information		
Does the accounting practitioner have a professional designation?	095 ⊠ <u>Y</u> es	☐ <u>N</u> o
Is the accounting practitioner connected* with the corporation?	097	X <u>N</u> o
* A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10 (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with Note If the accounting practitioner does not have a professional designation or is connected with the corporation Parts 2 and 3 of this schedule. However, you do have to complete Part 4.	the corporation.	
Part 2 – Type of involvement		
Choose the option that represents the highest level of involvement of the accounting practitioner:	198	
Completed an auditor's report	1	
Completed a review engagement report		
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 <u>Y</u> es	☐ <u>N</u> o
Part 4 – Other information		
Were notes to the financial statements prepared?	101 X <u>Y</u> es	☐ <u>N</u> o
If Yes, complete lines 102 to 107 below:		
Are any values presented at other than cost?	102 <u>Y</u> es	X <u>N</u> o
Has there been a change in accounting policies since the last return?	103 <u>Y</u> es	X <u>N</u> o
Are subsequent events mentioned in the notes?	104 <u>Y</u> es	X <u>N</u> o
Is re-evaluation of asset information mentioned in the notes?	105 <u>Y</u> es	X <u>N</u> o
Is contingent liability mentioned in the notes?		X <u>N</u> o
Is information regarding commitments mentioned in the notes?	407 Van	X <u>N</u> o
Does the corporation have investments in joint venture(s) or partnership(s)?	108 <u>Y</u> es	X <u>N</u> o
If Yes, complete line 109 below:		
Are you filing financial statements of the joint venture(s) or partnership(s)?	109 <u>Y</u> es	<u>N</u> o



MPDC – **Dutton**

Attachment 5 2005 Supporting Documentation

DUTTON HYDRO LIMITED

FINANCIAL STATEMENTS

PREPARED FOR INCOME TAX PURPOSES

YEAR ENDED DECEMBER 31, 2005

NOTICE TO READER

We have compiled the balance sheet of Dutton Hydro Limited as at December 31, 2005 and the statements of operations and deficit for the year then ended from information provided by management. We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Accordingly, readers are cautioned that these statements may not be appropriate for their purposes.

RAVEN & SHAW LLP Chartered Accountants

St. Thomas, Ontario June 7, 2006

DUTTON HYDRO LIMITED

BALANCE SHEET

DECEMBER 31, 2004

	2005	2004
<u>ASSETS</u>		
CURRENT ASSETS Accounts receivable Unbilled revenue Inventories Prepaid expenses Other current assets CAPITAL ASSETS (Note 1)	\$ 76,362 52,435 15,776 9,102 47,358 201,033 212,775 \$ 413,808	\$ 107,380 34,805 15,885 8,944 47,358 214,372 231,710 \$ 446,082
<u>LIABILITIES</u>		
CURRENT LIABILITIES Bank indebtedness Accounts payable and accrued liabilities Due to shareholder Current portion of customer deposits	\$ 8,504 84,976 30,000 4,000	\$ 10,552 85,779 - - 2,000
	127,480	98,331
CUSTOMER DEPOSITS	3,920	10,550
	131,400	108,881
SHAREHOLDER EQUITY		
SHARE CAPITAL (Note 2)	475,885	475,885
DEFICIT	(193,477)	<u>(138,684</u>)
	282,408	337,201
	\$ <u>413,808</u>	\$ <u>446,082</u>

<u>DUTTON HYDRO LIMITED</u>

STATEMENT OF OPERATIONS AND DEFICIT

YEAR ENDED DECEMBER 31, 2005

	2005	2004
SERVICE REVENUE Distribution revenue Other	\$ 820,048 	\$ 724,240 14,426
Total service revenue	832,179	738,666
COST OF POWER Power purchased	<u>704,678</u>	612,853
GROSS MARGIN ON SERVICE REVENUE	127,501	125,813
EXPENSES Plant operations and maintenance Billing and collection Administration Bad debts Amortization of capital assets	53,040 52,889 53,651 574 22,140	29,535 56,404 49,223 1,660 24,538
Total expenses	182,294	161,360
(LOSS) FOR THE YEAR	(54,793)	(35,547)
(DEFICIT), BEGINNING OF YEAR	(138,684)	(103,137)
(DEFICIT), END OF YEAR	\$ <u>(193,477)</u>	\$ <u>(138,684</u>)

DUTTON HYDRO LIMITED

STATEMENT OF CASH FLOWS

DECEMBER 31, 2005

	2005	_2004_
OPERATING ACTIVITIES (Loss) for the year Item not affecting cash: Amortization of capital assets	\$(54,793) <u>22,140</u>	\$(35,547) <u>24,538</u>
	(32,653)	(11,009)
Net changes in non-cash working capital items Net increase (reduction) in non-cash working capital items (Decrease) in customer deposits	12,536 (4,630)	(16,562) <u>(874)</u>
Cash (used in) provided by operating activities	(24,747)	(28,445)
INVESTING ACTIVITIES Purchase of capital assets	(3,205)	(463)
FINANCING ACTIVITIES Advances from (repayment to) shareholder	30,000	(30,000)
NET CASH INFLOW (OUTFLOW)	2,048	(58,908)
CASH POSITION, BEGINNING OF YEAR	(10,552)	48,356
CASH POSITION, END OF YEAR	\$ <u>(8,504)</u>	\$ <u>(10,552</u>)

DUTTON HYDRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2005

1.	CAP	TTAT.	AS	SETS
4.	UAL			

_,			2005		2004
		A	Accumulated	Net Book	Net Book
		Cost	Amortization	Value	Value
	Distribution lines	\$352,795	\$212,414	\$140,381	\$152,290
	Transformers	123,329	81,953	41,376	44,826
	Meters	65,633	39,409	26,224	27,898
	Water heaters	40,614	38,495	2,119	3,535
	Other equipment and tools	37,027	34,352	2,675	3,161
		\$ <u>619,398</u>	\$ <u>406,623</u>	\$ <u>212,775</u>	\$ <u>231,710</u>
2.	SHARE CAPITAL			2005	2004_
	Authorized: Unlimited number of common shapes	nares			
	Issued: 5,315,281 common shares			\$ <u>475,885</u>	\$ <u>485,885</u>



Ministry of Finance Ministry of Revenue

Corporations Tax 33 King Street West PO Box 620 Oshawa ON L1H 8E9 CT23 Corporations Tax and Annual Return

For taxation years commencing after December 31, 2004

Corporations Tax Act - Ministry of Finance (MOF) Corporations Information Act - Ministry of Government Services (MGS)

The Annual Return (common page 1 and MGS Schedule A on pages 18 and 19, and Schedule K on page 20) contains non-tax information collected maintaining a public database of corporate information. This return must be

This form is a combination of the Ministry of Revenue (MOR) CT23 Corporations Tax Return and the Ministry of Government Services (MGS) **Annual Return.** Page 1 is a common page required for both Returns. For tax purposes, depending on which criteria the corporation satisfies, it must under the authority of the Corporations Information Act for the purpose of 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 completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in CT23 Short-Form Return (see page 2). MGS Annual Return Required? (Not required if already filed or Annual Return exempt. Refer to Guide) Yes No Page 1 of 20

				1000
Corporation's Legal Name (including punctuation)			Ontario Corporations Tax Account No. (MOF)
DUTTON HYDRO LIMITED				1800244
				This Return covers the Taxation Year
Mailing address				Start 2005/01/01
199 MAIN STREET				
City	Province	Countr	v Postal code	End 2005/12/31
DUTTON	ON	CA	NOL 1J0	
5011614	OIT		7102 100	
Has the mailing address changed since last filed CT23 Return?	Date of	f Change	year month day	Date of Incorporation or Amalgamation
Registered/Head Office Address				
199 MAIN STREET				2000/03/28
City	Province	Countr	v Postal code	
DUTTON	ON	CA	NOL 1JO	Ontario
				Corporation No. 1390779 (MGS)
				(MGO)
Location of Books and Records				
199 MAIN STREET				Canada Revenue Agency Business No.
City	Province	Countr	v Postal code	
DUTTON	ON	CA	NOL 1JO	871493722RC0001
23.1311				
Name of person to contact regarding this CT23 Return	Telephone N	No.	Fax No.	
KEN LOVELAND	(519) 762-	2204	(519) 762-2278	Jurisdiction Incorporated ONTARIO
				Incorporated UNTARIO
Address of Principal Office in Ontario (Extra-Pro	vincial Corporati	ions only)	(MGS)	If not incorporated in Optorio, indigate the data
				If not incorporated in Ontario, indicate the date Ontario business activity commenced and
Tax				ceased:
City	Province	Countr	y Postal code	
				Commenced
Former Corporation Name (Extra-Provincial Corporation	s only) $\prod \Lambda$	lot Applicab	le (MGS)	Ceased
		77	` '	
				Not Applicable Not
			No. of Cobodulo(a)	Preferred Language / Langue de préférence
Information on Directors/Officers/Administrators	must be comple	eted on MGS	No. of Schedule(s)	X English French
Schedule A or K as appropriate. If additional spa only this schedule may be photocopied. State nu	ice is required fo	or Schedule	A, 0	anglais français
The state of the s		, ,		Ministry Use
If there is no change to the Directors'/Officers'/A submitted to MGS, please check / this box. Scl				
submitted to MGS, please check 🗸 this box. Sci	iedule(s) A and	K are not re	Change	
ELD TONGTON TONGTON SERVICE		Certifica	ation (MGS)	
I certify that all information set out in the A	nnual Return			
Name of Authorized Person		, 50		
KEN LOVELAND				
D 0 P	Other individuals	s having know	ledge	
Title Director Officer	of the Corporation	•	_	
Note: Sections 13 and 14 of the Corporation				misleading statements or omissions.

corporations during the taxation year.

Taxation Year End



Exempt From Filing (EFF) Corporations Tax Return Declaration

		Corporations	ax Heturn Declaration Page 2 of 20
Corporation's Legal Name		Ontario Corporati Account I	
This EFF Declaration must be fil from filing and must be filed with	ed for each taxation year that the hin 6 months after the corporation	corporation is exempt	
a) has filed a federal Income Tax factoring for the taxation year; b) had no Ontario taxable income the provisions in Note 2 below c) had no Ontario Corporations Tad) was a Canadian-controlled privataxation year (i.e. generally a privation of the provision of t	Return (T2) with Canada Revenue for the taxation year (subject to v); x payable for the taxation year;	Tax Act (Canada)); e) has provided its Canada Reve Ministry of Revenue; and f) is not subject to the Corporate of an associated group whose	enue Agency business number to the Minimum Tax (i.e. alone or as part total assets exceed \$5 million or \$10 million for the taxation year).
Note 1: Filing of this declaration and constitute the filing of a Corporations Corporations Tax Act. Note 2: The following loss situations will to file a CT23 tax return complete with a statements: If a corporation has a loss in the curred back and applied to a previous taxation loss is the same as for federal purposes for the current taxation year. The corpor indicating that the loss is to be carried back to earnount of loss to be carried back to earnount of loss to be carried back to earnount of loss to be complete.	the Annual Return does not a Tax Return under section 75 of the require otherwise EFF corporations all related schedules and financial ent taxation year that is to be carried year(s), regardless of whether the sor not, a CT23 tax return is required ration must also provide information each and specify the year and the ch taxation year.	 If a corporation has a prior year of and Ontario purposes and the corporation per year, and if not previously fit taxation year, and if not previously fit taxation year in which the loss was in return for the loss year is not require ministry will accept the filing of a tax is incurred. If a corporation has a prior year loon tario purposes, but in the current different amount of loss for Ontario federal income tax purposes, the coreturn for the current taxation year owhere the Annual Return, 	oss, that is not the same for both federal ration is applying a loss carryforward from CT23 tax return is required for the current led, a CT23 tax return for the prior ncurred is also required. Although a tax and where the loss is not being applied, the return for a loss year at the time the loss ss, that is the same for both federal and taxation year the corporation is applying a than the loss amount being applied for reporation is required to file a CT23 tax
which includes page 1, is also being file 1. Corporation's Mailing Address	ed, completion of these fields is not requ	ired.	
City Province			da Revenue Agency ess No. RC
ī,		declare that:	
	all of the exempt from filing criteria (a tempt from filing an Ontario Corpora		n year and therefore qualifies under
Signature	Title/Relationship to Corporation	Telephone number () -	Date
	statement to avoid compliance wit ce which can result in a penalty a		
To obtain a copy, contact the Mi	following criteria, you are eligible nistry information Centre at the n	umbers listed on page 2 of the (
	is a Canadian-controlled private PC) throughout the taxation year. (nearest whole	January 1, 20	on's taxation year ends on or after 01, and its gross revenue and total assets 00,000 or less and the corporation is not
rights owned by (b) The corporation is \$200,000 or le 51 weeks, taxab	Capital with full voting percentage) Canadian Residents	a financial ins The corporati September 30 assets are ea is not a financ	titution; or on's taxation year commences after on's taxation year commences after on, 2001, and its gross revenue and total ch \$3,000,000 or less and the corporation challinstitution.
	is not a member of a partnership/joint	the Incentive	on is not claiming a tax credit other than Deduction for Small Business (IDSBC). Co-operative Education Tax

Note: Family Farm or Fishing corporations that have a taxation year ending on or after January 1, 2000 and 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.

Credit (CETC), Graduate Transitions Tax Credit

(GTTC) or Apprenticeship Training Tax Credit (ATTC). (f) The corporation's Ontario allocation factor is 100%.

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

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

Type of Co	rporation		This is the first year filing after incorporation or an			
1 1 🗶	Canadian-controlled private (CCPC) all year (Generally a	m	amalgamation (If checked, attach Ontario Schedule 24.)			
	private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))		Amended Return			
2	Other Private		Taxation year end change - Canada Revenue Agency approval required			
3 🔣	Public Public		Final taxation year up to dissolution (<i>Note: for discontinued businesses, see guide.</i>)			
			Final taxation year before amalgamation			
4 🔝	Non-share Capital		The corporation has a floating fiscal year end			
5	Other (specify)		There has been a transfer or receipt of asset(s) involving a corporation having a Canadian permanent establishment outside Ontario			
	re Capital with full voting rights (nearest percent) ed by Canadian Residents		There was an acquisition of control to which subsection 249(4) of the federal <i>Income Tax Act</i> (ITA) applies since the previous taxation year			
2 1	Family Farm corporation s.1(2)		If checked, date control was acquired			
2 🔲	Family Fishing corporation s.1(2)		The corporation was involved in a transaction where all or			
3 🔲	Mortgage Investment corporation s.47		substantially all (90% or more) of the assets of a non-arm's length corporation were received in the taxation year and			
4 🔲	Credit Union s.51		subsection 85(1) or 85(2) of the federal ITA applied to the			
5	Bank Mortgage subsidiary s.61(4)		transaction (If checked, attach Ontario Schedule 44.) First year filing of a parent corporation after winding-up a			
6	Ban <u>k</u> s.1(2)		subsidiary corporation(s) under section 88 of the federal ITA			
7 🔲	Loan and Trust corporation s.61(4)		during the taxation year. (If checked, attach Ontario Schedule 24.)			
8 🔲	Non-resident corporation s.2(2)(a) or (b)		Section 83.1 of the CTA applies (redirection of payments for			
9	\underline{N} on-resident corporation s.2(2)(c)		certain electricity corporations)			
10	Mutual Fund corporation s.48	Yes N	No			
11 📗	Non- <u>r</u> esident owned investment corporation s.49		Was the corporation inactive throughout the taxation year?			
12 🗌	Non-resident <u>s</u> hip or aircraft under reciprocal agreement with Canada s.28(b)		Has the corporation's Federal T2 Return been filed with the Canada Revenue Agency?			
14 🔲	Bare <u>Trustee corporation</u>		Are you requesting a refund due to:			
15	Branch of Non-resident s.63(1)		the Carry-back of a Loss?			
16	Financial institution prescribed by Regulation only		an Overpayment?			
17 📗 18 📗	Investment Dealer Generator of electrical energy for sale or producer of		a Specified Refundable Tax Credit?			
ЮШ	steam for use in the generation of electrical energy for sale		Are you a Member of a Partnership or Joint Venture?			
19 🛭	Hydro successor, municipal electrical utility or subsidiary of either	Ontario	o Retail Sales Tax Vendor Ontario Employer Health Tax no. (Use Head Office no.) Account no. (Use Head Office no.)			
20 🗍	Producer and seller of steam for uses other than for the generation of electricity					
21 🔲	Insurance Exchange s.74.4	Specing	y major business activity			
22 🔲	Farm Feeder Finance Co-operative corporation					
23 🗍	Professional corporation (incorporated professionals only)					

Ontario: DUTTON HYDHO LIMITED Ontario Account # 1800244 Year-end: 2005/12/31 Printed: 2011/10/05 09:09

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 the	at jurisdiction to the	at jurisdiction	(s.39) (Int.B.	3008).			
Net income (loss) for Ontario purpos	es (per reconciliation	on schedule,	page 15)		From	690±	(32,653)
			, ,			1	1
	t of Canada or a pr	ovince and gi	fts of cultural	property (Att	ach schedule 2)	2 -	
				1 1 1		3 -	
			3002B)			4 -	White File 2
	no pinaon concas	o z, y (mass.				_	
	- Non-capital I	08888	7.0		From	_	5 1.1812, 1 L N 50
Capitali. 1 Hor years 100000 applied	rion capital is		715	inclusio		2500000	
Ne	et capital losses (pa					714-	
Subtract: Charitable donations Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule 2) Subtract: Taxable dividends deductible, per federal Schedule 3 Subtract: Ontario political contributions (Attach schedule 2A) (Int.B. 3002R) Subtract: Federal Part VI.1 tax X3 Subtract: Prior years' losses applied - Non-capital losses From 715 From 715 Net capital losses (page 16) From 724 Restricted farm losses From 734 Limited partnership losses From 754							
		S			From	734 -	
						_	(32,653)
		tion for feder	al purposes	11	# PASSE STRUCTURE	u ·	
			ш, рапросос			100	
-	i i o io riogalivo, ori	itel 117	Mum				
raxable income							
From 10 (or 20)	X 30 100	0.0000 % X	12.5% X 33 _	÷	73 365 =	29 ₊	
From 10 (or 20)	The second secon		14.0% X 34 _	365_ ÷	73 <u>365</u> =	32 +	
Income Tax Payable (before deduc	tion of tax credits)	29 + 32				40 =	
Business Deduction had the provi	isions of fed.s.125						
				50			
for foreign tax credit (fed.s.125(1)(b))	51 <u>+</u>					
Add: Losses of other years deducted	t						
		52 <u>+</u>					
deducted for Ontario purposes (s.34)	53					
				> 54			
		7.7.7.7. (CO.) (CO.) (CO.) (CO.)		000000			
before the application of fed.s.125(5	.1)	55+	300,0	000			
Days after Dec. 31, 2002 and before Jan, 1, 2004 320,000 X 31 ÷** 365 Days after Dec. 31, 2003	=+ 46						
	=+ 4740		Business limit (Schedule 23). I	(from T2 Enter 100%			
	- 44 40				400,000		
ioi Ontano parposes 40 + 47	40	70,000 X 40	100.0000	_/0 = 40	100,000		
Income eligible for the IDSBC			100.0000	cation Le	ast of 50 , 54 or 45	60 =	
* Note: Modified by s.41(6) and (7) for co	prporations that are me	embers of a pa	rtnership. (Ref	er to Guide.)			
** Note: Adjust accordingly for a floating	taxation year and use	366 for a leap	year.				

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

Income Tax continued from Page 4

Number of Da	vs in	Taxation	Year
--------------	-------	----------	------

Claim		From 60	X	Fror	n 78 _	8.5000 %	1	7	0 =	
IDSBC Rate for Taxation Year	89 + 90							7	B =	8.5000
		8.5% X 34			73		65 =	- 9	0 +	8.5000
		1.070 X 01	Days after Dec. 31, 2003			Total Davs				
Calculation of IDSBC Rate		7.0% X 31		÷	73	3	65 =	= 8	9 +	
			Days after Dec. 31, 2002 and before Jan. 1, 2004			Total Days				

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

Surtax on Canadian-controlled Private Corporations (s.41.1)

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

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

* Taxable Income of the corporation		From	10 (or 20 if applicable)) 80 +
If you are a member of an associated group (✔	/) 81 (<u>Y</u> es)		7,2	-
Name of associated corporation (Canadian & fore	Ontario Corporations Ta Account No. (MOF) (if applicable)	+	* Taxable Income (if loss, enter nil) 82 83 84	
Aggregate Taxable Income 80 + 82 + 83 + 84, et				85
Number of days in Ta	axation Year			
Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days			
320,000 X 31÷ Days after Dec. 31, 2003	73 365 Total Days	_= 115 <u>+</u>		
400,000 X 34 <u>365</u> ÷			0,000 0,000 •	114 - 400,000
(If negative, enter nil)	115+	116 = 400	7,000	86 =
		Number of Days Days after Dec. 31, 2002	in Taxation Year Total Days	
Calculation of Specified Rate for Surtax	4.667% X 3	38 365 ÷	73 365	= 97 + 4.6670
From 86 X From 9				87 =
From 87 X From 6				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

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.

Business income is \$250,000 of less.	
Eligible Canadian Profits	120+
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) From	n 56 -
Add: Adjustment for Surtax on Canadian-controlled private corporations From 100 ÷ From 30100.0000_% ÷ From 788.5000_ % = 121 *Ontario Allocation	_
Lesser of 56 or 121	122+
120 - 56 + 122	130=
Taxable income From	n 10 + (32,653)
	n 56 -
	n 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	- 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 = *Ontario Allocation*	156_+
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)	

Credit for Investment in Small Business Development Corporations (SBDC)

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

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. 191+ Eligible Credit from 5620 OITC Claim Form (Attach original Claim Form) Co-operative Education Tax Credit (CETC) (s.43.4) Applies to employment of eligible students. Eligible Credit from 5798 CT23 Schedule 113 (Attach Schedule 113) 192 +Ontario Film & Television Tax Credit (OFTTC) (s.43.5) Applies to qualifying Ontario labour expenditures for Name of Production eligible Canadian content film and television productions. 204 Eligible Credit from 5850 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) (Attach the original Certificate of Eligibility) 193 +Graduate Transitions Tax Credit (GTTC) (s.43.6) No. of Graduates From 6596 Applies to employment of eligible unemployed post secondary graduates, for employment 194 commencing prior to July 6, 2004 and expenditures incurred prior to January 1, 2005. Eligible Credit from 6598 CT23 Schedule 115 (Attach Schedule 115) 195 +Ontario Book Publishing Tax Credit (OBPTC) (s.43.7) Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors. Eligible Credit from 6900 OBPTC Claim Form (Attach both the original Claim Form and the Certificate of Eligibility) 196+ Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8) Applies to labour relating to computer animation and special effects on an eligible production. Eligible Credit from 6700 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) (Attach the original Certificate of Eligibility) 197+ Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9) Applies to qualifying R&D expenditures under an eligible research institute contract. Eligible Credit from 7100 OBRITC Claim Form (Attach original Claim Form) Ontario Production Services Tax Credit (OPSTC) (s.43.10) Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed. Eligible Credit from 7300 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) (Attach the original Certificate of Eligibility) 199+ Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11) Applies to qualifying labour expenditures of eligible products for the taxation year. Eligible Credit from 7400 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) (Attach the original Certificate of Eligibility) 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) Apprenticeship Training Tax Credit (ATTC) (s.43.13) No. of Apprentices From 5896 Applies to employment of eligible apprentices. 202 Eligible Credit from 5898 CT23 Schedule 114 (Attach Schedule 114) 203+ Total Specified Tax Credits 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 203 220= 225= Specified Tax Credits Applied to reduce Income Tax

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

Income Tax 190 - 225 OR Enter NIL if reporting Non-Capital Loss (amount cannot be negative)

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.

230=

CT23 Page 8 of 20

Corporate Minimum Tax (CMT)

Total As	ssets of the corporation			240+	413,808		
	evenue of the corporation				,-,	241+	832,179
The abo	ove amounts include the corporation's a	nd associated corp	oorations' share of a	ny partnersh	ip(s) / joint ven	ture(s) total a	assets and total
If you a	re a member of an associated group	(✓) 242 (Yes)					
Name of foreign)	f associated corporation (Canadian &	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Total A	ssets	Total F	Revenue
			+	243		244	
			+	245	-	246	
			+	247		+ 248	
Aggrega	ate Total Assets 240 + 243 + 245 + 247	, etc.	<u> </u>	249=	413,808		
Aggrega	ate Total Revenue 241 + 244 + 246 + 2 4	18, etc.				250=	832,179
Applies Short To corporate than 51 Associa year end If CMT is Calcula Gross C Subtract Subtract Net CM	Ated Corporation - The total assets or toding on or before the date of the claiming applicable to current taxation year, contion: CMT (Attach Schedule 101.) CMT Payable - CMT Base From Schedule to the Foreign Tax Credit for CMT purposes to the Income Tax T Payable (if negative, enter Nil on page)	determining total reprinciples of a second revenue of assection in the second reprinciples of a second reprinciple of a second	evenue where the ta e(s) of which the cor sociated corporation tation year end. Iculation: CMT below X From e, enter zero	exation year reporation or a sis the total ow and Corp 30100.0	of the corporations of the corporation of the corpo	276 =	the taxation
	less than zero and you do not have a C	•		Page 7 to I	ncome Tax Su	ımmary, on I	² age 17.
If 280 is	less than zero and you have a CMT cre greater than or equal to zero, transfer 2 edit Carryovers.		•	ge 17, and to	o Part 4 of Sch	nedule 101: (Continuity of
CMT Cr	edit Carryover available From Sche	dule 101			From	2333	Victoria de
Applica	ation of CMT Credit Carryovers						
Α.	Income Tax (before deduction of spe Gross CMT Payable Subtract: Foreign Tax Credit for CMT	Fr purposes Fr	om 276+ om 277-		Froi	m_190_+	
	If 276 - 277 is negative, enter NIL in Income Tax eligible for CMT Credi		=			290 - 300 =	
В.	Income Tax (after deduction of speci				F	m 230 +	
. ,	INCOME TAX TABLET DEDUCTION OF SDECI	nea creatis)			rrol	III 230+	

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.

Subtract: CMT credit used to reduce income taxes

Income Tax

310-

320=

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

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

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

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

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

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital. Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

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

Paid-up Capital		
Paid-up capital stock (Int.B. 3012R and 3015R)	350 <u>+</u>	475,885
Retained earnings (if deficit, deduct) (Int.B. 3012R)	351 ±	(193,477
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 <u>+</u>	
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017R)	362 +	
Subtotal	370_=	282,408
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 =	282,408
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015R)	381	
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	382-	0. 836 80.
Net Paid-up Capital	390=	282,408
an all arbital	-	

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

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

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to tax	kation
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 20 Total Assets (Int.B. 3015R) Total Assets per balance sheet 420 + 413,808 421+ Mortgages or other liabilities deducted from assets 422+ Share of partnership(s)/joint venture(s) total assets (Attach schedule) 423 -Subtract: Investment in partnership(s)/joint venture(s) 413,808 430 = Total Assets as adjusted 440+ Amounts in 360 and 361 (if deducted from assets) 441 -Subtract: Amounts in 371, 372 and 381 442 -Subtract: Appraisal surplus if booked 443± Add or Subtract: Other adjustments (specify on an attached schedule) 413,808 **Total Assets** 450= Investment Allowance (410 ÷ 450) × 390 Not to exceed 410 460= Taxable Capital 390 - 460 470 = 282,408 Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue) 832,179 Gross Revenue of the corporation Corporation's Share of partnership(s)/joint venture(s) Gross Revenue (Attach schedule) 832,179 480 Aggregate of Gross Revenue 832,179 Total Assets (as adjusted) From 430 413,808

Calculation of Capital Tax for all Corporations except Financial Institutions

Note: This version (2007) of the CT23 may only be used for a taxation year that commenced after December 31, 2004. Financial Institutions use calculations on page 13.

Important:

If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial

Institution, complete only Section A below.

OR

If the corporation is **not** a member of an associated group and/or partnership, complete Section B below, then review only the Capital Tax calculations in Section C on page 11, selecting and completing the one specific subsection (e.g. C3) that applies to the corporation.

OR

If the corporation is a member of an associated group and/or partnership, complete Section B below and Section D on page 11, and if applicable, complete Section E or Section F on page 12. Note: if the corporation is a member of a connected partnership, please refer to the CT23 Guide for additional instructions before completing the Capital Tax section.

SECTION A

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

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

Calculation of Taxable Capital D	eduction (TCD)	Number of Days	in Ta			
		Days after Dec. 31, 2004 and before Jan. 1, 2006		Total Days		
_	7,500,000 X	36 365 ÷ Days after Dec. 31, 2005 and before Jan. 1, 2007	73_	365 Total Days	= 501 +	7,500,000
_	10,000,000 X	Days after Dec. 31, 2006 and before Jan. 1, 2008	73_	365 Total Days	= 502 <u>+</u>	
=	12,500,000 X	38 ÷ Days after Dec. 31, 2007	73_	365 Total Days	= 504+	
	15,000,000 X	39 ÷	73_	365	= 505+	
_	Taxable Capit	tal Deduction (TCD)	501	+ 502 + 504 + 505	503 =	7,500.000

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

Calculation of Capital Tax Rate

	Number of Da Days before Jan. 1, 20		ition Year		
0.3 %	X 556 365 Days after Dec. 31, 20 and before Jan. 1, 200	06 To	365 tal Days	= 511	0.3000_%
0.285 %	No. of the contract of the con	÷ 73	365	= 512	%
Capital Tax Rate	511 + 51 2			= 516	0.3000 %

continued on Page 11

12 and complete the return from that point.

Capital Tax Calculation continued from Page 10

•		_			
SECTION C		AUA TY AT			
This section applies if the co	rporation is not a member o	f an associated g	group and/or pa	artnership.	
C1. If 430 and 480 on page	10 are both \$3,000,000 or le	ess, enter NIL in	550 on page 1	2 and complete the return	from that point.
C2. If Taxable Capital in 470	is equal to or less than t h	ne TCD in 503, er	nter NIL in 550	on page 12 and complete	e the return from that point.
c3. If Taxable Capital in 470 page 12, and complete	exceeds the TCD in 503, the return from that point.	complete the follo	owing calculation	on and transfer the amou	nt from 523 to 543 on
+ From 470 - From 503			Da	ays in taxation year	
= 471	x From 30 Ontario All		16 <u>0.3000</u> % x Capital Tax <i>Rate</i>	365 (366 if leap year) If floating taxation year, refer to Guide.	= 523 + Transfer to 543 on page 12 and complete the return from that point
SECTION D				THOUSAND SYNAMO	
This section applies ONLY to exempt from Capital Tax) and Capital Tax calculation under	d/or partnership. You must	check either 509			

D2. 524 (✓ if applicable)

509 (✓ if applicable)

One or more of the corporations that you are associated with maintains a permanent establishment in

All corporations that you are associated with do not have a permanent establishment in Canada.

amount in 542 in Section E, and complete Section E and the return from that point.

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.

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

If Taxable Capital 470 on page 10 exceeds the TCD 503 on page 10, proceed to Section E, enter the TCD

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.

D2. Calculation is on next page

continued on Page 12

Capital Tax Calculation continued from Page 11

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D2. Calculation Do no Taxable Capital from 470	t complete this calculation if ss.69(2.1) on page 10	election is filed	Froi	m 470 +
Determine aggregate ta	axable capital of an associated group om capital tax) and/or partnership ha			
Names of associated corpo Institutions and corporations having a permanent establis		Ontario Corporations Ta Account No. (MOF) (if applicable)	ax Taxation Year End	Taxable Capital
		(ii applicable)		531
No.		-		532
¥		· ·		533
Aggregate Taxable Capi	tal 470 + 531 + 532 + 533, etc.			540
Enter NIL in 523 i If 540 above is gr	qual to or less than the TCD 503 on pag in section E below, as applicable. reater than the TCD 503 on page 10, the ate its Capital Tax for the taxation year t	e corporation must comput		
From 470	÷ From 540	X From 50	3	541=
			Transfe	er to 542 in Section E below
Ss.69(2.1) Election File ☐ 591 (✓ if applicable)	Election filed. Attach a copy of Proceed to Section F below.	Schedule 591 with this CT	23 Return.	
SECTION E				
Taxable Capital 540 abo	e corporation is a member of an associ eve, exceeds the TCD 503 on page 10.			
Complete the following of	calculation and transfer the amount fron	n 523 to 543 , and complete	the return from that po	oint.
+ From 470			Days in taxation year	Total Capital Tax for the taxation year
- 542 = 471	x From 30 %	x From 516 0.3000 % x 5 5	55	= 523+
- 1	Ontario Allocation	Capital Tax Rate *3	65 (366 if leap year)	Transfer to 543 and complete the return from that point
SECTION F				
This section applies if a +From	corporation is a member of an associat	ed group and the associate	ed group has filed a ss.	69(2.1) election
470	X From 30 % : Ontario Allocation	x From 516 <u>0.3000</u> % Capital Tax Rate		= 561 +
- Capital tax deduction t	from 995 relating to your corporation's	Capital Tax deduction, on	Schedule 591 From	m 995 ₋ 562 ₌
			Days in taxation year	Total Capital tax for the taxation year
Capital Tax	562	X 55	65 (366 if leap year)	= 563 <u>+</u> Transfer to 543 and complete the return from that point
* If floating taxation year	r, refer to Guide.			
			1 5 Kg/m/y to 19	
Capital Tax before appl	ication of specified credits			543=
Subtract: Specified Tax	Credits applied to reduce capital tax pa	yable (Refer to Guide)		546-
Capital Tax 543 - 54	6 (amount cannot be negative)			550 = Transfer to Page 17

Calculation of Capital Tax for Financial Institutions

1.1 (For ta	Credit Unions Only axation years commencing after May 4, 1999 enter NIL in 550 on page 12, and complete the return from that p	point.
	Other than Credit Unions in details of calculations for amounts in boxes 565 and 570. Do not submit with this tax return.) Days in taxation year	
Ta ar in	· ·	569+
P. in D of	x571 % x From 30 % x 555 = Adjusted Taxable Capital Tax Rate(2) Ontario Allocation *365 (366 if leap year) Paid Up Capital (Refer to Guide) A accordance with Division B.1 in excess If Basic Capital Amount	574_+
Capit	tal Tax for Financial Institutions - other than Credit Unions (before Section 2) 569 + 574	575=
* If flo	pating taxation year, refer to Guide.	
	mall Business Investment Tax Credit	
appro	nin details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter oving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not nit with this tax return.)	
Allow	rable Credit for Eligible Investments	585-
Finan	ncial Institutions: Claiming a tax credit for investment in Community Small ness Investment Fund (CSBIF)? (🗸) 🗌 Yes	***************************************
Canit	tal Tax - Financial Institutions 575 - 585	586=
Одри	tar rux - r manoral mistrations or o coo	Transfer to 543 on Page 12
Pre	emium Tax (s.74.2 & 74.3) (Refer to Guide)	
(1)	Uninsured Benefits Arrangements 587 x 2% Applies to Ontario-related uninsured benefits arrangements.	588=
(2)	Unlicensed Insurance (enter premium tax payable in 588 and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in 588 .) Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated Ontario with unlicensed insurers.	
Dedu	uct: Specified Tax Credits applied to reduce premium tax (Refer to Guide)	589-
Prem	nium Tax 588 - 589	590 ≡ Transfer to Page 17
		Tansier to Faye 17

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

Net I	ncome (loss) for federal income tax purposes, per federal T2 Schedule 1		600 <u>±</u>	(32,653)
			Transfer	to Page 15
٩dd:				
	Federal capital cost allowance	601 +		
	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 Year			
	Days after Dec. 31, 2002 and before Jan. 1, 2004 Total Days			
612				
-				
	Days after Dec. 31, 2003 Total Days			
612	X 5/14.0 X 34 <u>365</u> ÷ 73 <u>365</u> = 634 +			
			manuscript of the same of the	
Total		613+		
	eral Scientific Research Expenses claimed in year from line 460 of fed. form T661		3 J. 3 J. 3	
	uding any negative amount in 473 from Ont. CT23 Schedule 161	615+		
	any negative amount in 473 from Ont. CT23 Schedule 161	616+		
	eral allowable business investment loss	620 <u>+</u>		
	of other items not allowed by Ontario but allowed federally (Attach schedule)	614+		
Tota	l of Additions 601 to 611 + 617 + 613 + 615 + 616 + 620 + 614	_ =	640	4- D 45
			I ranstei	to Page 15
Dedi	uet:			
Dear	Ontario capital cost allowance (excludes amounts deducted under 675)	650+	200	
	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+	0.00	
	CCA on assets used to generate electricity from natural gas, alternative or			
	renewable resources.	675+	red to the	
	Subtotal of deductions for this page 650 to 659 + 661 + 675	681		
	Table in the page over to be 1 out 1 out 1	Transfer to P	age 15	
			-	

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

continued from Page 14

t income (loss) for federal income tax purposes, per federal S Total of Additions on page 14	chedule 1		600 <u>±</u> 640=	(32,653)
			040	
Sub Total of deductions on page 14	From	681 =		
Deduct: Ontario New Technology Tax Incentive (ONTTI) Gross-up (Applies only to those corporations whose Ontario allocation i the current taxation year.) Capital Cost Allowance (Ontario) (CCA) on prescribed	s less than 100% in			
qualifying intellectual property deducted in the current taxation year	662	_		
ONTTI Gross-up deduction calculation: From Gross-up of CCA From	260	662		
662 x 100/ 30 100.0000 - From 6		003=		
Workplace Child Care Tax Incentive (WCCT) (Applies to eligible expenditures incurred prior to January 1, 2	From			
Qualifying expenditures: 665 x 30% x 10	00/ 30 100.0000 Ontario Allocatio	666 <u>= </u>		
Workplace Accessibility Tax Incentive (WATI) (Applies to eligible expenditures incurred prior to January 1, 2	2005.) From		-	
Qualifying expenditures: 667 x 100% x 1		668 =		
Number of Employees accommodated 669				
Ontario School Bus Safety Tax Incentive (OSBSTI) (Applies to the eligible acquisition of school buses purchased 2006.) (Refer to Guide)		before January 1,		
Qualifying expenditures: 670 x 30% x 1	From 00/ 30 100.0000 Ontario Allocation	671 <u>=</u>		
Educational Technology Tax Incentive (ETTI) (Applies to eligible expenditures incurred prior to January 1, 2	_ `	v		
Qualifying expenditures: 672x 15% x 1	From 00/ 30 100.0000 Ontario Allocation	673		
Ontario allowable business investment loss		678 <u>+</u>		
Ontario Scientific Research Expenses claimed in year in A Schedule 161	177 from Ont. CT23	679_+		
Amount added to income federally for an amount that was federal form T661, line 454 or 455 (if filed after June 30, 20		_677 <u>+</u>		
Total of other deductions allowed by Ontario (Attach scheen	dule)	_664		
Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 67	9 + 677 + 664		680	7
Net income (loss) for Ontario Purposes 600 + 640	- 680			(32,653
			I ransi	fer to Page 4

Continuity of Losses Carried Forward

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	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) 59,250	710 (2)	720 (2)	730	740	750
Add: Current year's losses (7)	701 32,653	711	721	731	741	751
Losses from predecessor corporations (3)	702	712	722	732		752
Subtotal	703 32,653	713	723	733	743	753
Subtract: Utilized during the year to	704 (2)	715 (2)(4)	724 (2)	734 (2)(4)	744 (4)	754 (4)
reduce taxable income Expired during the year	705		725	735	745	
Carried back to prior years to reduce taxable income (5)		716 (2) To Pg 17	726 (2) To Pg 17	736 (2) To Pg 17	746	
Subtotal	707	717	727	737	747	757
Balance at End of Year	709 (8) 91,903	719	729	739	749	759

Analysis of Balance at End of Year 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 preceding taxation year	817 (9)	860 (9)		850	870
801 8th preceding taxation year	818 (9)	861 (9)		851	871
802 7th preceding taxation year	819 (9)	862 (9)		852	872
803 6th preceding taxation year	820	830	840	853	873
804 5th preceding taxation year 2000/12/31	821	831	841	854	874
805 4th preceding taxation year 2001/12/31	822 12,868	832	842	855	875
806 3rd preceding taxation year 2002/12/31	823 28,669	833	843	856	876
807 2nd preceding taxation year 2003/12/31	824 6,704	834	844	857	877
808 1st preceding taxation year 2004/12/31	825	835	845	858	878
809 Current taxation year 2005/12/31	826 32,653	836	846	859	879
Total	829 91,903	839	849	869	889

Notes:

- (1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- (2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.
- (3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.
- (4) To the extent of applicable gains/income/at-risk amount only.
- (5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.
- (6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.
- (7) Include amount from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.
- (8) Amount in 709 must equal total of 829 + 839.
- (9) Include non-capital losses incurred in taxation years ending after March 22, 2004.

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

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

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

- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
 - 1) the first day of the taxation year after the loss year,
 - 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 L	osses	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
		910	920	930	940
Total amount of los	SS	32,653			
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income. Predecessor Corporation's Taxation Year Tax Account No. (MOF) Ending			921	931	941
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 car	rried back				
Balance of loss available for carry-forward		919 32,653	929	939	949

Summary

Income Tax		From 230 or	320+
Corporate M	inimum Tax	From	280+
Capital Tax		From	550+
Premium Tax	K	From	590+
Total Tax Pa	ayable		950=
Subtract:	Payments		960 -
	Capital Gains	Refund (s.48)	965 -
	Qualifying En	vironmental	
	Trust Tax Cre	edit	
	(Refer to Guid	de)	985-
	Specified Tax	Credits	
	(Refer to Guide)		955 -
Balance			970 =
If payment of	lue	Enclosed *	990
If overpayment: Refund (Refer to Guide)			975=
Apply to		Eleka Balina	980
			(Includes credit interest)

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

Certification

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

Name		
KEN LOVELAND		
Title		
SECRETARY		
Full Residence Address		
199 MAIN STREET		
City		
DUTTON		
Province	Country	Postal Code
ON	CA	NOL 1J0
Signature	11/	Date
l "		2011/10/05

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	(32,653)
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"	(32,653)
Deduct: (increase a loss)	\ _ ``
ITA Section 110.5 and/or subparagraph 115(1)(a)(vii) - Addition for foreign tax deductions	
Subtotal	(32,653)
Add: (decrease a loss) Current-year farm loss	
Current-year non-capital loss (if positive, enter "0")	(32,653)

Continuity of non-capital losses and reque	est for a car	rryback —		
Non-capital loss at end of preceding taxation year		59,250		
Deduct: Non-capital loss expired				
Non-capital losses at beginning of taxation year		59,250		
Add: Non-capital losses transferred on an amalgamation or				
the wind-up of a subsidiary corporation				
Current-year non-capital loss (from calculation above)		32,653		91,903
Deduct:				
Amount applied against taxable income (enter on line 704 of the CT23)				
Section 80 - adjustments for forgiven amounts				
Other adjustments				
	17	Subtotal	-	91,903
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			3	
Non-capital losses - Closing balance			=	91,903

Part 2 - Capital Iosses

	ontinuity of capital losses and request for a ca	•	Gross amount
Capital losses at end of preceding to	axation year		
Capital losses transferred on an am-	algamation or the windup of a subsidiary corporation		
Deduct:			
Other adjustments			
Section 80 adjustments for forgive	en amounts		
		Subtotal	=
Add:			
Current-year capital loss			+
Allowable business investment lo	ess expired as a non-capital loss	/	+
		Subtotal	=
Deduct:			
Amount applied against current y	ear capital gain		-
		Subtotal	=
Deduct - Request to carry back ca	anital loss to		
	Loss applied Inclusion rate Total		
Doddor Troquest to surry business	LUSS applied iliciusion rate rotal		
	÷ 50.0000 % =		
First preceding taxation year			
First preceding taxation year Second preceding taxation year	÷ 50.0000 % =	_	
First preceding taxation year Second preceding taxation year Third preceding taxation year	÷ 50.0000 % = 50.0000 % =	_	

OS4 Schedule 4

Ontario loss continuity

Part 3 - Farm loss

Continuity of farm losses and request for a c	carryback ———	
arm 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 transfered on an amalgamation or the windup of a subsidiary corporation	+	
Current-year farm loss	+	
out only your rain 1990	·	
Deduct:		
Amount applied against taxable income (enter on line 724 of the CT23)		
Section 80 - Adjustments for forgiven amounts		
Other adjustments		
Other adjustments		-
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		
Third preceding taxation year to reduce taxable income		<u>:=:</u>
Farm losses - Closing balance		
rami losses - Closing balance		
Current-year restricted farm loss Total losses for the year from farming business Minus the deductible farm loss: \$2,500 plus B or C, whichever is less (Amount A above – \$2,500) divided by 2 Maximum Deductible farm loss		A
		
Current-year restricted farm loss		
Continuity of restricted farm losses and request	for a carryback 💳	
Restricted farm losses at end of preceding taxation year		Y .
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	N	
Deduct: Amount applied against taxable income (enter on line 734 of the CT23)		
Section 80 – Adjustments for forgiven amounts		
Other adjustments		
		iii
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		
Restricted farm losses - Closing balance		<u> </u>

OS4 Schedule 4

Ontario loss continuity

Part 5 - Listed personal property loss

Continuity of listed personal property loss and request for a carryback _isted 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	
Subtotal	
Deduct:	·
Amount applied against listed personal property gain	90
Other adjustments	÷
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	·
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	12,868			
2002/12/31	28,669			
03/12/31	6,704			
LU04/12/31	11,009			
2005/12/31	32,653			
Total	91,903			

^{*} 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

	Part 7 - Continuity of	minited partite	2111h 102262			
	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
Ī	•	To	tal (enter this amount o	n line 754 of the CT23)		



Corporation's Legal Name

Ministry of Finance

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

Ontario Capital Cos llowance Schedule 8

Ontario Corporations Tax Account No. (MOF)

ONTARIO CAPITAL COST ALLOWANCE

	N HYDRO LIMI	TED						-	1800244		2005/	12/31
Is the co	orporation electi	ng under regulat	tion 1101(5q)?	101 1 <u>Y</u> es	2 <u>N</u> o X							
1 Class number	2 Ontario undepreciated capital cost at the beginning of the year	3 Cost of acquisitions during the the year See note 1 below	4 Net adjustments	5 Proceeds of dispositions during the year	6 Ontario undepreciated capital cost (col 2 + 3 or col 2 - 4 - 5)	7 50% rule See note 2 below	8 Reduced undepreciated capital cost (col 6 - 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (col 8 x 9 or a lower amount)	undepreciated capital cost at the end of the year (col 6 - 12)
1	303,217	2,820			306,037	1,410	304,627	4				306,037
6	19,530				19,530		19,530	10				19,530
8	4,297				4,682	193	4,489	20				4,682
10	2,125				2,125		2,125	30				2,125
						1		Totals				

Enter in box 650 on the CT23

Taxation Year End

- 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.

Agence du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

Schedule 200

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

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing.

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.

)55	Do not use this area	

	ee www.cra.gc.ca or th	e T2 Corporation – Inco	ome Tax Guide (T	4012).				
Identification								
Business number (B		87149 3722 RC 0001			(200	-		
Corporation's name					(LOC	22	/	
002 DUTTON HYDRO	J LIMITED							
Has the corporation c	hanged its name since		If Yes. do	vou h	ave a copy of			
the last time you filed		03 <u>Y</u> es			mendment?	004	<u>Y</u> es	<u></u> №0
1	,		(Do Not S			٠٠. ا		□ ☆
Address of head office	20				y es this return apply	.0		
Has this address chan			From 060 20				005/40	/0.4
time you filed your T2	return?	10	_				005/12	
(If yes , complete lines		IO Tes MIO			uisition of control to			_ ` '
011 199 MAIN STREE			applies since the	e previ	ous tax year?	063	∫ <u>Y</u> es	<u>X</u> <u>N</u> o
012			If you provide th	ho data	control was secular	-4005		
City	Drov	inas tarritari ar atata	ii yes , provide ti	ne date	e control was acquire	ea voo _		
015 DUTTON		vince, territory, or state						
Country (other tha	016 ON	tal anda/7in anda			1 a deemed tax			
	•	tal code/Zip code		cordan	ce with subsectior		-	_
017	018 NOL	. 100	249(3.1) ?			066	<u>Y</u> es	<u>N</u> o
Mailing address (if did	fferent from head office	address)						
Has this address chan	ged since the last time	you filed your T2	Is the corporati	ion a r	rofessional corpo	ation th	nat le a	member o
return?		Yes	a partnership?		noiessional corpor		Yes	No No
(If yes, complete lines		T00 170	a partnership:			001	1769	N INO
021 c/o	02 1 10 020)		Is this the first	vear o	f filing after:			
022 199 MAIN STREE	=T		Incorporation		3	070	Yes	X No
023		-	Amalgamatio			071	Yes	X <u>N</u> o X <u>N</u> o
City	Prov	vince, territory, or state	_		030 to 038 and attac	_	_	
025 DUTTON	026 ON	nince, territory, or state	ii yes, complete	iiiies (300 to 000 and allac	II Scriet	Jule 24.	
Country (other tha		tal code/Zip code	Has there been	a win	d-up of a subsidiar	v undo	r contin	n 00
027		1 In	during the curr			072		<u>⊠ N</u> o
U21	020 1100	. 100			tach Schedule 24.	012	1 Te2	<u> </u>
Location of books an	nd records		ii yee, complete	u u				
Has the location of boo	oks and records change	ed since	Is this the final	tax ve	ar			
the last time you filed y	your T2 return? 0	30 <u>Y</u> es	before amalgar	nation	?	076	Yes	X <u>N</u> o
(If yes, complete lines			g			U. U.	1 -00	<u> </u>
031 199 MAIN STREE			Is this the final	return	up to			
032			dissolution?		•	078	Yes	
City	Prov	vince, territory, or state						
035 DUTTON	036 ON	,,, 0, 0,0,0	Is the corporati	ion a r	esident			
Country (other tha		tal code/Zip code	of Canada?			080 X	Yes	<u></u> №o
037	038 NOL		If no , give the co	ountry	of residence on line			
					attach Schedule 97	081		
040 Type of corpora	ition at the end of the	tax year						
1 X Canadian-control		oration controlled by			orporation claiming	J		
private corpora		oublic corporation	an exemption u	ınder a	an income tax		1	
2 Other private		r corporation	treaty?			082	<u> Y</u> es	<u>X</u> <u>N</u> o
corporation		ecify, below)	It yes, complete	and at	tach Schedule 91.			
☐ 3 ☐ Public corporatio	n		If the corporation	on is e	xempt from tax un	der sec	tion 14	9. tick
If the type of corporation	on changed	,	one of the follo					, -
during the tax year, pro					t under paragraph 1	49(1)(e)	or (I)	
effective date of the ch					t under paragraph 1		(.)	
onective date of the Cl	iange 043				t under paragraph 1			
					under other paragr		section	149
		Do not us	e this area		1 -5			
091	092	093	094		095	096		
100						1000		

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		
	george .	Schedule
Is the corporation related to any other corporations?	150	9
Is the corporation an associated CCPC?	160	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161	49
Does the corporation have any non-resident shareholders?	_151	19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or		
employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions		
with non-residents	_162	11
If you answered Yes to the above question, and the transaction was between corporations not dealing at arm's		
length, were all or substantially all of the assets of the transferor disposed of to the transferee?	_163	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	_164	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165	15
Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	_166	T5004
ls the corporation a member of a partnership for which a partnership identification number has been assigned?	_167	T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not		
deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168	22
Did the corporation have any foreign affiliates during the year?	169	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of		
the federal Income Tax Regulations?	170	29
Has the corporation had any non-arm's length transactions with a non-resident?	171	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the	_	
corporation's common and/or preferred shares?	173 X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan		
arrangement during the year?	172	
Is the net income/loss shown on the financial statements different from the net income/loss for income tax		
purposes?	201 X	7
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory;	_	
gifts of cultural or ecological property; or gifts of medicine?	202	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203	3
Is the corporation claiming any type of losses?	204 X	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in		_
more than one jurisdiction?	205	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206	6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than		Ū
dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal		
services business; or		
ii) is the corporation claiming the refundable portion of Part I tax?	207	7
Does the corporation have any property that is eligible for capital cost allowance?	208 X	8
Does the corporation have any property that is eligible capital property?	210	10
Does the corporation have any resource-related deductions?	212	12
Is the corporation claiming reserves of any kind?	213	13
Is the corporation claiming a patronage dividend deduction?	216	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional		10
deduction?	217	17
is the corporation an investment corporation or a mutual fund corporation?	218	18
Was the corporation carrying on business in Canada as a non-resident corporation?	220	20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax	_220_	20
credits?	221	01
Does the corporation have any Canadian manufacturing and processing profits?	227	21
Is the corporation claiming an investment tax credit?	_	27
	231	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	_232	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	233	22222
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	234	
Is the corporation claiming a surtax credit?	237	37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238	38
Is the corporation claiming a Part I tax credit?	242	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on		
dividends paid?	243	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244	45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	_249	46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or		
more members subject to gross Part VI tax?	250	39
Is the corporation claiming a Canadian film or video production tax credit refund?	253	T1131
Is the corporation claiming a film or video production services tax credit refund?	_254	T1177
Is the corporation subject to Part XIII.1 tax?	255	92 *
* We do not n	rint this	cchodula

B. L.				
B			Y	es Schedule
I Did the d	corporation have any foreign affiliates that are not controlled foreign aff	iliates?	256	T1134-A
	corporation have any controlled foreign affiliates?	ates.	258	T1134-B
Did the o	corporation own specified foreign property in the year with a cost amou	nt over \$100,000?	259	T1135
	corporation transfer or loan property to a non-resident trust?		260	T1141
	corporation receive a distribution from or was it indebted to a non-resid		261	T1142
	corporation entered into an agreement to allocate assistance for SR&E		262	T1145
	corporation entered into an agreement to transfer qualified expenditure D contracts?	es incurred in respect	263	T1146
	corporation entered into an agreement with other associated corporation	ons for salary or wages of	203] 11140
specified	l employees for SR&ED?	one recommand or magger or	264	T1174
	corporation pay taxable dividends (other than capital gains dividends) in	the tax year?	265	-
	corporation made an election under subsection 89(11) not to be a CCF		266	_
	corporation revoked any previous election made under subsection 89(267	
				T2002
income r	corporation (CCPC or deposit insurance corporation (DIC)) pay eligible bool (GRIP) change in the tax year?	dividends, or did its general rati	e 268	53
		- (206_] 55
change i	corporation (other than a CCPC or DIC) pay eligible dividends, or did its n the tax year?	s low rate income pool (LRIP)	269	54
Change	ii lile tax year:		209] 54
- Addi	tional information			
	rporation inactive?	2	80 1 Yes 🗍	2 No X
	major business activity changed since the last return was filed?			_
(enter ye	s for first-time filers)	2	81 1 Yes 🗌	2 No 🛚
	the corporation's major business activity? 282			
(Only co	mplete if yes was entered at line 281.)			
If the ma	jor business activity involves the resale of goods, show whether it is wi	holesale or retail 283 1 W	/holesale	2 Retail 🗍
				_
	the principal product(s) mined, manufactured, nstructed, or services provided, giving the 286	STRIBUTION	285100.0 287	000_% %
	nate percentage of the total revenue that each		289	— %
	or service represents.		209	
	corporation immigrate to Canada during the tax year?	2	91 1 Yes 🗌	2 No 🛚
Did the c	corporation emigrate from Canada during the tax year?	29	92 1 Yes	2 No 🛛
- Toyo				
	hla inaama		- 	
Net IIICO	ble income	anto ar CIFI	200	
	me or (loss) for income tax purposes from Schedule 1, financial statem		300	(32,653) A
	me or (loss) for income tax purposes from Schedule 1, financial statem Charitable donations from Schedule 2	311	300	
	me or (loss) for income tax purposes from Schedule 1, financial statem Charitable donations from Schedule 2 Gifts to Canada, a province, or a territory from Schedule 2	311 312	300	
	me or (loss) for income tax purposes from Schedule 1, financial statem Charitable donations from Schedule 2 Gifts to Canada, a province, or a territory from Schedule 2 Cultural gifts from Schedule 2	311 312 313	300	
	me or (loss) for income tax purposes from Schedule 1, financial statem. Charitable donations from Schedule 2. Gifts to Canada, a province, or a territory from Schedule 2. Cultural gifts from Schedule 2. Ecological gifts from Schedule 2.	311 312 313 314	300	
	me or (loss) for income tax purposes from Schedule 1, financial statem Charitable donations from Schedule 2 Gifts to Canada, a province, or a territory from Schedule 2 Cultural gifts from Schedule 2 Ecological gifts from Schedule 2 Gifts of medicine from Schedule 2	311 312 313 314 315	300	
	Charitable donations from Schedule 2 Gifts to Canada, a province, or a territory from Schedule 2 Cultural gifts from Schedule 2 Ecological gifts from Schedule 2 Gifts of medicine from Schedule 2 Taxable dividends deductible under section 112 or 113, or subsection	311 312 313 314 315	300	
	Charitable donations from Schedule 2 Gifts to Canada, a province, or a territory from Schedule 2 Cultural gifts from Schedule 2 Ecological gifts from Schedule 2 Gifts of medicine from Schedule 2 Taxable dividends deductible under section 112 or 113, or subsectior 138(6) from Schedule 3	311 312 313 314 315	300	
	Charitable donations from Schedule 2 Gifts to Canada, a province, or a territory from Schedule 2 Cultural gifts from Schedule 2 Ecological gifts from Schedule 2 Gifts of medicine from Schedule 2 Taxable dividends deductible under section 112 or 113, or subsectior 138(6) from Schedule 3 Part VI.1 tax deduction *	311 312 313 314 315 320 325	300	
	Charitable donations from Schedule 2 Gifts to Canada, a province, or a territory from Schedule 2 Cultural gifts from Schedule 2 Ecological gifts from Schedule 2 Gifts of medicine from Schedule 2 Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 Part VI.1 tax deduction * Non-capital losses of previous tax years from Schedule 4	311 312 313 314 315 320 325 331	300	
	Charitable donations from Schedule 2 Gifts to Canada, a province, or a territory from Schedule 2 Cultural gifts from Schedule 2 Ecological gifts from Schedule 2 Gifts of medicine from Schedule 2 Taxable dividends deductible under section 112 or 113, or subsectior 138(6) from Schedule 3 Part VI.1 tax deduction * Non-capital losses of previous tax years from Schedule 4 Net capital losses of previous tax years from Schedule 4	311 312 313 314 315 320 325 331 332	300	
	Charitable donations from Schedule 2 Gifts to Canada, a province, or a territory from Schedule 2 Cultural gifts from Schedule 2 Ecological gifts from Schedule 2 Gifts of medicine from Schedule 2 Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 Part VI.1 tax deduction * Non-capital losses of previous tax years from Schedule 4 Restricted farm losses of previous tax years from Schedule 4	311 312 313 314 315 320 325 331 332 333	300	
	Charitable donations from Schedule 2 Gifts to Canada, a province, or a territory from Schedule 2 Cultural gifts from Schedule 2 Ecological gifts from Schedule 2 Gifts of medicine from Schedule 2 Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 Part VI.1 tax deduction * Non-capital losses of previous tax years from Schedule 4 Restricted farm losses of previous tax years from Schedule 4 Farm losses of previous tax years from Schedule 4	311 312 313 314 315 320 325 331 332	300	
	Charitable donations from Schedule 2 Gifts to Canada, a province, or a territory from Schedule 2 Cultural gifts from Schedule 2 Ecological gifts from Schedule 2 Gifts of medicine from Schedule 2 Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 Part VI.1 tax deduction * Non-capital losses of previous tax years from Schedule 4 Restricted farm losses of previous tax years from Schedule 4	311 312 313 314 315 320 325 331 332 333	300	
	Charitable donations from Schedule 2 Gifts to Canada, a province, or a territory from Schedule 2 Cultural gifts from Schedule 2 Ecological gifts from Schedule 2 Gifts of medicine from Schedule 2 Gifts of medicine from Schedule 2 Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 Part VI.1 tax deduction * Non-capital losses of previous tax years from Schedule 4 Net capital losses of previous tax years from Schedule 4 Restricted farm losses of previous tax years from Schedule 4 Farm losses of previous tax years from Schedule 4 Limited partnership losses of previous tax years from	311 312 313 314 315 320 325 331 332 333 334	300	
	Charitable donations from Schedule 2 Gifts to Canada, a province, or a territory from Schedule 2 Cultural gifts from Schedule 2 Ecological gifts from Schedule 2 Gifts of medicine from Schedule 2 Gifts of medicine from Schedule 2 Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 Part VI.1 tax deduction * Non-capital losses of previous tax years from Schedule 4 Net capital losses of previous tax years from Schedule 4 Restricted farm losses of previous tax years from Schedule 4 Farm losses of previous tax years from Schedule 4 Limited partnership losses of previous tax years from Schedule 4 Taxable capital gains or taxable dividends allocated from a central credit union	311 312 313 314 315 320 325 331 332 333 334	300	
	Charitable donations from Schedule 2 Gifts to Canada, a province, or a territory from Schedule 2 Cultural gifts from Schedule 2 Ecological gifts from Schedule 2 Gifts of medicine from Schedule 2 Gifts of medicine from Schedule 2 Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 Part VI.1 tax deduction * Non-capital losses of previous tax years from Schedule 4 Net capital losses of previous tax years from Schedule 4 Restricted farm losses of previous tax years from Schedule 4 Farm losses of previous tax years from Schedule 4 Limited partnership losses of previous tax years from Schedule 4 Taxable capital gains or taxable dividends allocated from a central credit union Prospector's and grubstaker's shares	311 312 313 314 315 320 325 331 332 333 334 335 340 350	300	
	Charitable donations from Schedule 2 Gifts to Canada, a province, or a territory from Schedule 2 Cultural gifts from Schedule 2 Ecological gifts from Schedule 2 Gifts of medicine from Schedule 2 Gifts of medicine from Schedule 2 Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 Part VI.1 tax deduction * Non-capital losses of previous tax years from Schedule 4 Net capital losses of previous tax years from Schedule 4 Restricted farm losses of previous tax years from Schedule 4 Farm losses of previous tax years from Schedule 4 Limited partnership losses of previous tax years from Schedule 4 Taxable capital gains or taxable dividends allocated from a central credit union Prospector's and grubstaker's shares Sub	311 312 313 314 315 320 325 331 332 333 334 335 340 350	300	
	Charitable donations from Schedule 2 Gifts to Canada, a province, or a territory from Schedule 2 Cultural gifts from Schedule 2 Ecological gifts from Schedule 2 Gifts of medicine from Schedule 2 Gifts of medicine from Schedule 2 Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 Part VI.1 tax deduction * Non-capital losses of previous tax years from Schedule 4 Net capital losses of previous tax years from Schedule 4 Restricted farm losses of previous tax years from Schedule 4 Farm losses of previous tax years from Schedule 4 Limited partnership losses of previous tax years from Schedule 4 Taxable capital gains or taxable dividends allocated from a central credit union Prospector's and grubstaker's shares Sub	311 312 313 314 315 320 325 331 332 333 334 335 340 350	300	(32,653) A
	Charitable donations from Schedule 2 Gifts to Canada, a province, or a territory from Schedule 2 Cultural gifts from Schedule 2 Ecological gifts from Schedule 2 Gifts of medicine from Schedule 2 Gifts of medicine from Schedule 2 Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 Part VI.1 tax deduction * Non-capital losses of previous tax years from Schedule 4 Net capital losses of previous tax years from Schedule 4 Restricted farm losses of previous tax years from Schedule 4 Farm losses of previous tax years from Schedule 4 Limited partnership losses of previous tax years from Schedule 4 Taxable capital gains or taxable dividends allocated from a central credit union Prospector's and grubstaker's shares Sub	311 312 313 314 315 320 325 331 332 333 334 335 340 350 stotal mount B) (if negative, enter "0")	300	(32,653) A
Deduct:	Charitable donations from Schedule 2 Gifts to Canada, a province, or a territory from Schedule 2 Cultural gifts from Schedule 2 Ecological gifts from Schedule 2 Gifts of medicine from Schedule 2 Gifts of medicine from Schedule 2 Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 Part VI.1 tax deduction * Non-capital losses of previous tax years from Schedule 4 Net capital losses of previous tax years from Schedule 4 Restricted farm losses of previous tax years from Schedule 4 Farm losses of previous tax years from Schedule 4 Limited partnership losses of previous tax years from Schedule 4 Taxable capital gains or taxable dividends allocated from a central credit union Prospector's and grubstaker's shares Sub Subtotal (amount A minus a Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	311 312 313 314 315 320 325 331 332 333 334 335 340 350 stotal mount B) (if negative, enter "0")	355	(32,653) A B C D
Deduct: Add: Taxable	Charitable donations from Schedule 2 Gifts to Canada, a province, or a territory from Schedule 2 Cultural gifts from Schedule 2 Ecological gifts from Schedule 2 Gifts of medicine from Schedule 2 Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 Part VI.1 tax deduction * Non-capital losses of previous tax years from Schedule 4 Net capital losses of previous tax years from Schedule 4 Restricted farm losses of previous tax years from Schedule 4 Farm losses of previous tax years from Schedule 4 Limited partnership losses of previous tax years from Schedule 4 Taxable capital gains or taxable dividends allocated from a central credit union Prospector's and grubstaker's shares Subtotal (amount A minus a Section 110.5 additions or subparagraph 115(1)(a)(vii) additions income (amount C plus amount D)	311 312 313 314 315 320 325 331 332 333 334 335 340 350 stotal mount B) (if negative, enter "0")	355 360	(32,653) A
Add: Taxable	Charitable donations from Schedule 2 Gifts to Canada, a province, or a territory from Schedule 2 Cultural gifts from Schedule 2 Ecological gifts from Schedule 2 Gifts of medicine from Schedule 2 Gifts of medicine from Schedule 2 Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 Part VI.1 tax deduction * Non-capital losses of previous tax years from Schedule 4 Net capital losses of previous tax years from Schedule 4 Restricted farm losses of previous tax years from Schedule 4 Farm losses of previous tax years from Schedule 4 Limited partnership losses of previous tax years from Schedule 4 Taxable capital gains or taxable dividends allocated from a central credit union Prospector's and grubstaker's shares Subtotal (amount A minus a Section 110.5 additions or subparagraph 115(1)(a)(vii) additions income (amount C plus amount D)	311 312 313 314 315 320 325 331 332 333 334 335 340 350 stotal mount B) (if negative, enter "0")	355	(32,653) A B C D
Add: Taxable Income e Taxable	Charitable donations from Schedule 2 Gifts to Canada, a province, or a territory from Schedule 2 Cultural gifts from Schedule 2 Ecological gifts from Schedule 2 Ecological gifts from Schedule 2 Gifts of medicine from Schedule 2 Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 Part VI.1 tax deduction * Non-capital losses of previous tax years from Schedule 4 Net capital losses of previous tax years from Schedule 4 Restricted farm losses of previous tax years from Schedule 4 Farm losses of previous tax years from Schedule 4 Limited partnership losses of previous tax years from Schedule 4 Limited partnership losses of previous tax years from Schedule 4 Taxable capital gains or taxable dividends allocated from a central credit union Prospector's and grubstaker's shares Subtotal (amount A minus a Section 110.5 additions or subparagraph 115(1)(a)(vii) additions income (amount C plus amount D) exempt under paragraph 149(1)(t) income for a corporation with exempt income under paragraph 149(1)	311 312 313 314 315 320 325 331 332 333 334 335 340 350 stotal mount B) (if negative, enter "0")	355 360	(32,653) A B C D
Add: Taxable Income e Taxable (line 360	Charitable donations from Schedule 2 Gifts to Canada, a province, or a territory from Schedule 2 Cultural gifts from Schedule 2 Ecological gifts from Schedule 2 Gifts of medicine from Schedule 2 Gifts of medicine from Schedule 2 Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 Part VI.1 tax deduction * Non-capital losses of previous tax years from Schedule 4 Net capital losses of previous tax years from Schedule 4 Restricted farm losses of previous tax years from Schedule 4 Farm losses of previous tax years from Schedule 4 Limited partnership losses of previous tax years from Schedule 4 Taxable capital gains or taxable dividends allocated from a central credit union Prospector's and grubstaker's shares Subtotal (amount A minus a Section 110.5 additions or subparagraph 115(1)(a)(vii) additions income (amount C plus amount D)	311 312 313 314 315 320 325 331 332 333 334 335 340 350 stotal mount B) (if negative, enter "0")	355 360	(32,653) A B C D

	ctive business carried on in	ns (CCPCs) throughout Canada from Schedule 7	7			400	
Taxable incom-	e from line 360 on page 3, r	minus 10/3 of the amour	nt on line 632 on pa			- ' -	
times the amou	unt on line 636 on page 7, a						
from Part I tax						405	
	f the business limit:					-	
	, calculate the amount at line						
\$300,000 x	Number of days in t	he tax year in 2005					
	and in 2006			=	300,000	_1	
	Number of days in	the tax year	365				
\$400,000 x	Number of days in the	tax year after 2006		=		2	
	Number of days in		365			. –	
	,		ts at lines 1 and 3		300,000	4	
Rueinage limit	(see notes 1 and 2 below)	I sweet control control	is at inioo , and 5	0	000,000	410	300,000
	CCPCs that are not associat	tad antar the amount fro	m line 4 on line 41	10 However if	the corner		300,000
tay v	CPUS that are not associat	.ed, enter the amount from I	m line 4 on line 4 i	O. However, in	rue corbor	ations	
	ear is less than 51 weeks, p divided by 365, and enter th		The 4 by the numb	er or days in in	е тах		
-	- ·			. 11	_		
	associated CCPCs, use Sch	edule 23 to calculate the	amount to be ente	ered on line 41	0.		
Business limit							
Amount C _	300,000 X 41	15	D				
		11.	D =			-	
Paduand busin	and limit (amount C minus					425	200,000
Small busines	ness limit (amount C minus	amount E) (II negative, e	inter "O")			425	300,000
		Number of days in the	tay year hafara				
Amount A, B, C	ن, or F	Number of days in the	lax year before				
whichever is th	ne leastx	January 1,		365	x 16%	=	
		Number of days in	the tax year	365			
	_	Niconalism of decreasing the	- t after				
Amount A, B, C	C, or F	Number of days in the					
whichever is th	ne leastx	Dec.31, 20			x 17%	= -	
		Number of days in	the tax year	365			
		Total of	amounts 5 and 6	- enter on line 9	of page	7430	0
					, c. p J		
Resource of	deduction ———						
	e income [as defined in sub	ecotion 195 11(1)]			1	125	F
					005		
Amount H	X	Number of days in the ta		1	365_ × 3%	_	
		Number of days in th	ne tax year	,	365 ^ ~ ~	_	
	X	Number of days in the ta	v voer in 2006				
\mount H		inalling of again the te	A year III 2000		265 x 5%	=	J
Amount H		Number of days in th			ത്താ		
		Number of days in th	ie iax year	,	000		
	x	Number of days in the ta	x year in 2007				1/
	x		x year in 2007			=	ĸ
Amount H	x Iction – total of amounts I a	Number of days in the ta Number of days in th	x year in 2007		—— 365 × 7%	438	

	0 on page 3				A
Amount Z from Part 9 of Sch	nedule 27	x 100 / 7 =		в	
Amount QQ from Part 13 of				c	
Taxable resource income fro				D	
		age 4, whichever is the least		F	
Aggregate investment incom		0 of page 6		G	
Total of amounts B, C, D, E,	F, and G				H
mount A minus amount H	(if negative, er	nter "0")			
		Number of days in the tax year before			
mount I	×	January 1, 2008	365	x 7% =	J
		Number of days in the tax year	365	X170 -	
		Number of days in the tax year after			
mount I	X	Dec. 31, 2007 and before Jan. 1, 2009		x 8.5% =	K
		Number of days in the tax year	365		
Enter amount L on line 638 of General tax reduction on the complete this area	of page 7 on if you are a C	anadian-controlled private corporation, an in	nvestment	corporation, a mor	tgage investmer
General tax reduction not complete this area corporation, or a mutual fu	of page 7 on ———————————————————————————————————	anadian-controlled private corporation, an ii on, and for tax years starting after May 1, 200	nvestment	corporation, a mor	tgage investmer
General tax reduction not complete this area for some subject to the corporation of subject to the corporation.	of page 7 on if you are a Cund corporation tax rate c	anadian-controlled private corporation, an in on, and for tax years starting after May 1, 200 of 38%.	nvestment 06, any co	rporation with taxab	tgage investmer le income that i
General tax reduction of the complete this area corporation, or a mutual function of the corporation of the	of page 7 on if you are a Cund corporation tax rate compage 3 (formula to the compage 3 (formu	anadian-controlled private corporation, an incompand for tax years starting after May 1, 200 of 38%. For tax years starting after May 1, 2006, Amount	nvestment 06, any co t Z on page	rporation with taxab	le income that i
General tax reduction not complete this area corporation, or a mutual funct subject to the corporation axable income from line 36 mount Z from Part 9 of Sch	of page 7 on if you are a Cund corporation tax rate of the corporation tax rate of t	anadian-controlled private corporation, an in on, and for tax years starting after May 1, 200 of 38%.	nvestment 06, any co t Z on page	rporation with taxab	le income that i
General tax reduction on the complete this area corporation, or a mutual function subject to the corporation of the corporation	of page 7 on if you are a Cund corporation tax rate of the corporation tax rate of t	anadian-controlled private corporation, an incon, and for tax years starting after May 1, 200 of 38%. For tax years starting after May 1, 2006, Amount	nvestment 06, any co t Z on page	rporation with taxab	le income that i
General tax reduction on the complete this area corporation, or a mutual funct subject to the corporation of	of page 7 if you are a Cund corporation tax rate of the c	anadian-controlled private corporation, an iron, and for tax years starting after May 1, 200 f 38%. for tax years starting after May 1, 2006, Amount x 100 / 7 = page 4	nvestment 06, any co t Z on page	rporation with taxab 3) N O	le income that i
General tax reduction of the complete this area corporation, or a mutual funct subject to the corporation of	of page 7 if you are a Cund corporation tax rate of the c	anadian-controlled private corporation, an incon, and for tax years starting after May 1, 200 of 38%. For tax years starting after May 1, 2006, Amount	nvestment 06, any co t Z on page	rporation with taxab 3)N OP	le income that i
General tax reduction of the corporation, or a mutual funct subject to the corporation of	of page 7 if you are a Cund corporation tax rate of the corporation o	anadian-controlled private corporation, an incon, and for tax years starting after May 1, 200 of 38%. for tax years starting after May 1, 2006, Amount x 100 / 7 = page 4 deduction (from Schedule 17)	nvestment 06, any co t Z on page	rporation with taxab 3)N OP	ole income that i
General tax reduction on the complete this area corporation, or a mutual funct subject to the corporation of Saxable income from line 36 Amount Z from Part 9 of Schamount QQ from Part 13 of Eaxable resource income from the corporation of the	of page 7 if you are a Cund corporation tax rate of the corporation o	anadian-controlled private corporation, an incon, and for tax years starting after May 1, 200 of 38%. for tax years starting after May 1, 2006, Amount x 100 / 7 = page 4 deduction (from Schedule 17)	nvestment 06, any co t Z on page	rporation with taxab 3)N OP	ole income that i
General tax reduction on the complete this area corporation, or a mutual function subject to the corporation of the corporation	of page 7 if you are a Cund corporation tax rate of the c	anadian-controlled private corporation, an incon, and for tax years starting after May 1, 200 of 38%. for tax years starting after May 1, 2006, Amount	nvestment 06, any co t Z on page	P Q	Ne income that i
General tax reduction on the complete this area or poration, or a mutual function of the corporation of the	of page 7 if you are a Cund corporation tax rate of the c	anadian-controlled private corporation, an iron, and for tax years starting after May 1, 200 f 38%. for tax years starting after May 1, 2006, Amount x 100 / 7 = page 4 deduction (from Schedule 17) nter "0") Number of days in the tax year before January 1, 2008	nvestment 06, any co t Z on page	P Q	ole income that i
General tax reduction of the complete this area corporation, or a mutual funct subject to the corporation of	of page 7 if you are a Cund corporation tax rate of the c	anadian-controlled private corporation, an incon, and for tax years starting after May 1, 200 of 38%. for tax years starting after May 1, 2006, Amount	nvestment 06, any co t Z on page	P Q	Ne income that i
General tax reduction of the corporation, or a mutual function of the corporation of the	of page 7 if you are a Cund corporation tax rate of the c	anadian-controlled private corporation, an iron, and for tax years starting after May 1, 2006, Amount for tax years starting after May 1, 2006, Amount x 100 / 7 = page 4 deduction (from Schedule 17) Number of days in the tax year before January 1, 2008 Number of days in the tax year	nvestment 06, any co t Z on page	P Q	Ne income that i
General tax reduction on the complete this area corporation, or a mutual function subject to the corporation of axable income from line 36 amount Z from Part 9 of Schamount QQ from Part 13 of axable resource income from the complete the color of amount used to calculate the cotal of amounts N, O, P, are amount M minus amount R	of page 7 if you are a Cund corporation tax rate of the c	anadian-controlled private corporation, an iron, and for tax years starting after May 1, 2006, Amount f 38%. For tax years starting after May 1, 2006, Amount x 100 / 7 = 2000 x 100 x 1	nvestment 06, any co t Z on page	rporation with taxable 3) N O P Q A X 7% =	Ne income that i
General tax reduction on the complete this area corporation, or a mutual function subject to the corporation of the corporation	of page 7 if you are a Cund corporation tax rate of the c	anadian-controlled private corporation, an iron, and for tax years starting after May 1, 2006, Amount for tax years starting after May 1, 2006, Amount x 100 / 7 = page 4 deduction (from Schedule 17) Number of days in the tax year before January 1, 2008 Number of days in the tax year	nvestment 06, any co t Z on page	P Q	Ne income that i

Refundable portion of Part I t	ay —			
Canadian-controlled private corporati				
	140 X 26 2/3 %	_		Α
(from Schedule 7)	X 20 2/0 /0	_	=	
Foreign non-business income tax credit	from line 632 on page 7			
Deduct:		· · · · · · · · · · · · · · · · · · ·		
	X 9 1/3 % =			
(from Schedule 7)	(if negative, enter "0")			В
Amount A minus amount B (if negative,	, •			C
Taxable income from line 360 on page 3				
Deduct:				
Amount on line 400, 405, 410, or 425 or	n 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	x3=			
				_
		X	26 2/3% =	D
Part I tax payable minus investment tax	credit refund			
(line 700 minus line 780 from page 8)				
Deduct: Corporate surtax from line 600	of page 7			
NI .				E
Net amount			19	
	ount C, D, or E, whichever is the least		450	0 F
Refundable portion of Part I tax – Amo			450	
Refundable portion of Part I tax – Amo	Refundable dividend to	ax on hand	450	
Refundable portion of Part I tax – Amo	Refundable dividend to end of the previous tax year 46	ax on hand	450	
Refundable portion of Part I tax – Amo	Refundable dividend to end of the previous tax year 46	ax on hand	450	0 F
Refundable portion of Part I tax – Amo	Refundable dividend to end of the previous tax year 46	ax on hand	450	
Refundable portion of Part I tax – Amore Refundable dividend tax on hand at the Deduct: Dividend refund for the previous Add the total of:	Refundable dividend to end of the previous tax year 46 stax year 46	ax on hand	450	0 F
Refundable portion of Part I tax – Amore Part I tax from I Refundable portion of Part I tax from I	Refundable dividend to end of the previous tax year 46 tax year 46 ine 450 above	ax on hand	450	0 F
Refundable portion of Part I tax – Amore Part I tax from I Total Part IV tax payable from Scheduler	Refundable dividend to end of the previous tax year 46 tax year 46 ine 450 above alle 3	ax on hand	450	0 F
Refundable portion of Part I tax – Amore Part I tax from I Total Part IV tax payable from Schedu Net refundable dividend tax on hand the Part IV tax payable from Schedu Net refundable dividend tax on hand the Part IV tax payable from Schedu Net refundable dividend tax on hand the Part IV tax payable from Schedu Net refundable dividend tax on hand the Part IV tax payable from Schedu Net refundable dividend tax on hand the Part I tax – Amore Part I tax from I tax – Amore Part I tax – A	Refundable dividend to end of the previous tax year 46 tax year 450 above tax year 46	ax on hand	450	0 F
Refundable portion of Part I tax – Amore Part I tax from I Total Part IV tax payable from Schedu Net refundable dividend tax on hand to corporation on amalgamation, or from	Refundable dividend to end of the previous tax year 46	ax on hand ————————————————————————————————————	450	0 F
Refundable portion of Part I tax – Amore Part I tax from I Total Part IV tax payable from Schedu Net refundable dividend tax on hand the Part IV tax payable from Schedu Net refundable dividend tax on hand the Part IV tax payable from Schedu Net refundable dividend tax on hand the Part IV tax payable from Schedu Net refundable dividend tax on hand the Part IV tax payable from Schedu Net refundable dividend tax on hand the Part I tax – Amore Part I tax from I tax – Amore Part I tax – A	Refundable dividend to end of the previous tax year 46 tax year 450 above tax year 46	ax on hand ————————————————————————————————————	450	0 F
Refundable portion of Part I tax – Amore Part I tax from I Total Part IV tax payable from Schedu Net refundable dividend tax on hand to corporation on amalgamation, or from	Refundable dividend to end of the previous tax year 46	ax on hand ————————————————————————————————————	450	0 F
Refundable portion of Part I tax – Amore Part I tax from I Total Part IV tax payable from Schedu Net refundable dividend tax on hand to corporation on amalgamation, or from	Refundable dividend to end of the previous tax year 46 stax year 48 stax year 48	ax on hand ————————————————————————————————————	450	0 F
Refundable portion of Part I tax – Amore Part I tax from I tax from I tax from I tax Part IV tax payable from Schedu Net refundable dividend tax on hand to corporation on amalgamation, or from corporation	Refundable dividend to end of the previous tax year 46 stax year 48 stax year 48	ax on hand ————————————————————————————————————		0 F
Refundable portion of Part I tax – Amore Part I tax from I part I tax from I part I V tax payable from Schedu Net refundable dividend tax on hand to corporation on amalgamation, or from corporation Refundable dividend tax on hand at the Part I V tax payable from Schedu Net refundable dividend tax on hand to corporation	Refundable dividend to end of the previous tax year 46 stax year 48 stax year 48	ax on hand ————————————————————————————————————		0 F
Refundable portion of Part I tax – Amore Part I tax on hand at the Part I tax from I Total Part IV tax payable from Schedu Net refundable dividend tax on hand to corporation on amalgamation, or from corporation Refundable dividend tax on hand at the Part IV tax payable from Schedu Net refundable dividend tax on hand to corporation	Refundable dividend to end of the previous tax year 46 46 tax year 48 tax year	o		0 F
Refundable portion of Part I tax – Amore Part I tax from I part I tax from I part I V tax payable from Schedu Net refundable dividend tax on hand to corporation on amalgamation, or from corporation Refundable dividend tax on hand at the Part I V tax payable from Schedu Net refundable dividend tax on hand to corporation	Refundable dividend to end of the previous tax year 46 tax year 48	o		0 F
Refundable portion of Part I tax – Amore Part I tax from I peduct: Dividend refund for the previous Part I tax from I per I I tax from I I tax fro	Refundable dividend to end of the previous tax year 46 tax year 48	o tin the tax year		0 F
Refundable portion of Part I tax – Amode Private and subject corporations at the Corporation of Part I tax from I Taxable dividend tax on hand at the Corporation of Part I tax from I Total Part IV tax payable from Schedu Net refundable dividend tax on hand to corporation on amalgamation, or from corporation I Refundable dividend tax on hand at the Corporation I Taxable dividends paid in the tax year Schedule 3	Refundable dividend to end of the previous tax year 46 tax year 48	o bus amount H	485	0 F
Refundable portion of Part I tax – Amode Private and subject corporations at the Corporation of Part I tax from I Total Part IV tax payable from Schedu Net refundable dividend tax on hand to corporation on amalgamation, or from corporation to the Private and subject corporations at the Taxable dividends paid in the tax years.	Refundable dividend to end of the previous tax year 46 stax year 47 stax year 48 st	ous amount H in the tax year X	485	0 F

Part I tax Base amount of Part I tax	-d h., 000/		550	0. 4
taxable income from page 3 (line 360 or amount Z, whichever applies) multiplie Corporate surtax calculation	od by 38%		550	0_A
Base amount from line A above		1		
Deduct:				
10% of taxable income (line 360 or amount Z, whichever applies) from page	3	2	2	
Investment corporation deduction from line 620 below		3	3	
Federal logging tax credit from line 640 below		4	l-	
Federal qualifying environmental trust tax credit from line 648 below		5	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:				
	а			
28% of taxed capital gains	b	6	3	
Part I tax otherwise payable				
(line A plus lines C and D minus line F)	С			
Total of lines 2 to 6		7	7	
Net amount (line 1 minus line 7)		8	3	
Corporate surtax* Number of days in the tax year before				
longory 1 2009	365	x 4% =	600	В
Number of days in the tax year	365	X 4 70 =	000	
Number of days in the tax year	000			
*The corporate custow is zero effective January 1, 2009				
*The corporate surtax is zero effective January 1, 2008.				
Recapture of investment tax credit from Schedule 31			602	с
Calculation for the refundable tax on the Canadian-controlled private co (if it was a CCPC throughout the tax year)	rporation's (CC	PC) investn	nent income	
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	i	
Refundable tax on CCPC's investment income - 6 2/3% of whichever is less	amount i or ii		604	D
		D C +=-4		E
Sub	total (add lines A	, b, C, and		
Deduct:		_		
Small business deduction from line 430 on page 4	=======================================	9)	
Federal tax abatement	_608			
Manufacturing and processing profits deduction from Schedule 27	_616			
Investment corporation deduction	_620			
(taxed capital gains 624)	600			
Additional deduction – credit unions from Schedule 17	628			
Federal foreign non-business income tax credit from Schedule 21 Federal foreign business income tax credit from Schedule 21	632 636			
Resource deduction from line 438 on page 4	_030	1	0	
General tax reduction for CCPCs from amount L on page 5	638		O .	
General tax reduction from amount V on page 5	639	-		
Federal logging tax credit from Schedule 21	640			
Federal political contribution tax credit	644	-		
Federal political contributions 646	→T ' '\$ 			
Federal qualifying environmental trust tax credit	648			
Investment tax credit from Schedule 31	652			
Subtota	al			F
Part I tax payable - Line E minus line F				0 G

Enter amount G on line 700 of page 8.

Summary of tax and credits	
Federal tax	
Part I tax payable from page 7	700
Part I.3 tax payable from Schedule 33, 34, or 35	704
Part II surtax payable from Schedule 46	708
Part III.1 tax payable from Schedule 55	710
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
rait Aiv tax payable from Schedule 20	Total federal tax 0
Add manipolal or touritorial taxs	Total lederal tax
Add provincial or territorial tax:	
Provincial or territorial jurisdiction 750 ON	
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)	760
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 7700 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	
	808
Provincial and territorial capital gains refund from Schedule 18	812
Provincial and territorial refundable tax credits from Schedule 5	840
Tax instalments paid	
	credits 890B
Refund Code 894 Overpayment	Balance (line A minus line B)
Direct Deposit Request	If the result is negative, you have an overpayment .
To have the corporation's refund deposited directly into the corporation's bank	If the result is positive, you have a balance unpaid.
account at a financial institution in Canada, or to change banking information you	Enter the amount on whichever line applies.
already gave us, complete the information below:	Generally, we do not charge or refund a difference of \$2 or less.
Change information 910	Balance unpaid
Branch number	
914918	Enclosed payment 898
Institution number Account number	N.
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 X NA
Certification	
I, 950 LOVELAND 951 KEN	954 SECRETARY
Last name First name	Position, office or rank
am an authorized signing officer of the corporation. I certify that I have examin	
statements, and that the information given on this return is, to the best of my k	chowledge, correct and complete. I further certify that the
method of calculating income for this tax year is consistent with that of the pre	vious year except as specifically disclosed in a statement
attached to this return.	vious year except as specimouny disclosed in a statement
955 2011/10/05	956 (519) 762-2204
Date Signature of the authorized signing Is the contact person the same as the authorized signing officer? If <i>no</i> , complete the contact person the same as the authorized signing officer?	
is the contact person the same as the authorized signing officer? If no, comple	
958	959 <u>(</u>) -
Name	Telephone number
Language of correspondence - Langue de correspondanc	е ————
990 Language of choice/Langue de choix <u>1</u> English / Anglais X	
Language of enoice/Langue de choix Linguist / Anglais [A	= rangato / i ronon []

Prepared without audit based on information provided by the taxpayer.

Agency

Canada Revenue Agence du revenu du Canada

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Schedule 1

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

Net income (loss) after taxes and extraordinary items per financial statements			Α	(54,793)
Add:			7	
Amortization of tangible assets	104	22,140		
Total	of fields 101 to 199 500	22,140	.	22,140
Net income (loss) for income tax purposes (enter on line 300 c	of the T2 return)			(32,653)



CORPORATION LOSS CONTINUITY AND APPLICATION

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

Part 1 – Non-capital losses

Determination of current-year non-capital loss Net income (loss) for income tax purposes	(32,653)
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")	(32,653)
Deduct: (increase a loss)	
Section 110.5 and/or subparagraph 115(1)(a)(vii) - Addition for foreign tax deductions	
Subtotal	(32,653)
Add: (decrease a loss)	
Current-year farm loss	
Current-year non-capital loss (if positive, enter "0")	(32,653)

Continuity of non-capital losses and re	quest for a	carryback		
Non-capital loss at the end of the previous tax year		59,250	_	
Deduct: Non-capital loss expired *	100		_	
Non-capital losses at the beginning of the tax year	102	59,250	_	
Add: Non-capital losses transferred on the amalgamation or the wind-up of a				
subsidiary corporation	105		_	
Current-year non-capital loss (from calculation above)	110	32,653		91,903
Deduct:				
Other adjustments (includes 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		=7/	
Amount applied against taxable dividends subject to Part IV tax	135			
		Subtota	d	91,903
Deduct - Request to carry back non-capital loss to:				
First previous tax year to reduce taxable income	901			
Second previous tax year to reduce taxable income	902		_	
Third previous tax year to reduce taxable income	903		_	
First previous tax year to reduce taxable dividends subject to Part IV tax	911			
Second previous tax year to reduce taxable dividends subject to Part IV tax	912			
Third previous tax year to reduce taxable dividends subject to Part IV tax	913			
Non-capital losses - Closing balance				91,903

- * A non-capital loss expires as follows:
 - After 7 tax years if it arose in a tax year ending before March 23, 2004;
 - After 10 tax years if it arose in a tax year ending after March 22, 2004, and before 2006; or
 - After 20 tax years if it arose in a tax year ending after 2005.

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

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

Corporation loss continuity and application

Election under paragraph 88(1.1)(f)		
	190	Yes
Loss from a wholly owned subsidiary deemed to be a loss of the parent from its immediately previous tax year.		

Part 2 – Capital Iosses			
Continuity of capital losses and requ	uest for a carryl	back	
Capital losses at the end of the previous tax year	200		
Capital losses transferred on the amalgamation or the wind-up			
of a subsidiary corporation	205		
Deduct:			
Other adjustments (includes adjustments for an acquisition of control)	250		
Section 80 - Adjustments for forgiven amounts	240		
		Subtotal	
Add:			
Current-year capital loss (from the calculation on Schedule 6)		210	
Unused non-capital losses that expired in the tax year*		A	
Allowable business investment losses (ABIL) that expired as non-capital			
losses in the tax year**		В	
Enter amount from line A or B, whichever is less 215			
ABILs expired as non-capital loss:			
line 215 divided by the inclusion rate***		220	
		Subtotal	
Note: If there has been an amalgamation or a wind-up of a subsidiary, do a sepa the ABIL expired as non-capital loss for each predecessor or subsidiary. Add al amounts and enter the total at line 220 above.			
Deduct: Amount applied against the current-year capital gain (see Note 1)		225	
		Subtotal	
Deduct - Request to carry back capital loss to (see Note 2):			
First previous tax year	951		
Second previous tax year	952		
Third previous tax year	953		
Capital losses - Closing balance		280	
Note 1		-	
Enter the amount from line 225 multiplied by 50% on line 332 of the T2 return.			
Note 2			
On lines 225, 951, 952, or 953, whichever applies, enter the actual amount of the	e loss. When the los	s is applied, multiply this amour	nt by
the 50% inclusion rate		, , , ,	,

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

Corporation loss continuity and application

Part 3 - Farm losses

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

A farm loss expires as follows:

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

Part 4 - Restricted farm losses

r restricted farm loss		
	485	C
D		
6,250 E		F
(enter this amount on line 410)		
	D	D

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

A restricted farm loss expires as follows:

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

Corporation loss continuity and application

Part 5 – Listed personal property losses

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

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	12,868			
2002/12/31	28,669			
2003/12/31	6,704			
2004/12/31	11,009			
2005/12/31	32,653			
Total	91,903			

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

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

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

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

Corporation loss continuity and application

Part 7 – Limited partnership losses

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

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

Contini	uity of limited partr	iersnip losses tha	t can be carried to		
Partnership	Limited partnership	Limited partnership	Current-year limited	Limited partnership	Limited partnership
identifier		losses transferred on	partnership losses	losses applied	losses closing balan
	the previous	an amalgamation or	(from column 620)	(cannot exceed	(662+664+670-675
	tax year	the wind-up of a	(column 650)	
	tax you	subsidiary		00.0	
660	662	664	670	675	680
	Total (enter this amount on lin	e 335 of the T2 return)		

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CAPITAL COST ALLOWANCE

Schedule 8

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

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

1	2	3	4	5	7	8	9	10	11	12	13
Class	UCC at start of	Cost of	Net adjustments	Proceeds of	Adjustment for	Base amount for	Rate	Recapture	Terminal loss	CCA for the year	UCC at the end
	year	additions in		dispositions in	additions (1/2 x	CCA	%	of CCA		(col 8 x 9 or a	of the year
		the year		the year	(col 3 - 5))					lower amount)	
200	201	203	205	207	211		212	213	215	217	220
1	303,217	2,820			1,410	304,627	4				306,037
6	19,530					19,530	10				19,530
8	4,297	385			193	4,489	20				4,682
10	2,125					2,125	30				2,125
Totals	329,169	3,205			1,603	330,771					332,374

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SHAREHOLDER INFORMATION

Schedule 50

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

Name of shareholder	Business Number	Social Insurance	Trust Number	Percentage	Percentage
(after name, indicate in brackets if the	(If a corporation is not	Number *	(If a trust number	common shares	preferred shares
shareholder is a corporation, partnership,	registered, enter "NR") *		is not available,		
individual or trust)			enter "NA") *		
100	200	300	350	400	500
Municipality of Dutton/Dunwich	87078 6936 RC 0001			100.000	
	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.



Canada Customs

Agence des douanes and Revenue Agency et du revenu du Canada

BALANCE SHEET INFORMATION

Schedule 100

Assets	Code	Current year	Prior year
Cash and deposits	1000		
Accounts Receivable	1060	128,797	142,185
Inventories	1120	15,776	15,885
Prepaid expenses	1484	9,102	8,944
Other machinery and equipment	1785	541,757	538,937
Accumulated amortization of other machinery and equipment	1786	(333,776)	(313,923
Other tangible capital assets	1900	77,641	77,256
Accumulated amortization of other tangible capital assets	1901	(72,847)	(70,560
Other deferred items / charges	2424	47,358	47,358
Total assets	2599	413,808	446,082

Liabilities	Code	Current year	Prior year 10,552	
Bank overdraft	2600	8,504		
Amounts payable and accrued liabilities	2620	84,976	85,779	
Deposits received	2961	7,920	12,550	
Due to corporate shareholder(s)	3262	30,000		
Total liabilities	3499	131,400	108,881	

Equity	Code	Current year	Prior year	
Common shares	3500	475,885	475,885	
Retained earnings / deficit	3600	(193,477)	(138,684)	
Total equity	3620	282,408	337,201	
Total liabilities and equity	3640	413,808	446,082	

Retained earnings	Code	Current year	Prior year	
Retained earnings/deficit-start	3660	(138,684)	(103,137)	
Net income / loss	3680 (54,793)	(35,547)		
Total retained earnings	3849	(193,477)	(138,684)	

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

INCOME STATEMENT INFORMATION

Details

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

Description of operation, if filing multiple Schedules 125 0002

Revenue	Code	Current year	Prior year
Trade sales of goods and services	8000	820,048	724,240
Total sales of goods and services	8089	820,048	724,240
Other revenue	8230	12,131	14,426
Total revenue	8299	832,179	738,666

Cost of sales	Code	Current year	Prior year
Opening inventory	8300		
Other direct costs	8450	704,678	612,853
Cost of sales	8518	704,678	612,853
Gross profit / loss (item 8089 - item 8518)	8519	115,370	111,387

Operating expenses	Code	Current year	Prior year
Bad debt expense	8590	574	1,660
Amortization of tangible assets	8670	22,140	24,538
Collection and credit costs	8717	52,889	56,404
Repairs and maintenance	8960	53,040	29,535
General and administrative expenses	9284	53,651	49,223
Total operating expenses	9367	182,294	161,360
Total expenses	9368	886,972	774,213
Net non-farming income	9369	(54,793)	(35,547)

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	(54,793)	(35,547)

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 -		.e	
Legal settlements	9976-	9976-		
Unrealized gains / losses	9980+++		+	
Unusual items	9985 -		Ne.	
Current income taxes	9990			
Future income tax provision	9995 -		(E)	
Net income / loss after taxes and extraordinary items	9999=	(54,793)	=	(35,547)

Canada Customs

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NOTES CHECKLIST

Schedule 141

This schedule should be completed from the perspective of the person who prepared or reported on the financial statements. This person is referred to as the "accounting practitioner", in this schedule.

For more information, see RC4088, Guide to the General Index of Financial Information (GIFI) for Corporations and T4012, T2 Corporation - Income Tax Guide.

Attach a copy of this schedule, along with any Notes to the financial statements, to the GIFI.

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

MPDC – **Dutton**

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



EB-2008-0332 EB-2008-0350

IN THE MATTER OF the *Ontario Energy Board Act, 1998,* S.O. 1998, c.15, Schedule B;

AND IN THE MATTER OF an application by Middlesex Power Distribution Corporation under section 86(2)(a) of the *Ontario Energy Board Act, 1998* seeking an order for leave to acquire Dutton Hydro Limited and Newbury Power Inc.;

AND IN THE MATTER OF an application by Middlesex Power Distribution Corporation under section 74 of the *Ontario Energy Board Act, 1998* seeking an order to amend Middlesex Power Distribution Corporation's distribution licence;

AND IN THE MATTER OF a request by Middlesex Power Distribution Corporation under section 77(5) of the *Ontario Energy Board Act*, 1998 seeking the cancellation of the distribution licences of Dutton Hydro Limited and Newbury Power Inc.

BEFORE: Pamela Nowina

Vice-Chair and Presiding Member

Paul Vlahos Member

Paul Sommerville

Member

DECISION AND ORDER

Middlesex Power Distribution Corporation ("Middlesex Power" or the "Applicant"), a licensed electricity distributor, filed an application with the Ontario Energy Board, received on October 15, 2008, under section 86(2)(a) of the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15 (Schedule B) (the "Act"), seeking leave to acquire Dutton Hydro Limited ("Dutton Hydro") and Newbury Power Inc. ("Newbury Power"). The Board has assigned file number EB-2008-0332 to the application to acquire Dutton Hydro and file number EB-2008-0350 to the application to acquire Newbury Power. Pursuant to its power under section 21(5) of the Act, the Board will consider these applications together through a consolidated hearing.

Middlesex Power has requested, under section 77(5) of the Act, that the electricity distribution licenses of Dutton Hydro and Newbury Power be canceled and, pursuant to section 74 of the Act, that its distribution licence be amended to include in its service area the areas currently served by Dutton Hydro and Newbury Power. The closing date for the proposed transactions is March 31, 2009.

THE APPLICATION

Middlesex Power is wholly owned by Chatham-Kent Energy Inc. The Municipality of Chatham-Kent and Corix Utilities own 90% and 10% of the shares of Chatham-Kent Energy Inc. respectively. Dutton Hydro is wholly owned by the Municipality of Dutton/Dunwich. The Village of Newbury holds 80% of the shares of Newbury Power, and Newbury Community Services owns 20% of the shares of Newbury Power. Middlesex Power, Dutton Hydro, Newbury Power and their respective shareholders are parties to the proposed transaction.

Upon completion of the proposed transactions, Middlesex Power will purchase 100% of the issued and outstanding shares of Dutton Hydro and Newbury Power and the two electrical distribution companies will be merged into Middlesex Power.

Middlesex Power has stated that the proposed acquisitions will improve the reliability and quality of electricity service for Dutton Hydro and Newbury Power customers and will result, over the long term, in lower rates than would otherwise be the case if the utilities remained as stand alone entities.

Middlesex Power states that the purchase price for acquiring shares of Dutton Hydro is expected to be approximately \$490,000. The purchase price for acquiring shares of Newbury Power is approximately \$163,350. Middlesex Power expects to incur approximately \$45,000 in transaction costs to complete the proposed transactions. Middlesex Power states that as part of its transaction with the Village of Newbury, it expects to pay an amount of \$71,000 which represents a Long Term Note payable to The Village of Newbury. This amount will be paid upon completion of the proposed transaction.

Currently, the rates charged for the delivery of electricity to customers in Middlesex Power, Dutton Hydro and Newbury Power service areas are not equal. The application states that Middlesex Power will seek to harmonize rates within five years from the date of closing the proposed transactions. The *Board Report on Ratemaking Associated with Distributor Consolidation* (EB-2007-0028) (the "Board Report") permits a merged utility to forego rebasing for a period of five years following the closing date of the transaction. Middlesex Power states that it plans to file for rate rebasing on a merged basis in 2014.

THE PROCEEDING

A Notice of Application and Hearing was issued on October 30, 2008 and published on November 12, 2008 in the affected service areas as directed by the Board. No persons requested intervenor status in this proceeding.

Procedural Order No. 1, along with Board staff interrogatories, was issued on December 19, 2008. The Applicant filed responses to the interrogatories on January 9, 2009.

BOARD FINDINGS

The "No Harm" Test

Section 86(2)(a) of the Act provides that no person, without first obtaining an order from the Board granting leave, shall acquire such number of voting securities of a transmitter or distributor that together with voting securities already held by such person and one or more affiliates or associates of that person, will in the aggregate exceed 20 percent of the voting securities of the transmitter or distributor.

In determining whether to approve this application, the Board has been guided by the principles set out in the Board's decision in the combined MAADs proceeding (Board File Numbers RP-2005-0018/EB-2005-0234/EB-2005-0254/EB-2005-0257). In that decision, the Board ruled that the "no harm" test is the relevant test for purposes of applications for leave to acquire shares or amalgamate under section 86 of the Act. The "no harm" test consists of a consideration as to whether the proposed transaction would have an adverse effect relative to the status quo in relation to the Board's statutory objectives. If the proposed transaction would have a positive or neutral effect on the attainment of the statutory objectives, then the application should be granted. The factors to be considered are those set out in section 1 of the Act, namely:

- to protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service; and
- 2. to promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry.

Middlesex Power provided the following information in support of its application:

- Dutton Hydro has been found deficient in its compliance with some of the standards promulgated by the Electrical Safety Authority. Through the adoption of Middlesex Power's operating practices and engineering expertise, Dutton Hydro will become compliant within a reasonable period of time;
- Following the proposed transaction, Middlesex Power will make investments to reduce system losses, implement Supervising Control and Data Acquisition ("SCADA") systems and provide conservation and demand management programs ("CDM") for the areas currently served by Dutton Hydro and Newbury Power;
- Service levels will be maintained for Middlesex Power customers and improved for Dutton Hydro and Newbury Power customers;
- Middlesex Power's service centre is situated in the Township of Strathroy-Caradoc. The distance between the service centre and the newly proposed service areas is 44 km. As such it will not impede Middlesex Power's ability to meet the Board's service quality indicator guidelines for Dutton Hydro's and Newbury Power's service areas;
- The roll out of Middlesex Power's smart meter solution will also be applied to the Newbury and Dutton service areas and will meet the Ministry of Energy's guidelines for installing smart meters by 2010; and

 The proposed transaction will enable fixed costs to be allocated over more customers, thereby resulting in lower rates for Dutton Hydro and Newbury Power's customers in the long term.

In summary, Middlesex Power states that the proposed transactions will improve the reliability and quality of electricity service and will result in lower rates for Dutton Hydro and Newbury Power customers over the long term than would be the case if the utilities remained stand alone entities.

Based on the evidence in this proceeding, and the Board's findings elsewhere in this decision regarding a proposal for a deferral account and the plan to apply for an adjustment in rates for Dutton, the Board concludes that the proposed acquisitions will not have an overall adverse effect in terms of the factors identified in the Board's objectives in section 1 of the Act. Accordingly, the Board finds that the proposed transactions reasonably meet the "no harm" test.

Rate Rebasing and Rate Harmonization for the Consolidated Entity

The Board finds that the Applicant's proposal to delay rebasing and rate harmonization for the consolidated entity for up to five years is acceptable. This proposal is consistent with the Board's Report referenced above. However, as discussed below, the Applicant is proposing an adjustment to Dutton Hydro's rates in the near term.

Rate Rebasing Proposal for Dutton Hydro

Dutton Hydro's rates have not been adjusted since 2001. Most distributors updated their base distribution rates in 2006 based on an historical test year cost of service application. In the interim period 2002-2005, most distributors received rate adjustments related to (among other matters) regulatory asset recoveries and an updating of their respective Payments in Lieu of Taxes proxies. Since 2006, distributors that have not rebased based on a future test year application have received rate adjustments based on the 2nd generation Incentive Regulatory Mechanism ("IRM").

In its application, Middlesex Power has proposed to address this matter by proposing to file a cost of service application solely for Dutton Hydro based on an historical test year. In response to Board staff interrogatory #3, Middlesex Power stated that the proposed acquisitions are based on the rationale of providing a safe and reliable system that would benefit the customers and the public generally. Specifically, Middlesex Power stated that Dutton Hydro is facing the following issues:

- It is not compliant with certain Electricity Safety Authority standards;
- It has not been engaged in removing PCB contaminated transformers;
- It has not generated much information respecting its service quality standards;
 and
- The line losses are 6.6% which is above the threshold that the Board has established as an action level.

Middlesex Power stated that it intends to propose rates for Dutton Hydro's service area at a level that will recover the costs and earn a fair and reasonable return. Middlesex Power further stated that it believes a rate application for Dutton Hydro using the 2006 EDR model and then implementing the 2nd generation IRM adjustments for 2007, 2008 and 2009, will provide the necessary financial underpinning to ensure that a safe and reliable distribution system is provided to the customers and the community. This level of rates would bring the customers in the Dutton Hydro service area into a position comparable to that experienced by consumers in Newbury and Middlesex.

The Board notes that Dutton Hydro submitted a letter dated January 26, 2009 confirming its intention to submit rate applications in accordance with the proposed rate plan above regardless of the outcome of this application. Therefore, it is reasonable to view such rate adjustments in Dutton's service area as being unaffected by the proposed transaction. Further, the Board makes the following comments.

The Board notes that the Board Report presumes that distributors would have rebased in 2006 and would therefore be eligible to participate in the Board's 2nd generation IRM plan (sec. 2.2.1, p.6). The proposal by Middlesex Power is aimed at rationalizing Dutton Hydro's rates using the identical rate adjustment processes that were used by Middlesex Power and Newbury Power over the 2006 to 2009 period. This would bring Dutton Hydro to the same level as the other two service areas so that a rebasing of the consolidated entity would be possible in the future. The proposal does not involve a future test year application but is designed to enable the Applicant to deal with the technical and financial obligations arising out of the Dutton Hydro service area going forward to 2014.

The Board notes that this situation is different than the recent amalgamation proceeding for PowerStream Inc. and Barrie Hydro Distribution Inc. (EB-2008-0335). In that proceeding one of the distributors had already had rates reset under a cost-of-service hearing. In this case all three entities will have their first rebasing after the 2006 test year delayed until 2014.

Deferral Account for Transaction Costs

Middlesex Power has requested that a deferral account be established to cover the transaction costs for the newly merged utility. In response to Board staff interrogatory #4, the Applicant stated that the transaction costs are relatively significant due to the small size of Dutton Hydro and Newbury Power and the fact that the majority of the transaction costs are fixed. Middlesex Power further stated that the synergies required to create savings on a forward going basis may not transpire in this case.

The transactions are intended to provide the customers of Dutton Hydro and Newbury Power with a safe and reliable system while meeting regulatory requirements. Consequently, Middlesex Power stated that the customers of Dutton Hydro and Newbury Power should share in some of the transaction costs if Middlesex Power does not attain additional benefits arising from the consolidation to cover the costs of the transactions.

Furthermore, Middlesex Power stated that it will only seek recovery of those transaction costs that are over and above any benefits that may be attained through the transaction.

The Board finds that it is appropriate in the specific circumstances of this case to allow the Applicant to track the transaction costs related to the acquisition of Dutton Hydro and Newbury Power in a deferral account, the disposition of which will be dealt with in a future proceeding. The Board notes that the Board Report indicates that either a distributor retains the benefits of consolidation over the deferral period to offset the costs or the distributor can apply to recover the costs net of the benefits in rates (sec. 2.2.2, p.7). In this case, Middlesex Power has indicated that despite the delaying of the rebasing of the consolidated entity for up to five years, benefits may not arise out of this transaction. If however benefits do arise, Middlesex Power will ensure that the costs will be offset accordingly when requesting disposition of the deferral account.

Middlesex Power may wish to track its transaction costs in Account 1508, Other Regulatory Assets, Sub-account MAADs Transaction Costs. Consideration of the disposition of the deferral account will occur in the normal manner in the rate setting process. The Board's finding that the amounts may be tracked in a deferral account should not be construed in any manner or degree as predictive of its authorization to dispose of the amounts so tracked in a future proceeding. For example, the disposition of any net costs will consider to what extent the "no harm" test has been reasonably met or will be reasonably met.

Net Metering Thresholds

The current net metering thresholds for Middlesex Power, Dutton Hydro and Newbury Power are 368 kW, 19 kW, and 8 kW respectively. Middlesex Power has submitted that there are no special circumstances that warrant using a different methodology to determine the net metering threshold. The Board accepts that there are no special circumstances present in this regard and will therefore add together the net metering thresholds for Middlesex Power, Dutton Hydro and Newbury Power to determine the net metering threshold for the newly merged utility.

THE BOARD ORDERS THAT:

- Middlesex Power Distribution Corporation is hereby granted leave to acquire Dutton Hydro Limited and Newbury Power Inc. pursuant to section 86 of the Act.
- 2. The Board's leave to acquire shall expire 18 months from the date of this Decision and Order. If the transaction has not been completed by that date, a new application for leave to acquire will be required in order for the transaction to proceed.
- 3. Middlesex Power Distribution Corporation shall promptly notify the Board of the completion of the transaction.
- 4. Once the notice referred to in number 3 above has been provided to the Board, the Board will amend the electricity distribution licence of Middlesex Power Distribution Corporation to include the service areas formerly served by Dutton Hydro Limited and Newbury Power Inc.
- 5. Once the notice referred to in number 3 above has been provided to the Board, the Board will cancel the electricity distribution licences of Dutton Hydro Limited (ED-2003-0025) and Newbury Power Limited (ED-2002-0526).

Once the notice referred to in number 3 above has been provided to the Board, the net metering threshold for the newly merged Middlesex Power Distribution Corporation will be 395 kW.

DATED at Toronto, February 9, 2009

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli Board Secretary

MPDC – **Dutton**

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



November 16, 2011

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

Re: Middlesex Power Distribution Corporation, 2012 IRM3 Application Board File No.: EB-2011-0148, EB-2011-0149, EB-2011-0150

Dear Ms. Walli,

On August 2, 2011, the Board issued a letter with respect to the process and deadlines for 2012 IRM applications. This letter established a filing deadline of November 25, 2011 for Middlesex Power Distribution Corp ("MPDC"), for an application to include rates for MPDC's three service territories – MPDC-Main, MPDC-Dutton and MPDC-Newbury. With the exception of a proposal for disposition of Account 1562 Deferred PILs, MPDC expects to file its 2012 IRM application for MPDC-Main, MPDC-Dutton and MPDC-Newbury rates by the November 25, 2011 deadline.

With respect to Account 1562 Deferred PILs, MPDC acknowledges that in the EB-2008-0381 Combined Deferred PILs proceeding decision of June 24, 2011, the Board indicated its expectation that distributors would apply for the final disposition of Account 1562 Deferred PILs with their next rate applications. However, an initial lack of historical accounting and taxation records has made the determination and validation of the MPDC-Main, MPDC-Dutton and MPDC-Newbury Account 1562 balances challenging.

As background, MPDC-Main was acquired by its current owner (Chatham-Kent Energy) on June 30, 2005, pursuant to approval granted by the OEB in its June 24, 2005 decision in EB-2005-0255. MPDC-Main subsequently obtained OEB approval (EB-2008-0332 and EB-2008-0350, Decision and Order issued February 9, 2009) to acquire, and then amalgamate, MPDC-Dutton and MPDC-Newbury. These transactions were completed on April 30, 2009. Many of the preacquisition accounting records from the former Middlesex Power, Dutton Hydro and Newbury Power utilities that would assist in the respective Account 1562 dispositions have been difficult to locate. We now believe that we have located all available records, and are currently in the



process of interpreting and validating these records. This includes assessing whether additional information requirements will be necessary, and, if additional information is required, how we might obtain it. To-date, the process has involved extensive searches of corporate archives, numerous information requests to predecessor public accountants and detailed discussions with the Ministry of Finance. Additional information requirements may include further inquiries of predecessor public accountants and /or the previous owners of the acquired distributors.

In the result, despite diligent effort, we will not be in a position to file for Account 1562 disposition at the time that the respective 2012 IRM applications are filed. We therefore respectfully request that the Board grant an extension to January 23, 2012 for MPDC-Main, MPDC-Dutton and MPDC-Newbury to file for disposition of their Account 1562 balances.

If you have any further questions please do not hesitate to contact me at (519) 352-6300, extension 558 or davidferguson@ckenergy.com.

Regards,

[Original Signed By]

David C. Ferguson
Director of Regulatory Affairs & Risk Management

Phone: 519-352-6300 Ext 558

Email: DavidFerguson@ckenergy.com

cc: Dan Charron, President of Middlesex Power Distribution Corp. Chris Cowell, Chief Financial and Regulatory Officer



MPDC – **Dutton**

Attachment 8 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

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BY E-MAIL

November 23, 2011

David C. Ferguson Director of Regulatory Affairs & Risk Management Middlesex Power Distribution Corporation 351 Frances Street Strathroy ON N7G 2L7

Dear Mr. Ferguson:

Re: Middlesex Power Distribution Corporation ("MPDC") **Applications for Rates - 2012 IRM3 Applications** Board File Numbers EB-2011-0148, EB-2011-0149, EB-2011-0150

The Board is in receipt of your letter dated November 16, 2011 wherein you requested an extension until January 23, 2012 for MPDC-Main, MPDC-Dutton and MPDC-Newbury (the "Applicants") to file their respective evidence supporting the disposition of account 1562 (PILs) balances. You indicated that following acquisition and amalgamation activity, the Applicants were having difficulty locating the pre-acquisition accounting records of the predecessor utilities. You also indicated that, despite diligent effort, the Applicants would not be in a position to file for the disposition of account 1562 at the time that the respective 2012 IRM applications are filed. Further, you stated that MPDC expects to file the 2012 IRM applications for MPDC-Main, MPDC-Dutton and MPDC-Newbury, excluding the disposition of account 1562, by the due date of November 25, 2011.

The Board has considered the extension sought by MPDC and has determined that it will not grant the extension request. The Board is of the view that until the impacts of disposing of the account 1562 balances are known, the Board cannot provide proper notice to the Applicants' ratepayers of the rate impacts associated with the Applicants' 2012 IRM applications. In light of the Applicants' post-amalgamation circumstances, and in order not to jeopardize a May 1, 2012 implementation date for the other aspects of the 2012 IRM applications, the Board directs the Applicants to proceed with filing their 2012 IRM applications excluding the disposition of account 1562. The Board directs the Applicants to file stand-alone applications, by no later than April 1, 2012, for the disposition of account 1562.

Please direct any questions relating to this matter to Pascale Duguay, Manager, Electricity Rates Applications, at (416) 440-7739 or e-mail pascale.duguay@ontarioenergyboard.ca.

Yours truly,

Original signed by

John Pickernell Assistant Board Secretary