

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

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the corresponding items in the *T2 Corporation - Income Tax Guide (T4012)*.

Send one completed copy of this return, including schedules and the *General Index of Financial Information (GIFI)*, to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

055 Do not use this area

Identification

Business number (BN) (item 11) 001 86907 7925 RC 0001

Corporation's name (item 12)

002

Newmarket Hydro Ltd.

Has the corporation changed its name since the last time we were notified?

003 ☐ Yes ☒ No

If yes, do you have a copy of the articles of amendment?

004 ☐ Yes ☐ No

Address of head office (item 13)

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

010 ☐ Yes ☒ No

To which taxation year does this return apply? (item 17)

From 060 2003/01/01 to 061 2003/12/31

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year?

063 ☐ Yes ☒ No

If yes, provide date control was acquired

065

Is the corporation a professional corporation that is a member of a partnership? (item 18)

067 ☐ Yes ☒ No

Mailing address (if different from head office address) (item 14)

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

020 Yes ☐ No ☒

021 C/o Iain Clinton, CA

022 590 Steven Court

023

City

Province, territory, or state

025 Newmarket

026 ON

Country (other than Canada)

Postal code/Zip code

027

028 L3Y 6Z2

Is this the first year of filing after:

Incorporation? (item 19)

070 ☐ Yes ☒ No

Amalgamation? (item 20)

071 ☐ Yes ☒ No

If yes, complete Schedule 24

Has there been a wind-up of a subsidiary under section 88 during the current taxation year? (item 21)

If yes, complete Schedule 24

072 ☐ Yes ☒ No

Is this the final taxation year before amalgamation? (item 22)

076 ☐ Yes ☒ No

Is this the final return up to dissolution? (item 23)

078 ☐ Yes ☒ No

Is the corporation a resident of Canada? (item 24)

080 ☒ Yes ☐ No

If no, give the country of residence.

081

Is the non-resident corporation claiming an exemption under an income tax treaty? (item 24)

082 ☐ Yes ☒ No

If yes, complete Schedule 91

If the corporation is exempt from tax under section 149, tick one of the following boxes: (item 25)

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

Do not use this area

091	092	093	094	095	096
097					

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

Attachments - Continued from page 2

Guide item

Yes Schedule

128 For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other than life insurance corporations) with one or more members subject to the additional Part VI tax?	252	<input type="checkbox"/>	41
152 Is the corporation claiming a Canadian film or video production tax credit refund?	253	<input type="checkbox"/>	T1131
130 Is the corporation subject to Part XIII.1 tax?		<input type="checkbox"/>	92 *
153 Is the corporation claiming a film or video production services tax credit refund?		<input type="checkbox"/>	T1177
44 Did the corporation have any foreign affiliates that are not controlled foreign affiliates?		<input type="checkbox"/>	T1134-A
44 Did the corporation have any controlled foreign affiliates?		<input type="checkbox"/>	T1134-B
44 Did the corporation own specified foreign property in the year with a cost amount over \$100,000?		<input type="checkbox"/>	T1135
44 Did the corporation transfer or loan property to a non-resident trust?		<input type="checkbox"/>	T1141
44 Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?		<input type="checkbox"/>	T1142
- Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?		<input type="checkbox"/>	T1145
- Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?		<input type="checkbox"/>	T1146
- Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?		<input type="checkbox"/>	T1174

Additional information

Is the corporation inactive? (item 48)	280	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Has the major business activity changed since the last return was filed? (enter yes for first time filers) (item 49)	281	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
What is the corporation's major business activity? (item 50) (Only complete if yes was entered at line 281.)	282		
If the major activity involves the resale of goods, indicate whether is is wholesale or retail (item 51)	283	1 Wholesale <input type="checkbox"/>	2 Retail <input type="checkbox"/>
Specify the principal product(s) mined, manufactured, sold, constructed, or service provided, giving the approximate percentage of the total revenue that each product or service represents. (item 52)	284 Electricity Distribution	285 100.000 %	
	286	287 %	
	288	289 %	
Did the corporation immigrate to Canada during the taxation year? (item 53)	291	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the taxation year? (item 54)	292	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements or GIFI (item 77)	300	2,962,574	A
Deduct: Charitable donations from Schedule 2 (item 78)	311	1,900,000	
Gifts to Canada or a province, or a territory 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	465,347	
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 credit union (item 89)	340		
Prospector's and grubstaker's shares (item 90)	350		
Subtotal		2,365,347	B
Subtotal (amount A minus amount B) (if negative, enter "0")		597,227	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)	360	597,227	
Income exempt under paragraph 149(1)(t) (item 93)	370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (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 Part VI.1 tax deduction indicated in item 83 of the T2 Corporation Income Tax Guide.

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	2,962,574	A
Taxable income from line 360 on page 3, minus 10/3 the amount at line 632* on page 7, minus 3 times the amount at line 636** on page 7, and minus any amount that, because of federal law, is exempt from Part I tax (item 96)			
	405	597,227	B
Calculation of the business limit: (item 97)			
for all CCPCs, calculate the amount at line 4 below			
\$200,000 x	Number of days in the taxation year before 2003	=	1
	Number of days in the taxation year	365	
\$225,000 x	Number of days in the taxation year in 2003	365 =	225,000 2
	Number of days in the taxation year	365	
\$250,000 x	Number of days in the taxation year in 2004	=	3
	Number of days in the taxation year	365	
	Add amounts at line 1, 2, and 3	225,000	4
Business limit (see notes 1 and 2 below)		410	C
Notes: 1. For CCPCs that are not associated, enter the amount from line 4 at line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of days in the taxation year divided by 365, and enter the result on line 410.			
2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered at line 410			
Business limit reduction: (item 98)			
Amount C	X	415 ***	100,217 D
			11,250
			E
Reduced business limit (amount C minus amount E) (if negative, enter "0")		425	0 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)			

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)	x	=	A
Net active business income (amount from line 400)*			
Taxable income from line 360 on page 3 minus 3 times the amount at line 636** on page 7, and minus any amount that, because of federal law, is exempt from Part I tax (item 96)			
			C
Deduct:			
Aggregate investment income (amount from line 440 of page 6)			D
Amount C minus amount D (if negative, enter "0")			E
Amount A, B, or E above, whichever is less			
Amount Z from Part 9 of Schedule 27	x 100 / 7 =		G
Amount QQ from Part 13 of Schedule 27			H
Taxable resource income from line 435 on page 5			I
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			J
Amount on line 400, 405, 410 or 425, whichever is less			K
Total of amounts G, H, I, J, and K			L
Amount F minus amount L (if negative, enter "0")			M
Accelerated tax reduction - 7% of amount M			N
(Enter amount N on line 637 of page 7)			

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

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

Resource deduction (item 100)

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

General tax reduction for Canadian-controlled private corporations (item 101)**Canadian-controlled private corporations throughout taxation year**

Taxable income from line 360 page 3				597,227	A
Amount Z from Part 9 of Schedule 27	x 100 / 7 =		B		
Amount QQ from Part 13 of Schedule 27			C		
Taxable resource income from line 435 above			D		
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			E		
Amounts on lines 400, 405, 410, and 425 on page 4, whichever is less			F		
Aggregate investment income from line 440 of page 6			G		
Amount used to calculate the accelerated tax reduction (amount M of page 4)			H		
Total of amounts B, C, D, E, F, G, and H			I		
Amount A minus amount I (if negative, enter "0")				597,227	J
Amount J	597,227 x	Number of days in the taxation year in 2001	365	x 1% =	K
Amount J	597,227 x	Number of days in the taxation year in 2002	365	x 3% =	L
Amount J	597,227 x	Number of days in the taxation year in 2003	365	x 5% =	29,861 M
Amount J	597,227 x	Number of days in the taxation year after 2003	365	x 7% =	N
General tax reduction for Canadian-controlled private corporations - total of amounts K, L, M and N				29,861	O
(enter amount O on line 638 of page 7)					

General tax reduction (item 102)**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 on page 3				A	
Amount Z from Part 9 of Schedule 27	x 100 / 7 =		B		
Amount QQ from Part 13 of Schedule 27			C		
Taxable resource income from line 435 above			D		
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			E		
Total of amounts B, C, D and E			F		
Amount A minus amount F (if negative, enter "0")				G	
Amount G	x	Number of days in the taxation year in 2001		x 1% =	H
Amount G	x	Number of days in the taxation year in 2002		x 3% =	I
Amount G	x	Number of days in the taxation year in 2003		x 5% =	J
Amount G	x	Number of days in the taxation year after 2003		x 7% =	K
General tax reduction - total of amounts H, I, J and K					L
(enter amount L on line 639 of page 7)					

Refundable portion of Part I tax (item 103)**Canadian-controlled private corporations throughout the taxation year**Aggregate investment income 440 X 26 2/3 % = _____ A

(Amount P from Part 1 of Schedule 7)

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

Deduct:Foreign investment income 445 X 9 1/3 % = _____

(Amount 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 _____

597,227**Deduct:**Least of amounts on lines 400, 405, 410, and 425
on page 4 _____Foreign non-business income tax credit
from line 632 on page 7 _____

x 25/9 = _____

Foreign business income tax credit from
line 636 on page 7 _____

x 3 = _____

597,227 X 26 2/3% = _____159,261 DPart I tax payable minus investment tax credit refund
(line 700 minus line 780 on page 8) _____144,051**Deduct** corporate surtax from line 600 on page 7 _____6,689

Net amount _____

137,362 →137,362 E**Refundable portion of Part I tax - the least of amounts C, D, and E** _____4500 F**Refundable dividend tax on hand (item 104)**Refundable dividend tax on hand at the end of the preceding tax year 460**Deduct** dividend refund for the previous taxation year 465**Add the total of:**

Refundable portion of Part I tax from line 450 above _____

Total Part IV tax payable from line 360 on page 2 of Schedule 3 _____

Net refundable dividend tax on hand transferred from a predecessor
corporation on amalgamation, or from a wound-up subsidiary
corporation _____480**Refundable dividend tax on hand at the end of the taxation year - amount A plus amount B** _____4850**Dividend refund (item 105)****Private and subject corporations at the time taxable dividends were paid in the taxation year**Taxable dividends paid in the taxation year from line 460 on page 2 of
Schedule 3 _____

X 1/3 _____ A

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

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, whichever applies)

from page 3 (item 106)

550

226,946 A

Corporate surtax calculation (item 107)

Base amount from line A above

226,946 1

Deduct:

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

59,723 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 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)

137,362 c

Total of lines 2 to 6

59,723 7

Net amount (line 1 minus line 7)

167,223 8

Corporate surtax - 4% of the amount on line 8

600

6,689 B

Recapture of investment tax credit from line PPP in Part 21 on page 8 of Schedule 31 (item 108)

602

C

Calculation for the refundable tax on Canadian-controlled private corporation's investment income
(for a CCPC throughout the taxation year) (item 109)

Aggregate investment income from line 440 on page 6

i

Taxable income from line 360 on page 3

597,227

Deduct:

The least of amounts on lines 400, 405, 410, and 425 on page 4

Net amount

597,227

▶

597,227 ii

Refundable tax on CCPC's investment income - 6 2/3 % of the lesser of amounts i or ii

604

D.

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

233,635 E

Deduct:

Small business deduction from line 430 on page 4

9

Federal tax abatement (item 110)

608

59,723

Manufacturing and processing profits deduction from amount BB of Schedule 27 (item 111)

616

Investment corporation deduction (item 112)

620

(Taxed capital gains 624)

Additional deduction - credit unions from Schedule 17 (item 113)

628

Federal foreign non-business income tax credit from Schedule 21 (item 114)

632

Federal foreign business income tax credit from Schedule 21 (item 115)

636

Accelerated tax reduction from amount N of page 4 (item 116)

637

Resource deduction from line 438 of page 5

10

General tax reduction for CCPC's from amount O of page 5 (item 117)

638

29,861

General tax reduction from amount L of page 5 (item 117)

639

Federal logging tax credit from Schedule 21 (item 118)

640

Federal political contribution tax credit (item 119)

644

Federal political contributions

646

Federal qualifying environmental trust tax credit (item 120)

648

Investment tax credit from Schedule 31 (item 121)

652

Subtotal

89,584 ▶

89,584 F

Part I tax payable - Line E minus line F (enter amount G on line 700 on page 8) (item 122)

144,051 G

Summary of tax and credits**Federal tax**

Part I tax payable from page 7 (item 123)	700	144,051
Part I.3 tax payable from Schedule 33, 34, or 35 (item 124)	704	96,829
Part II surtax tax payable from Schedule 46 (item 125)	708	
Part IV tax payable from Schedule 3 (item 126)	712	
Part IV.1 tax payable from Schedule 43 (item 127)	716	
Part VI tax payable from Schedule 38 (item 128)	720	
Part VI.1 tax payable from Schedule 43 (item 129)	724	
Part XIII.1 tax payable from Schedule 92 (item 130)	727	
Part XIV tax payable from Schedule 20 (item 131)	728	
Total federal tax		240,880

Add provincial and territorial tax

Provincial or territorial jurisdiction (item 132)	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 133)	760
Provincial tax on large corporations (New Brunswick and Nova Scotia) (item 147)	765

Total tax payable **770** 240,880 **A****Deduct other credits**

Investment tax credit refund from Schedule 31 (items 148)	780
Dividend refund from Page 4 (items 149)	784
Federal capital gains refund from Schedule 18 (item 150)	788
Federal qualifying environmental trust tax credit refund (item 151)	792
Canadian film or video production tax credit refund from Form T1131 (item 152)	796
Film or video production services tax credit refund from Form T1177 (item 153)	797
Tax withheld at source (item 154)	800
Total payments on which tax has been withheld (item 154)	801
Allowable refund for non-resident-owned investment corporations - Schedule 26 (item 155)	804
Provincial and territorial capital gains refund from Schedule 18 (item 156)	808
Provincial and territorial refundable tax credits from Schedule 5 (item 157)	812
Royalties deductible under Syncrude Remission Order	815
Tax remitted under Syncrude Remission Order (item 158)	816
Tax instalments paid (item 159)	840
Total credits	890

288,822 288,822 **B**Refund Code **8942** Overpayment **47,942**
(item 160) (item 163)Balance (line A minus line B) **(47,942)** **C****Direct Deposit Request** (item 164)

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

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

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.
Enter the amount on whichever line applies.
We do not charge or refund a difference of less than \$2.
Balance unpaid (item 163) _____
Enclosed payment (item 162) **898** _____

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance is due? (item 161)

896 1 Yes ☐ 2 No ☒ NA ☐**Certification** (item 165)

950 Clinton **951** Iain
Surname First name
955 2004/06/29 **956** (905) 953-8548
Date Telephone number
is the contact person the same as the authorized signing officer? If no, complete the information below. **957** 1 Yes ☒ 2 No ☒
958 Iain Clinton, CA **959** (905) 953-8548
Name Telephone number

Language of correspondence - Langue de correspondance (item 166)**990** Language of choice/Langue de choix **1** English / Anglais ☒ **2** Français / French ☐

Canada Customs
and Revenue AgencyAgence des douanes
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** 671,306**Add:**

Provision for income taxes - current	101	398,442	
Amortization of tangible assets	104	2,922,800	
Charitable donations - Schedule 2	112	1,900,000	
Non-deductible meals and entertainment expenses 14,000 X 50%	121	7,000	
Non-deductible automobile expenses	122	15,000	
Total of fields 201 to 294	199	1,977,586	
Total of fields 101 to 199	500	7,220,828	7,220,828

Deduct:

Gain on disposal of assets per financial statements	401	76,940	
Capital cost allowance - Schedule 8	403	2,725,373	
Cumulative eligible capital deduction - Schedule 10	405	149,661	
Total of fields 300 to 394	499	1,977,586	
Total of fields 401 to 499	510	4,929,560	4,929,560
Net income (loss) for income tax purposes (enter on line 300 of the T2 return)			2,962,574

Add:**Other additions:**

602 Funds From Dvlp re. Distassets (para 12(1)(x))	292	1,977,586	
Total of fields 201 to 294 (Enter this amount at line 199)			1,977,586

Deduct:**Other deductions:**

700 Funds From Dvlprs re Distrib asset elect ss 13(7.4)	390	1,977,586	
Total of fields 300 to 394 (Enter this amount at line 499)			1,977,586

2,962,574

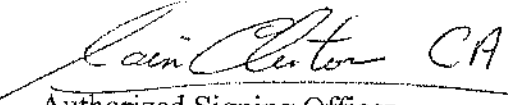
1,900,000

1,062,574

Newmarket Hydro Ltd.

Election Under Subsection 13(7.4)

The Company hereby elects to have subsection 13(7.4) of the Income Tax Act to reduce the capital cost of depreciable property of Class 1 acquired in the taxation year by an amount of \$ 1,977,586 received in the taxation year in respect of that property that would otherwise be included in income under paragraph 12(1) X.

 CA
Authorized Signing Officer

S1:344: Depletion

Newmarket Hydro Ltd.

Election Under Subsection 13(7.4)

The Company hereby elects to have subsection 13(7.4) of the income tax act to reduce the capital cost of depreciable property of Class 1 acquired in the taxation year by an amount of \$ 1,977,586 received in the taxation year in respect of that property that would otherwise be included in income under paragraph 12(1) X

Canada Customs
and Revenue AgencyAgence des douanes
et du revenu du Canada**CHARITABLE DONATIONS AND GIFTS****Schedule 2****Part 1 - Current year donations and gifts**

Name of organization (optional)	Type of gift	Amount paid
Town of Newmarket	Donation	1,900,000
	Donation	
Total current year donations and gifts		1,900,000

Part 2 - Maximum deduction for charitable donations

Total current year donations	1,900,000
Unclaimed donations from prior years	+
Donations transferred upon amalgamation or wind-up	+
Total available donations	A = 1,900,000

Net income for tax purposes * 2,962,574 **B** X 75 % = 2,221,931

Taxable capital gains on gifts of capital property	225
Taxable capital gains on deemed gifts of non-qualifying securities	227 +
Recapture of CCA on charitable gifts	230
Net proceeds of disposition	C
Capital cost	E
Lesser of D and E	235
Lesser of C and F	F

Subtotal + X 25 % = + **G = 2,221,931**

Maximum deduction allowable**Deduction for charitable donations** (lesser of A, B, and G)

Enter this amount on line 311 of the T2 Return.

= 1,900,000

* For credit unions, this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

Part 3 - Charitable donation carryforward

Year of origin	Balance at end of prior year	Beginning balance	Transfer on amalgamation or wind-up	Current year donations	Applied	Ending balance
		240	250	210	260	280
	239	Expired				
2001/12/31						
2002/12/31						
2003/12/31				1,900,000	1,900,000	
Totals				1,900,000	1,900,000	

Part 4 - Gifts to Canada or a province *

Year of origin	Balance at end of prior year	Beginning balance	Transfer on amalgamation or wind-up	Current year gifts	Applied	Ending balance
		340	350	310	360	380
	339	Expired				
2001/12/31						
2002/12/31						
2003/12/31						
Totals						

* Not applicable for gifts made after February 18, 1997, unless a written agreement was made before this date.
Enter gifts made after February 18, 1997 as charitable donations.

Part 5 - Gifts of certified cultural property

Year of origin	Balance at end of prior year	Beginning balance	Transfer on amalgamation or wind-up	Current year gifts	Applied	Ending balance
		440	450	410	460	480
	439	Expired				
2001/12/31						
2002/12/31						
2003/12/31						
Totals						

Part 6 - Gifts of certified ecologically sensitive land

Year of origin	Balance at end of prior year	Beginning balance	Transfer on amalgamation or wind-up	Current year gifts	Applied	Ending balance
		540	550	510	560	580
	539	Expired				
2001/12/31						
2002/12/31						
2003/12/31						
Totals						

Part 1 - Non-capital loss

Non-capital loss continuity by year

Non-capital loss 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					
2001/12/31							
2002/12/31	465,347					465,347	
2003/12/31							
Totals	465,347					465,347	

Current year non-capital loss

Net income (loss) for income tax purposes		2,962,574
Deduct:		
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 - Paragraph 110(1)(d.2)		
	Subtotal - if positive, enter "0"	
Deduct: Section 110.5 - addition for foreign tax credits		
Add: Current year farm loss		
Current year non-capital loss (if positive, enter "0")		

Non-capital loss continuity and carry-back request

Non-capital losses at end of preceding taxation year		465,347	
Losses expired after 7 years		100-	
Non-capital losses - beginning balance		102=	465,347
Transfers from wind-up of wholly-owned subsidiary and amalgamation			105+ 465,347
Current year non-capital loss from above		110	
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			
		Subtotal	+ 465,347
Deduct:			
Amount applied against taxable income (enter on line 331 of T2 return)		130	465,347
Amount applied against dividends subject to Part IV tax		135	
Section 80 adjustments		140	
Other adjustments		150	
		465,347	- 465,347
Non-capital losses - ending balance		180=	

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator 190 ☐ Yes
 Loss from a wholly-owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year.

NON-CAPITAL LOSS CONTINUITY AND CARRY BACK

Part 2 - Farm loss

Farm loss 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					
2001/12/31							
2002/12/31							
2003/12/31							
Totals							

Farm loss continuity and carry-back request

Farm loss continuity and carry-back request		
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	
	Subtotal	
Current year farm loss net of carry-back		+
		=
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 =

**LIMITED PARTNERSHIP LOSSES****Schedule 4****Current year limited partnership losses**

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

Limited partnership losses from prior taxation years that may applied in the current year

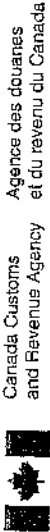
1	2	3	4	5	6	7
Partnership identifier	Fiscal period ending	Limited partnership losses at end of preceding taxation year	Corporation's at risk amount	Corp's share of partnership ITC, business/property losses & resource expenses	Column 4 - 5 if negative, enter "0"	Limited partnership losses that may be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

Continuity of limited partnership losses that can be carried forward to future taxation years

1	2	3	4	5	6
Partnership identifier	Losses at end of preceding taxation year	Losses transferred from amalgamation or wind-up of subsidiary	Current year limited partnership loss (from column 620)	Limited partnership losses applied (cannot exceed 650)	Limited partnership losses closing balance
660	662	664	670	675	680
Total (enter this amount on line 335 of the T2 return)					

Canada Customs
and Revenue AgencyAgence des douanes
et du revenu du Canada**CAPITAL COST ALLOWANCE****Schedule 8**Is the corporation electing under regulation 1101(5q)? 101 ☐ Yes ☐ 2 ☒ No

1 Class	2 UCC at start of year 201	3 Cost of additions in the year 203	4 Net adjustments 205	5 Proceeds of dispositions in the year 207	7 Adjustment for additions (1/2 x (col 3 - 5)) 211	8 Base amount for CCA	9 Rate % 212	10 CCA for the year (col 8 x 9 or a lower amount) 217	11 Recapture of CCA 213	12 Terminal loss	13 UCC at the end of the year 220
200	31,382,999	3,913,640	(1,977,586)		1,956,820	31,362,233	4	1,254,489		215	220
1	8,751					8,751	5	438			32,064,564
3	2,887,076	91,773			45,887	2,932,962	20	586,592			8,313
8	528,889	730,868		68,000	331,434	860,323	30	258,097			2,392,257
10	24,961					24,961	100	24,961			933,660
12	85,583	202,295			101,148	186,730		37,346			250,532
13	83,835					83,835	8	6,707			77,128
17	9,279,051					9,279,051	6	556,743			8,722,308
2											
Totals	44,281,145	4,938,576	(1,977,586)	68,000	2,435,289	44,738,846		2,725,373			44,448,762



RELATED AND ASSOCIATED CORPORATIONS

Schedule 9

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

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

Name 100	Country (If not Canada) 200	Business # (Canadian corporation only) 300	Code note 1 400	Common shares		Preferred shares		Book value of capital stock
				# owned	% owned	# owned	% owned	
Newmarket Hydro Holding Inc		86514 2632 RC 0001	1					700
Unipower Holdings Ltd		86553 9399 RC 0001	3					3,802,779
1443393 Ontario Inc		89239 7613 RC 0001	3					
1443394 Ontario Inc		86553 9191 RC 0001	3					
1443396 Ontario Inc		86553 8995 RC 0001	3					
1443397 Ontario Inc		89239 7217 RC 0001	3					
1443398 Ontario Inc		86553 8797 RC 0001	3					
1402318 Ontario Inc		86709 9772 RC 0001	3					
Note 1 : Enter the code number of the relationship that applies: 1- Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated								

**CUMULATIVE ELIGIBLE CAPITAL DEDUCTION****Schedule 10**

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

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

Cumulative eligible capital - balance at beginning of taxation year (if negative, enter nil)		200	2,138,016	A
Add:				
Cost of eligible capital property acquired during the taxation year	222	B		
Transfer from predecessor or subsidiary corporation	224	C		
Other adjustments	226	D		
(add amounts B, C, and D)		x 3/4 =		E
Subtotal (amount A plus amount E)		230	2,138,016	F
Deduct:				
Proceeds of sale (less outlays and expenses) from the disposition of all eligible capital property during the taxation year	242	G		
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244	H		
Other adjustments	246	I		
(add amounts G, H, and I)		x 3/4 =	248	J
Cumulative eligible capital balance (amount F minus amount J)			2,138,016	K
(if amount K is negative, enter "0" at line M and proceed to Part 2)				
Current year deduction	amount K	2,138,016 x 7% =	250	149,661 L
(Deduct amount L on line 405 of Schedule 1)				
Cumulative eligible capital balance at the end of the taxation year		300	1,988,355	M

Note: The maximum current year deduction is 7%. You can claim any amount up to the maximum. If your fiscal period starts after December 21, 2000, and is less than 365 days, prorate the calculation for line 250 by multiplying by the number of days in the year divided by 365.

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

(complete this part only if line K is negative)

Amount from line K above (show as a positive amount)			N
Total of cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988	400	1	
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80(7)	401	2	
Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988	402	3	
Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988	408	4	
Line 3 minus line 4	409	5	
Total of lines 1, 2, and 5		6	
Line T from schedule 10 of previous taxation years ending after February 27, 2000		7	
Line 6 minus line 7			
Line N minus line O (cannot be negative)			O
Amount on line 5	X 1/2		P
Line P minus line Q			Q
Amount on line R	X 66.6667 *		R
Lesser of line N or line O			S
Amount to be included in income on line 108 of schedule 1, line S plus line T	410		T

* For taxation years ending after February 27, and before October 18, 2000, use the fraction 8/9 to calculate line S

* For taxation years ending after October 17, 2000 use the fraction 2/3 to calculate line S

Canada Customs
and Revenue AgencyAgence des douanes
et du revenu du Canada**AGREEMENT AMONG ASSOCIATED CCPCs
TO ALLOCATE THE BUSINESS LIMIT
(2003 and later taxation years)****Schedule 23****Allocation of the business limit**

Date filed (for departmental use only)

025

Enter the calendar year to which the agreement applies

050

2003

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

1 Names of associated corporations		2 Business Number	3 Association code
100		200	300
1	Newmarket Hydro Ltd.	86907 7925 RC 0001	1
2	Unipower Holdings Ltd	86553 9399 RC 0001	1
3	1443393 Ontario Inc	89239 7613 RC 0001	1
4	1443394 Ontario Inc	86553 9191 RC 0001	1
5	1443396 Ontario Inc	86553 8995 RC 0001	1
6	1443397 Ontario Inc	89239 7217 RC 0001	1
7	1443398 Ontario Inc	86553 8797 RC 0001	1
8	1402318 Ontario Inc	86709 9772 RC 0001	1
9	Newmarket Hydro Holdings Inc	86514 2632 RC 0001	1
		RC	0

Allocate business limit using: ☒ % ☐ \$

Taxation year		4 Business limit for the year (before allocation) \$	Allocating business limit			7 Year end to which this agreement applies if more than one taxation year end in a calendar year
			5 Percentage of the business limit (%) 350	6 Allocation of business limit * \$ 400	Provincial allocation for Alberta and Ontario (based on \$200,000)	
Start	End					
1 2003/01/01	2003/12/31	225,000				500
2 2003/01/01	2003/12/31	225,000				
3 2003/01/01	2003/12/31	225,000				
4 2003/01/01	2003/12/31	225,000				
5 2003/01/01	2003/12/31	225,000				
6 2003/01/01	2003/12/31	225,000				
7 2003/01/01	2003/12/31	225,000				
8 2003/01/01	2003/12/31	225,000				
9 2003/01/01	2003/12/31	225,000	100.000	225,000	200,000	
TOTALS			100.000	A 225,000	200,000	

If the taxation year of the corporation filing this form is less than 51 weeks, enter the
prorated business limit in this box.

\$

	Last taxation year ending in the preceding calendar year				Current year
	Taxable income	Grossed-up taxable income	Reduced business limit	Gross Part 1.3 tax for business limit reduction	Grossed-up reduced business limit
1				100,217	
2					
3					
4					
5					
6					
7					
8					
9					
TOTALS				100,217	

**PART 1.3 TAX ON LARGE CORPORATIONS****Schedule 33**

- This schedule is for use by corporations (other than financial institutions and insurance corporations) that have Part 1.3 tax payable before deducting surtax credits (line 820 in Part 5). You should also use and file this schedule if you calculate a **gross Part 1.3 tax for the purposes of unused surtax credit** (line 821 in Part 6) and a **current-year unused surtax credit** (line 850 in Part 8).
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms "financial institution", "long-term debt" and "reserves".
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part 1.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- No Part 1.3 tax is payable for a taxation year by a corporation that was:
 - 1) a non-resident-owned investment corporation throughout the year;
 - 2) bankrupt [as defined by subsection 128(3)] at the end of the year;
 - 3) a deposit insurance corporation throughout the year, as defined by subsection 137.1(5), or deemed to be a deposit insurance corporation by subsection 137.1(5.1);
 - 4) exempt from tax under section 149 throughout the year on all of its taxable income;
 - 5) neither resident in Canada nor carrying on a business through a permanent establishment in Canada at any time in the year; or
 - 6) a corporation described in subsection 136(2) throughout the year, the principal business of which was marketing (including any related processing) natural products belonging to or acquired from its members or customers.
- File the completed Schedule 33 with the *T2 Corporation Income Tax Return* no later than six months from the end of the taxation year.
- This schedule may contain changes that had not yet become law at the time of printing.

Complete the following areas to determine the amounts needed to calculate Part 1.3 tax. If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, "Taxable capital employed in Canada."

Part 1 - Capital

Add the following amounts at the end of the year:

Reserves that have not been deducted in computing income for the year under Part I	101	814,748	
Capital stock (or members' contributions if incorporated without share capital)	103	25,806,563	
Retained earnings	104	777,151	
Contributed surplus	105		
Any other surpluses	106		
Deferred unrealized foreign exchange gains	107		
All loans and advances to the corporation	108	28,609,516	
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109		
Any dividends declared but not paid by the corporation before the end of the year	110		
All other indebtedness of the corporation (other than any indebtedness in respect of a lease) that has been outstanding for more than 365 days before the end of the year	111		
Proportion of the amount, if any, by which the total of all amounts (see note below) for the partnership of which the corporation is a member at the end of the year exceeds the amount of the partnership's deferred unrealized foreign exchange losses	112		
Subtotal		56,007,978	▶ 56,007,978 A

Deduct the following amounts:

Deferred tax debit balance at the end of the year	121		
Any deficit deducted in computing its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122		
Any amount deducted under subsection 135(1) in computing income under Part I for the year, to the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above	123		
The amount of deferred unrealized foreign exchange losses at the end of the year	124		
Subtotal			▶ B
Capital for the year (amount A minus amount B) (if negative, enter "0")	190	56,007,978	

PART 1.3 TAX ON LARGE CORPORATIONS**Part 2 - Investment allowance**

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

A share of another corporation	401
A loan or advance to another corporation (other than a financial institution)	402
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403
Long-term debt of a financial institution	404
A dividend receivable on a share of the capital stock of another corporation	405
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim, or similar obligation of, a partnership all of the members of which, throughout the year, were other corporations (other than financial institutions) that were not exempt from tax under Part 1.3 (other than by reason of paragraph 181.1(3)(d))	406
An interest in a partnership (see note 1 below)	407
Investment allowance for the year	490

Part 3 - Taxable capital

Capital for the year (line 190)	56,007,978	C
Deduct: Investment allowance for the year (line 490)		D
Taxable capital for the year (amount C minus amount D) (if negative, enter "0")	500 56,007,978	

Part 4 - Taxable capital employed in Canada**To be completed by a corporation that was resident in Canada at any time in the year**

Taxable capital for the year (line 500)	Taxable income earned in Canada	Taxable capital employed in Canada
56,007,978	610 597,227	690 56,007,978
	Taxable income 597,227	

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

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

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada

701

Deduct the following amounts:

Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada

711

Total of all amounts each of which is the carrying value at the end of the year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada

712

Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below)

713

Total deductions (add lines 711, 712, and 713)

E

Taxable capital employed in Canada (line 701 minus amount E) (if negative, enter "0") **790**

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

PART I.3 TAX ON LARGE CORPORATIONS**Part 5 - Calculation of gross Part I.3 tax**

Taxable capital employed in Canada (line 690 or 790, whichever applies)		56,007,978
Deduct:	Capital deduction claimed for the year (enter \$10,000,000 or, for related corporations, the amount allocated on Schedule 36)	801 10,000,000
Excess of taxable capital employed in Canada over capital deduction		811 46,007,978
Line 811	46,007,978 x $\frac{\text{Number of days in the taxation year before 2004}}{\text{Number of days in the taxation year}}$	365 x 0.00225 = 103,518 F
Line 811	46,007,978 x $\frac{\text{Number of days in the taxation year in 2004}}{\text{Number of days in the taxation year}}$	365 x 0.002 = G
Note: The Part I.3 tax rate is reduced to 0% for the days in the taxation year that are after 2007.		
Subtotal (add amounts F and G)		103,518 K
Where the taxation year of a corporation is less than 51 weeks, calculate the amount of gross Part I.3 tax as follows:		
Amount K	X $\frac{\text{Number of days in the year ()}}{365}$	L
Gross Part I.3 tax (amount K or L, whichever applies)		820 103,518

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

Taxable capital employed in Canada (line 690 or 790, whichever applies)		56,007,978 M
Deduct:	Line 801 above 10,000,000	10,000,000 N
Excess (amount M minus amount N) (if negative, enter "0")		46,007,978 O
Amount O	46,007,978 x 0.00225 =	103,518 P
Where the taxation year of a corporation is less than 51 weeks, calculate the amount of gross Part I.3 tax for purposes of the unused surtax credit as follows:		
Amount P	x $\frac{\text{Number of days in the year ()}}{365}$	Q
Gross Part I.3 tax for purposes of the unused surtax credit (amount P or Q, whichever applies)		821 103,518

PART I.3 TAX ON LARGE CORPORATIONS**Part 7 - Calculation of current year surtax credit available**

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

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

a) line 600 from the T2 return		a	
b) line 700 from the T2 return		b	R

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

c) line 600 from your T2 return	6,689	x (line 690 ÷ line 500)	=	6,689	c	
d) line 700 from the T2 return				144,051	d	6,689 S

Current year surtax credit available (amount R or S, whichever applies)		830	6,689
--	--	------------	--------------

Part 8 - Calculation of current-year unused surtax credit

Current-year surtax credit available (line 830)		6,689
Less: Gross Part I.3 tax for purposes of the unused surtax credit (line 821)		103,518

Current-year unused surtax credit (If negative, enter "0")	850
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Enter this amount at line 600 on Schedule 37.

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

Gross Part I.3 tax (line 820)		103,518	T
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Deduct:

Current-year surtax credit applied (line 820 or 830, whichever is less)	861	6,689	
Unused surtax credit from previous years applied (amount from line 320 on Schedule 37)	862		
Subtotal (cannot be more than amount on line 820)		6,689	6,689 U

Net Part I.3 tax payable (amount T minus amount U)	870	96,829
---	------------	---------------

Enter this amount at line 704 of the T2 return.

Canada Customs
and Revenue AgencyAgence des douanes
et du revenu du Canada**AGREEMENT AMONG RELATED CORPORATIONS -
PART 1.3 TAX****Schedule 36**

- Members of a related group of corporations should use this schedule to allocate the capital deduction among the members of the related group. **Do not file this agreement if no members of the related group have to pay Part 1.3 tax.**
- In cases where a related corporation has more than one taxation year ending in a calendar year, it has to file an agreement for each of those taxation years.
- A corporation that is related to any other corporation at any time in a taxation year of the corporation that ends in a calendar year may file such an agreement.
- In accordance with subsection 181.5(7) of the federal *Income Tax Act*, a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

Agreement

Date filed (for departmental use only) _____ 010 _____

Is this an amended agreement? _____ 020 ☐ 1 Yes ☒ 2 No

Calendar year to which the agreement applies _____ 030 _____ 2003

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

Names of all corporations which are members of the related group 200	Business number (if a corporation is not registered, enter "NR") 300	Allocation of capital deduction for the year \$ 400	Taxation year end to which this agreement applies * 500
Newmarket Hydro Ltd.	86907 7925 RC 0001	10,000,000	2003/12/31
Newmarket Hydro Holdings Inc	86514 2632 RC 0001	0	2003/12/31
Unipower Holdings Ltd.	86553 9399 RC 0001	0	2003/12/31
1443393 Ontario Inc	89239 7613 RC 0001	0	2003/12/31
1443394 Ontario Inc	86553 9191 RC 0001	0	2003/12/31
1443396 Ontario Inc	86553 8995 RC 0001	0	2003/12/31
1443397 Ontario Inc	89239 7217 RC 0001	0	2003/12/31
1443398 Ontario Inc	86553 8797 RC 0001	0	2003/12/31
1402318 Ontario Inc	86709 9772 RC 0001	0	2003/12/31
	RC	0	yyyy/mm/dd
Total		10,000,000	

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

**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
Newmarket ydro Holdings Inc	86514 2632 RC 0001		100.000	
	RC			

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

Canada Customs
and Revenue AgencyAgence des douanes
et du revenu du Canada**BALANCE SHEET INFORMATION****Schedule 100**

Assets		Code	Amount
Cash and deposits		1000	
Cash		1001	61,885,199
Total assets		2599	61,885,199

Liabilities		Code	Amount
Bank overdraft		2600	
Amounts payable and accrued liabilities		2620	35,301,485
Total liabilities		3499	35,301,485

Equity		Code	Amount
Common shares		3500	25,806,563
Retained earnings / deficit		3600	777,151
Total equity		3620	26,583,714
Total liabilities and equity		3640	61,885,199

Retained earnings		Code	Amount
Retained earnings/deficit-start		3660	105,845
Net income / loss		3680	671,306
Total retained earnings		3849	777,151



INCOME STATEMENT INFORMATION

Schedule 125

Details

Operating name, if different from the corporations' legal name

0001

Description of operation, if filing multiple Schedules 125

0002

Revenue		Code	Amount
Trade sales of goods and services		8000	
Total sales of goods and services		8089	
Total revenue		8299	55,915,196

Cost of sales		Code	Amount
Opening inventory		8300	
Cost of sales		8518	43,388,138
Gross profit / loss (item 8089 - item 8518)		8519	(43,388,138)

Operating expenses		Code	Amount
Amortization of tangible assets		8670	2,922,800
			8,534,510
Total operating expenses		9367	11,457,310
Total expenses		9368	54,845,448
Net non-farming income		9369	1,069,748

Farming revenue		Code	Amount
Grains and oilseeds		9370	
Total farm revenue		9659	

Farming expenses		Code	Amount
Crop expenses		9660	
Total farm expenses		9898	
Net farm income		9899	
Net income / loss before taxes and extraordinary items		9970	1,069,748

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 -	398,442
Deferred income tax provision	9995 -	
Net income / loss after taxes and extraordinary items	9999 =	671,306

TaxPaid

Tax instalments paid

Jurisdiction	Description	Date	Amount
Federal	Instalments paid	2003/06/01	288,822
Federal			
Total			288,822

* Enter Québec instalments paid on form CO-1027.VE

Summary by jurisdiction

Federal	288,822	Manitoba	
British Columbia		Ontario	220,378
Alberta			
Saskatchewan			

Instalments

Federal tax instalments

Instalment base

Year-end	Estimate for current year 2004/12/31	First instalment base 2003/12/31	Second instalment base 2002/12/31
Taxable income		597,227	
Base amount of Part I tax		226,946	
Corporate surtax		6,689	
Refundable tax on CCPC's investment income			
Small business deduction			
Federal tax abatement		59,723	
Manufacturing and processing profits deduction			
Foreign tax credits			
Tax reductions		29,861	
Political contribution tax credit			
Investment tax credit			
Other credits			
Part I tax payable		144,051	
Part I.3 tax payable		96,829	
Part VI tax payable			
Part VI.1 tax payable			
Net provincial or territorial tax payable			
Total tax payable		240,880	
Days in taxation year	365	365	
Tax payable adjusted for short taxation years		240,880	
Estimated credits for the current year:			
Investment tax credit refund			
Dividend refund			
Other			
Total estimated credits			
Instalment base		240,880	
Monthly payment		20,073	

Instalment payment options

- ☐ 1. based on estimated taxes for the current year
 ☒ 3. based on the first and second instalment base
- ☐ 2. based on the first instalment base
 ☐ 4. instalments are not required

Instalment payments

Date	Instalments required	Instalments paid	Instalments payable
2004/01/31			
2004/02/29			
2004/03/31	24,088		
2004/04/30	24,088		
2004/05/31	24,088		
2004/06/30	24,088		96,352
2004/07/31	24,088		24,088
2004/08/31	24,088		24,088
2004/09/30	24,088		24,088
2004/10/31	24,088		24,088
2004/11/30	24,088		24,088
2004/12/31	24,088		24,088
Total	240,880		240,880

Summary

Tax Summary

Tax year ending 2003/12/31

Taxable income		Tax payable	
Net income for tax purposes	2,962,574	Part I tax	144,051
Charitable donations and gifts	- 1,900,000	Part 1.3 tax (large corporations tax)	+ 96,829
Taxable dividends	-	Taxable dividends received	
Losses of prior years	- 465,347	Part IV tax	+
Other adjustments	±	Other federal tax payable	+
Taxable income	= 597,227	Subtotal	= 240,880
Part I tax		Provincial and territorial tax (except QC,ON,AB)	+
38% of taxable income	226,946	Provincial tax on large corporations (NB,NS)	+
Surtax	+ 6,689	Tax payable	+ 240,880
Refundable tax on CCPC investment income	+	Tax instalments paid	- 288,822
Active business income	2,962,574	Investment tax credit refund	-
Small business deduction	-	Taxable dividends paid	
Federal tax abatement	- 59,723	Dividend refund	-
Manufacturing and processing deduction	-	Other refundable credits	-
Foreign tax credits	-	Balance owing (refund) on federal return	= (47,942)
Political contribution tax credit	-	Provincial income tax (ON,AB,QC)	69,703
Investment tax credit	-	Capital and other provincial taxes	+ 150,675
Other deductions and credits	- 29,861	Tax instalments and credits	- 220,378
Part I tax	= 144,051	Other provincial taxes	=
		Total balance owing (refund)	= (47,942)

Provincial tax

	Taxable income	Income tax	Capital and other provincial taxes	Tax instalments and credits	Net provincial tax
Newfoundland					
Prince Edward Island					
Nova Scotia					
New Brunswick					
Manitoba					
Saskatchewan					
British Columbia					
Yukon Territory					
Northwest Territories					
Schedule 5 provincial tax payable					
Ontario	597,227	69,703	150,675	220,378	
Alberta					
Québec					
Totals		69,703	150,675	220,378	

Loss carryforwards

Capital	
Non-capital	
Farm	
Restricted farm	
Limited partnership	
Listed personal property	

Other carryforwards

Capital dividend account	
Refundable dividend tax on hand (net of dividend refund)	
Unused Part 1.3 tax credit	
Unused surtax credits	
Foreign business tax credits	
Donations and gifts	
Investment tax credits	

5Year

5 Year Tax Summary

Years Ending:	2003/12/31	2002/12/31	2001/12/31		
Taxable income					
Net income for tax purposes	2,962,574				
Charitable donations and gifts	- 1,900,000	-	-	-	-
Taxable dividends	-	-	-	-	-
Losses of other years	- 465,347	-	-	-	-
Other adjustments	±	±	±	±	±
Taxable income	= 597,227	=	=	=	=
Active business income					
	2,962,574				
Part I tax					
38% of taxable income	226,946				
Surtax	+ 6,689	+	+	+	+
Refundable tax on CCPC investment income	+	+	+	+	+
Small business deduction	-	-	-	-	-
Federal tax abatement	- 59,723	-	-	-	-
Manufacturing and processing deduction	-	-	-	-	-
Foreign tax credits	-	-	-	-	-
Political contribution tax credit	-	-	-	-	-
Investment tax credit	-	-	-	-	-
Other deductions and credits	- 29,861	-	-	-	-
Part I tax	= 144,051	=	=	=	=
Tax payable					
Part I tax	144,051				
Part I.3 tax	+ 96,829	+	+	+	+
Part IV tax	+	+	+	+	+
Other federal tax payable	+	+	+	+	+
Subtotal	= 240,880	=	=	=	=
Provincial and territorial tax (except QC,ON,AB)	+	+	+	+	+
Provincial tax on large corporations (NB,NS)	+	+	+	+	+
Tax payable	= 240,880	=	=	=	=
Tax instalments made	- 288,822	-	-	-	-
Investment tax credit refund	-	-	-	-	-
Dividend refund	-	-	-	-	-
Other refundable credits	-	-	-	-	-
Balance owing (refund)	= (47,942)	=	=	=	=
Provincial income tax (ON,AB,QC)	69,703				
Capital and other provincial taxes	+ 150,675	+	+	+	+
Tax instalments and credits	- 220,378	-	-	-	-
Other provincial taxes	=	=	=	=	=
Total taxes owing (refund)	(47,942)				



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

2003 CT23 Corporations Tax and Annual Return

For taxation years commencing
after September 30, 2001

Corporations Tax Act - Ministry of Finance (MOF)

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

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

MCBS Annual Return Required? (Not required if already filed or Annual Return exempt. Refer to Guide) ☒ Yes ☐ No **Page 1 of 24**

Corporation's Legal Name (including punctuation) Newmarket Hydro Ltd.				Ontario Corporations Tax Account No. (MOF) 1800138	
Mailing address Iain Clinton, CA 590 Steven Court				This CT23 Return covers the Taxation Year Start 2003/01/01 End 2003/12/31	
City Newmarket	Province ON	Country	Postal code L3Y 6Z2		
Has the mailing address changed since last filed CT23 Return? <input type="checkbox"/> Yes <input type="checkbox"/> No Date of change				Date of Incorporation or Amalgamation 2001/11/01	
Registered/Head Office Address 590 Steven Court					
City Newmarket	Province ON	Country	Postal code L3Y 6Z2	Ontario Corporation No. 1800138 (MCBS)	
Location of Books and Records 590 Steven Court				Canada Customs and Revenue Agency Business No. 869077925RC0001	
City Newmarket	Province ON	Country	Postal code L3Y 6Z2		
Name of person to contact regarding this CT23 Return Iain Clinton, CA		Telephone No. (905) 953-8548	Fax No. () -	Jurisdiction Incorporated Ontario	
Address of Principal Office in Ontario (Extra-Provincial Corporations only) 590 Steven Court (MCBS)				If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased: Commenced Ceased	
City Newmarket	Province ON	Country CA	Postal code L3Y 6Z2	<input checked="" type="checkbox"/> Not Applicable	
Former Corporation Name (Extra-Provincial Corporations only) <input checked="" type="checkbox"/> Not applicable (MCBS)				Preferred Language / Langue de préférence <input checked="" type="checkbox"/> English anglais <input type="checkbox"/> French français	
Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). No. of Schedule(s) 1				Ministry Use	
If there is no change to the Directors/Officers/Administrators' information previously submitted to MCBS, please check <input checked="" type="checkbox"/> this box. Schedule(s) A and K are not required (MCBS). <input type="checkbox"/> No Change					

Certification (MCBS)

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

Name of Authorized Person
Iain Clinton

Title: ☐ Director ☒ Officer ☐ Other Individual having knowledge of the affairs of the Corporation

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

Taxation Year End

**Exempt From Filing (EFF)
Corporations Tax Return Declaration**

Page 2 of 24

Corporation's Legal Name

Ontario Corporations Tax Account No. (MOF)

I, _____ declare that:

The above corporation satisfies all of the exempt from filing criteria (a) through (f) below for the taxation year and therefore qualifies under the *Corporations Tax Act* as exempt from filing an Ontario Corporations Tax Return.

Criteria for exempt from filing status:

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

Signature

Title/Relationship to Corporation

Telephone number

Date

Please note that making a false statement to avoid compliance with the *Corporations Tax Act* is an offence which can result in a penalty and/or fine.

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

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

1. 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.

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

The following 3 items **MUST** be completed if the EFF declaration only is being submitted at this time. In cases where the annual return, which includes page 1, is also being filed, completion of these fields is NOT necessary.

1. Corporation's Mailing Address

City Province Country Postal code

2. Ontario Corporation No. (MCBS)**3. Canada Customs and Revenue Agency Business No.**

RC

A corporation must file an Exempt From Filing Corporations Tax Return Declaration form for each taxation year that the corporation is exempt from filing, within 6 months after the end of its taxation year to the address shown at the top of Page 1.

If you check "Yes" to ALL of the following criteria, you are eligible to file the CT23 Short-Form Corporation Tax Return. To obtain a copy, contact the Ministry Information Centre at the numbers listed on page 2 of the Guide.

Yes No

☒ ☐

- (a) The corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year.
- (nearest whole percentage)
Indicate Share Capital with full voting rights owned by Canadian Residents 0 %

☐ ☒

- (b) The corporation's taxable income for the taxation year is \$200,000 or less. For a taxation year with less than 51 weeks, taxable income must be grossed-up. (Refer to guide)

☐ ☒

- (c) The corporation is NOT a member of a partnership/joint venture or a member of an associated group of corporations during the taxation year.

Yes No

☐ ☒

- (d) The corporation's taxation year ends on or after January 1, 2001, and its gross revenue and total assets are each \$1,500,000 or less and the corporation is not a financial institution; OR
The corporation's taxation year commences after 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.

☒ ☐

- (e) The corporation is NOT claiming a tax credit other than the Incentive Deduction for Small Business Corporations (IDSBC), Co-operative Education Tax Credit (CETC) or Graduate Transitions Tax Credit (GTTTC).

☒ ☐

- (f) The corporation's Ontario allocation factor is 100%.

NOTE: Family Farm or Fishing corporations that have a taxation year ending on or after January 1, 2000 and that are NOT subject to the Corporate Minimum Tax, may also use the CT23 Short-Form Corporations Tax Return if the corporation checks "Yes" to (a), (b), (c), (e) and (f) above.

CT23 Corporations Tax Return

CT23 Page 3 of 24

Identification continued (for CT23 filers only)

Type of Corporation - Please check (✓) box(es) if applicable in sections 1 & 2

- 1** ☒ 1 ☒ Canadian-controlled private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))
- 2** ☐ Other Private
- 3** ☐ Public
- 4** ☐ Non-share Capital
- 5** ☐ Other (specify)
- Share Capital with full voting rights owned by Canadian residents. (nearest %) 0 %

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

Ontario Retail Sales Tax Vendor Permit No.
(Use Head Office No.)Ontario Employer Health Tax Account No.
(Use Head Office No.)Specify major business activity
Electricity Distribution**Please check (✓) box(es) if applicable:**

- ☐ First Year of Filing
- ☐ Amended Return
- ☐ Taxation Year End has changed - Canada Customs and Revenue Agency approval required
- ☐ Final Taxation Year up to Dissolution(wind-up) (Note: For discontinued businesses, see Guide.)
- ☐ Final Taxation Year before Amalgamation
- ☐ Floating Fiscal Year End
- ☐ Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
- ☐ Acquisition of Control fed s.249(4)
- Date control was acquired: _____

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

Income Tax

CT23 Page 4 of 24

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

Net income (loss) for Ontario purposes (per reconciliation schedule, page 15)	From 690±	2,962,574
Subtract: Charitable donations	1 -	1,900,000
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule 2)	2 -	
Subtract: Taxable dividends deductible, per federal T2 SCH 3	3 -	
Subtract: Ontario political contributions (Attach schedule 2A) (Int.B. 3002)	4 -	
Subtract: Federal Part VI.1 tax	5 -	
Subtract: Prior years' losses applied - Non-capital losses	From 704	465,347
Net capital losses (page 16)	From 715	Inclusion
Farm losses	X rate	50.000000 % = 714
Restricted farm losses	From 724-	
Limited partnership losses	From 734-	
	From 754-	
Taxable income (Non-capital loss)	10	597,227
Addition to taxable income for unused foreign tax deduction for federal purposes	11	
Adjusted taxable income 10 + 11 (if 10 is negative, enter 11)	20	597,227

Taxable Income		Number of days in Taxation Year	
		Days after Sept 30, 2001 and before Jan 1, 2004	Total days
From 10 (or 20)	597,227 X 30	100.0000 % X 12.5 % X 33	365 ÷ 73 = 29 + 74,653
	Ontario Allocation	Days after Dec 31, 2003	Total days
From 10 (or 20)	597,227 X 30	100.0000 % X 14.0 % X 34	365 ÷ 73 = 32 +
	Ontario Allocation		
Income Tax Payable (before deduction of tax credits) 29 + 32		40	74,653

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

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the year? (✓) ☐ Yes ☒ No

* Income from active business carried on in Canada

for federal purposes (fed.s.125(1)(a))	50	2,962,574
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	51 +	597,227
Add: Losses of other years deducted for federal purposes (fed.s.111)	52 +	465,347
Subtract: Losses of other years deducted for Ontario purposes (s.34)	53 -	465,347
	=	597,227
	54	597,227

Federal Business limit (line 410 of the T2 return) for the year before application of fed.s.125(5.1)

55

Ontario Business Limit Calculation

Days after Sept. 30, 2001 and before Jan. 1, 2003	
280,000 X 28	365 ÷ ** =+ 43
Days after Dec. 31, 2002 and before Jan. 1, 2004	
320,000 X 31	365 ÷ ** =+ 46 320,000
Days after Dec. 31, 2003	
400,000 X 34	365 ÷ ** =+ 47

*** Percentage of Federal Business limit (from T2 Sch. 23). Enter 100% if not associated

Business limit

for Ontario purposes 43 + 46 + 47 = 44 320,000 X 48 % = 45

Income eligible for the IDSBC

From 30 100.0000 % X 56 60 =

**** Ontario Allocation

Least of 50, 54 or 45

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

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

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

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

Income Tax *continued from Page 4*

		Number of Days in Taxation			
Year		Days after Sept 30, 2001 and before Jan 1, 2003		Total Days	
Calculation of IDSBC Rate	6.5 % X 28		÷ 73	365 = 79 +	
	7.0 % X 31	Days after Dec 31, 2002 and before Jan 1, 2004	÷ 73	365 = 89 +	7.0000
	8.5 % X 34	Days after Dec 31, 2003	÷ 73	365 = 90 +	
IDSBC Rate for Taxation Year 79 + 89 + 90				78 =	7.0000
Claim	From 60	X From 78	7.0000 %	70	

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

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

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

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

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

**** Taxable Income of the corporation** From 10 (or 20 if applicable) 80 + 597,227

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

Taxable income of associated corporations (Attach schedule) 82 +
Aggregate Taxable income 85 = 597,227

Number of days in Taxation Year

	Days after Sept 30, 2001 and before Jan 1, 2003	Total Days			
Subtract: 280,000 X 28	÷ 73	365 = 113 +			
320,000 X 31	Days after Dec 31, 2002 and before Jan 1, 2004	÷ 73	365 = 115 +	320,000	
400,000 X 34	Days after Dec 31, 2003	÷ 73	365 = 116 +		
		113 + 115 + 116	=	320,000	
(If negative, enter nil)				114 -	320,000
				86 =	277,227

Number of Days in Taxation Year

	Days after Sept 30, 2001 and before Jan 1, 2003	Total Days			
Calculation of Specified Rate for Surtax	4.333% X 28	÷ 73	365 = 95 +		
	4.667% X 31	Days after Dec 31, 2002 and before Jan 1, 2004	÷ 73	365 = 96 +	4.6670
	4.667% X 34	Days after Dec 31, 2003	÷ 73	365 = 97 +	
Specified rate of surtax for Taxation Year 95 + 96 + 97				94 =	4.6670
From 86	277,227	X From 94	4.6670 % =	87 =	12,938
From 87	12,938	X From 60	÷ From 114	320,000	88 =

Surtax: Lesser of 70 or 88 100

Income Tax *continued from Page 5*

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

110

Manufacturing and Processing Profits Credit (M&P) (s.43)**Applies** to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

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

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

120+

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

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 \div From 30 $\frac{100.0000}{\%} \div$ From 78 $\frac{7.0000}{\%} = 121$

*Ontario Allocation

Lesser of 56 or 121

122+

120 - 56 + 122 130=

Taxable income

From 10 + 597,227

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= 597,227

Claim**Number of Days in Taxation Year**Days after Sept 30, 2001
and before Jan 1, 2004

Total Days

143 X From 30 $\frac{100.0000}{\%} \times 1.5\% \times$ 33 $\frac{365}{\div} - 73$ 365 = 154+

Lesser of 130 or 142

*Ontario Allocation

143 X From 30 $\frac{100.0000}{\%} \times 2.0\% \times$

Days after Dec 31, 2003

Total Days

34 $\frac{365}{\div} - 73$ 365 = 156+

Lesser of 130 or 142

*Ontario Allocation

M&P claim for taxation year 154 + 156

160=

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

161

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

162

Credit for Foreign Taxes Paid (s.40)**Applies** if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001) (Attach schedule). 170**Credit for Investment in Small Business Development Corporations (SBDC)****Applies** if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)

Eligible credit 175

Credit claimed 180

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

190 74,653

Income Tax *continued from Page 6***Specified Tax Credits** (Refer to Guide)

Ontario Innovation Tax Credit (OITC) (s.43.3) *Applies* to research and development in Ontario.
Eligible credit from **5620** OITC claim form (Attach original Claim Form)

191

Co-operative Education Tax Credit (CETC) (s.43.4) *Applies* to employment of eligible students.
Eligible credit from **5798** Summary Schedule F

192

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

Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.
Eligible credit from **5899** either Claim Form from Ontario Media Development Corporation (OMDC)
or Ministry of Finance (MFO) CT Schedule 193/199, as applicable.
(Attach the original Certification/Claim Form received from the OMDC or the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)

193

Graduate Transitions Tax Credit (GTTC) (s.43.6)

Applies to employment of eligible unemployed post secondary graduate.

No. of Graduates from 6596

194

Eligible Credit from **6598** Summary Schedule G

195

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

Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.
Eligible Credit from **6900** OBPTC Claim Form (Attach both the original Claim Form and the Certification Form)

196

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

Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit from **6700** Claim Form Certified by Ontario Media Development Corporation
(Attach the original Claim/Certification Form with the CT23 Tax Return.)

197

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

Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit from **7100** OBRITC Claim Form (Attach original Claim Form)

198

Ontario Production Services Tax credit (OPSTC) (s.43.10)

Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.
Eligible Credit from **7300** either Claim Form from Ontario Media Development Corporation (OMDC)
or Ministry of Finance (MFO) CT Schedule 193/199, as applicable
(Attach the original Certification/Claim Form received from the OMDC or the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)

199

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)

Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit from **7400** Claim Form certified by Ontario Media Development Corporation
(Attach original Claim/Certification Form.)

200

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)

Applies to qualifying expenditures in respect of eligible Canadian sound recordings.
Eligible Credit from **7500** OSRTC Claim Form (Attach both the original Claim Form and the Certification Form)

201

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

220

Specified Tax Credits Applied to reduce Income Tax

225

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

230 74,656

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

OR

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

Corporate Minimum Tax (CMT)

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

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

Short Taxation Years - Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.**Associated Corporation** - The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

* Total Assets of the corporation	240 +	61,885,199	
* Total Revenue of the corporation			241 + 55,915,196

If you are a member of an associated group (✓) 242 ☒ (Yes)

Total Assets of associated corporations (Attach schedule)	243 +	4,014,937	
---	-------	-----------	--

Total Revenue of associated corporations (Attach schedule)			244 + 1,350
--	--	--	-------------

Aggregate Total Assets	249 =	65,900,136	
------------------------	-------	------------	--

Aggregate Total Revenue			250 = 55,916,546
-------------------------	--	--	------------------

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

Gross CMT Payable	CMT Base From 2135	1,069,748	X	From 30	100.0000 % X 4%	276 =	42,790
			If negative, enter zero		Ontario Allocation		

Subtract: Foreign Tax Credit for CMT purposes (Attach schedule)			277 =	
---	--	--	-------	--

Subtract: Income Tax			From 190 -	74,653
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Net CMT Payable (if negative, enter Nil on page 17.)			280 =	
--	--	--	-------	--

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

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

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

CMT Credit Carryover available			From 2307	4,950
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Application of CMT Credit Carryovers

A.	Income Tax (before deduction of specified credits)		From 190 +	74,653
	Gross CMT payable	From 276 +	42,790	
	Subtract: Foreign Tax Credit for CMT purposes	From 277 -		
	If 276 - 277 is negative, enter NIL in 290	=	42,790	290 - 42,790
	Income Tax eligible for CMT Credit			300 = 31,863
B.	Income Tax (after deduction of specified credits)		From 230 +	74,653
	Subtract: CMT credit used to reduce income taxes		310 =	4,950
	Income Tax		320 =	69,703

Transfer to Page 17

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

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

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

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

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

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

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

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

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

Paid-up Capital

Paid-up capital stock (Int.B. 3012 and 3015)	350 +	25,806,563
Retained earnings (if deficit, deduct) (Int.B. 3012)	351 ±	777,151
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012)	352 +	
Loans and advances (Attach schedule)(Int.B. 3013)	353 +	28,609,516
Bank loans (Int.B. 3013)	354 +	
Bankers acceptances (Int.B. 3013)	355 +	
Bonds and debentures payable (Int.B. 3013)	356 +	
Mortgages payable (Int.B. 3013)	357 +	
Lien notes payable (Int.B. 3013)	358 +	
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013)	359 +	
Contingent, investment, inventory and similar reserves (Int.B. 3012)	360 +	
Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012)	361 +	814,748
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017)	362 +	
Subtotal	370 =	56,007,978
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012)	371 -	782,991
Deductible R&D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	372 -	
Total Paid-up Capital	380 =	55,224,987
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	381 -	
<i>Electrical Generating Corporations Only</i> - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	382 ±	
Net Paid-up Capital	390 =	55,224,987

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

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

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

Mortgages due from other corporations	402 +	
Shares in other corporations (certain restrictions apply) (Refer to Guide)	403 +	
Loans and advances to unrelated corporations	404 +	
Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)	405 +	
Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)	406 +	
	407 +	
Total Eligible Investments	410 =	

Capital Tax *continued from Page 9*

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Total Assets (Int.B. 3015)

Total Assets per balance sheet	420+	61,885,199
Mortgages or other liabilities deducted from assets	421+	
Share of partnership(s)/joint venture(s) total assets (<i>Attach schedule</i>)	422+	
Subtract: Investment in partnership(s)/joint venture(s)	423-	
Total Assets as adjusted	430=	61,885,199
Amounts in 360 and 361 (if deducted from assets)	440+	
Subtract: Amounts in 371, 372 and 381	441-	782,991
Subtract: Appraisal surplus if booked	442-	
Add or Subtract: Other adjustments (specify on an attached schedule)	443±	
Total Assets	450	61,102,208

Investment Allowance $(410 \div 450) \times 390$

Not to exceed 410 460

Taxable Capital 390 - 460

470 55,224,987

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)

Gross Revenue of the corporation 55,915,196

Corporation's Share of partnership(s)/joint venture(s) Gross Revenue (*Attach schedule*)

Aggregate of Gross Revenue 55,915,196 480 55,915,196

Total Assets (as adjusted) From 430 61,885,199**Calculation of Capital Tax for all corporations except Financial Institutions***Note: This version (2003) of the CT23 may only be used for a taxation year that commenced after September 30, 2001.**(Financial Institutions use calculations on page 13.)*

- Important:** If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.
- OR** If the corporation is NOT a member of an associated group and/or partnership, review only the capital tax calculations in Section B below and select and complete the one specific subsection (e.g. B3) that applies to the corporation.
- OR** If the corporation IS a member of an associated group and/or partnership, complete Section C on page 11. and if applicable, complete Section D or Section E on page 12. Note: if the corporation is a member of a connected partnership, please refer to the 2003 CT23 guide for additional instructions before completing the capital tax section.

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

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

SECTION B**This section applies if the corporation is NOT a member of an associated group and/or partnership****B1.** If the taxation year commences after September 30, 2001 and 430 and 480 on page 10 are both \$3,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.**B2.** If taxable capital, 470 on page 10, is \$5,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.**B3.** If taxable capital, 470 on page 10 exceeds \$5,000,000, complete the following calculation and transfer the amount from 523 to 543 on page 12, and complete the return from that point.

$$\begin{aligned}
 &+ \text{From } 470 \quad \text{Days in taxation year} \\
 &= 471 \quad \times \text{From } 30 \quad \frac{100,000}{\text{Ontario Allocation}} \times 0.3\% \times 555 \quad \frac{365}{**365/366} = 523+ \\
 &\quad \text{Transfer to 543 on page 12 and complete the return from that point}
 \end{aligned}$$

**** If floating taxation year, refer to Guide.***continued on Page 11*

Capital Tax Calculation *continued from page 10*

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SECTION C

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

C1. ☐ 509 (✓ if applicable) **All corporations that you are associated with do not have a permanent establishment in Canada.**
 If taxable capital 470 on page 10 is \$5,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.
 If taxable capital 470 on page 10 exceeds \$5,000,000 proceed to **Section D**, enter \$5,000,000 in 542 Section D, and complete Section D and the return from that point

C2. ☒ 524 (✓ if applicable) **One or more of the corporations that you are associated with maintains a permanent establishment in Canada**
 If the taxation year **ends before January 1, 2003**, you must complete the *Calculation* below.
 If the taxation year **ends after December 31, 2002**, you and your associated group may continue to allocate the \$5,000,000 taxable capital exemption by completing the *Calculation* below. Or, the associated group may **file an election** under subsection 69(2.1) of the Corporations Tax Act, whereby total assets are used to allocate the taxable capital exemption among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the \$15,000 capital tax effect, relating to the \$5,000,000 taxable capital exemption, to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.
 The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.
 In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

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

Taxable Capital form 470 on page 10 From 470+ 55,224,987

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+
 Total Aggregate Taxable Capital 470 + 531 540 = 55,224,987

If 540 above is \$5,000,000 or less, the corporation's Capital Tax for the taxation year, is NIL.

Enter NIL in 523 in section D on page 12, as applicable.

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

From 470 55,224,987 ÷ From 540 55,224,987 X 5,000,000 541 = 5,000,000
Transfer to Section 542 in D on page 12

Ss.69(2.1) Election Filed

☒ 591 (✓ if applicable) **Election filed. Attach a copy of the election with this CT23 Return.**
 Proceed to **Section E** on page 12.

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

SECTION E

Capital Tax continued from page 12

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Calculation of Capital Tax for Financial Institutions**I.1. Credit Unions Only**For taxation years commencing **after May 4, 1999** enter NIL in **550** on page 12, and complete the return from that point.**I.2 Other than Credit Unions**(Retain details of calculations for amounts in boxes **565** and **570**. Do not submit with this tax return.)

565 x 0.6% x From **30** % x **555** \div $\frac{\text{Days in taxation year}}{**365/366}$ = **569** +
 Lesser of adjusted TPUC
 and Basic Capital Amount
 in accordance with
 Division B.1
 Ontario Allocation

570 x **571** x From **30** % x **555** \div $\frac{\text{Days in taxation year}}{**365/366}$ = **574** +
 Adjusted TPUC Capital Tax Rate
 in accordance with (Refer to Guide)
 Division B.1 in excess
 of Basic Capital Amount
 Ontario Allocation

Capital Tax for Financial Institutions - other than Credit Unions (before Section II) 569 + 574 **575**

**** If floating taxation year, refer to Guide.****II. Small Business Investment Tax Credit**

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

Allowable Credit for Eligible Investments **585**

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? ☒ Yes ☐ No

Capital Tax - Financial Institutions 575 - 585 **586** =
 Transfer to **543** on Page 12

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

- (1) Uninsured Benefits Arrangements **587** x 2% **588**
Applies to Ontario-related uninsured benefits arrangements.
- (2) Unlicensed Insurance (enter premium tax payable in **588** and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in **588**.)
Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax (Refer to guide) **589**

Premium Tax 588 - 589 **590**

Transfer to Page 17

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ**Net Income (loss) for federal income tax purposes, per federal T2 SCH 1**600± 2,962,574
Transfer to Page 15**Add:**

Federal capital cost allowance	601+	2,725,373
Federal cumulative eligible capital deduction	602+	149,661
Ontario taxable capital gain	603+	
Federal non-allowable reserves. Balance beginning of year	604+	
Federal allowable reserves. Balance end of year	605+	
Ontario non-allowable reserves. Balance end of year	606+	
Ontario allowable reserves. Balance beginning of year	607+	
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	608+	
Federal resource allowance	609+	
Federal depletion allowance	610+	
Federal foreign exploration and development expenses	611+	
Management fees, rents, royalties and similar payments to non-arm's length non-residents		

Number of days in Taxation Year

	Days after Sept. 30, 2001 and before Jan. 1, 2004	Total days	
612	X 5/12.5 X 33	365 ÷ 73	365 = 633+
612	X 5/14.0 X 34	÷ 73	365 = 634+

Total add-back amount for Management fees, etc. 633 + 634 =

Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661
excluding any negative amount in 473 from Ont. CT23 schedule 161

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

Federal allowable business investment loss

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

Sub Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614

613+

615+

616+

620+

614+

= 2,875,034 640 2,875,034

Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	650	2,725,373
Ontario cumulative eligible capital deduction	651	149,661
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 current cost adjustment (Attach schedule)	661+	
Incentive for new electricity supply (section 13.6 deduction from income) (Applies only to electrical generating corporations.)	674+	
CCA for investments in qualifying energy-efficient equipment and for assets used to generate electricity from natural gas, alternative or renewable resources.	675+	
Subtotal of deductions for this page 650 to 659 + 661 + 674 + 675	681	2,875,034

Transfer to Page 15

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

Net income (loss) for federal income tax purposes, per federal T2 SCH 1	From 600±	2,962,574
Sub Total of Additions	From 640=	2,875,034

Sub Total of deductions on page 14	From 681=	2,875,034
---	-----------	-----------

Deduct:**Ontario New Technology Tax Incentive (ONTTI) Gross-up***(Applies only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)*

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

662

ONTTI Gross-up deduction calculation:

From Gross-up of CCA

662 x 100/ 30 100.0000 - From 662 663 =

Ontario allocation

Workplace Child Care Tax IncentiveQualifying expenditures: 665 x 30% x 100/ 30 100.0000 666 =
Ontario Allocation**Workplace Accessibility Tax Incentive**Qualifying expenditures: 667 x 100% x 100/ 30 100.0000 668 =
Ontario Allocation**Number of****Employees accommodated 669****Ontario School Bus Safety Tax Incentive (OSBSTI):** *(Applies to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) (Refer to Guide)*Qualifying expenditures 670 x 30% x 100/ 30 100.0000 671 =
Ontario Allocation**Educational Technology Tax Incentive** *(Applies to qualifying amounts incurred after May 2, 2000.)*Qualifying expenditures 672 x 15% x 100/ 30 100.0000 673 =
Ontario Allocation**Ontario allowable business investment loss**

678 +

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

679

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

677

Total of other deductions allowed by Ontario (Attach schedule)

664 +

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664	=	2,875,034	680	2,875,034
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Net income (loss) for Ontario purposes 600 + 640 - 680	690 =	2,962,574
		<i>Transfer to Page 4</i>

Continuity of Losses Carried Forward

CT23 Page 16 of 24

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	700 (2) 465,347	710 (2)	720 (2)	730	740	750
Add:	701	711	721	731	741	751
Current year's losses (7)						
Losses from predecessor corporations (3)	702	712	722	732		752
	703	713	723	733	743	753
Subtotal						
Subtract:	704 (2)	715 (2)(4)	724 (2)	734 (2)(4)	744 (4)	754 (4)
Utilized during the year to reduce taxable income	465,347					
Expired during the year	705		725	735	745	
Carried back to prior years to reduce income (5)	706 (2) To Pg 17	716 (2) To Pg 17	726 (2) To Pg 17	736 (2) To Pg 17	746	
	707	717	727	737	747	757
Subtotal	465,347					
Balance at End of Year	709 (8)	719	729	739	749	759

Notes:

- (1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- (2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5) as made applicable by s.34.
- (3) Include losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.
- (4) To the extent of applicable gains/income/at-risk amount only.
- (5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.
- (6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.
- (7) Include amounts from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.
- (8) Amount in 709 must equal total of 829 + 839.
- (9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.
- (10) Commencing in the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

Analysis of Balance by Year of Origin

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

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

CT23 Page 17 of 24

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

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carryback adjustment may be applied by the Minister of Finance to amounts owing under **any Act administered by the Minister of Finance**.
- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
 - the first day of the taxation year after the loss year,
 - the day on which the corporation's return for the loss year is delivered to the Minister, or
 - the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses			Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss			910	920	930	940
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income.						
	Predecessor Corporation's Account No. (MOF)	Taxation Year Ending	911	921	931	941
i) 3rd preceding	901					
ii) 2nd preceding	902	2001/12/31				
iii) 1st preceding	903	2002/12/31				
Total loss to be carried back			From 706	From 716	From 726	From 736
Balance of loss available for carryforward			919	929	939	949

Summary

Income Tax	From 230 or 320	89,708
Corporate Minimum Tax	From 280	
Capital Tax	From 550	150,675
Premium Tax	From 590	
Total Tax Payable	950	220,378
Subtract:		
Payments	960	220,378
Capital Gains Refund (s.48)	965	
Qualifying Environmental Trust Tax Credit		
(Refer to Guide)	985	
Specified Tax Credits		
(Refer to Guide)	955	
Balance	970	=
If payment due	Enclosed *	990
If overpayment: Refund (Refer to Guide)	975	=
Apply to	980	
(Includes credit interest)		

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

Certification

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

Name
Iain Clinton
Title
Chief Financial Officer
Full Residence Address
590 Steven Court
City
Newmarket
Province
ON
Country
CA
Postal Code
L3Y 6Z2
Signature
Date
2004/06/29

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

Corporate Minimum Tax - Schedule A:

Calculation of CMT Base

CT23 Schedule A

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

Net income/(loss) (unconsolidated, determined in accordance with GAAP) 2100± 671,306

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

Provision for recovery of income taxes / benefit of current income taxes	2101+	
Provision for deferred income taxes (credits) / benefit of future income taxes	2102+	
Equity income from corporations	2103+	
Share of partnership(s)/joint venture(s) income	2104+	
Dividends received/receivable deductible under fed.s.112	2105+	
Dividends received/receivable deductible under fed.s.113	2106+	
Dividends received/receivable deductible under fed.s.83(2)	2107+	
Federal Part VI.1 tax on dividends declared and paid, under fed.s.191.1(1) x 9/3 =	2108+	

Subtotal = 2109-

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

Provision for current taxes / cost of current income taxes	2110+	398,442
Provision for deferred income taxes (debits) / cost of future income taxes	2111+	
Equity losses from corporations	2112+	
Share of partnership(s)/joint venture(s) losses	2113+	
Dividends that have been deducted to arrive at net income per Financial Statements s.57.4(1.1) (excluding dividends under fed.s.137(4.1))	2114+	

Subtotal = 398,442 2115+ 398,442

Add/Subtract:

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

** Fed.s.85	2116+	or	2117-
** Fed.s.85.1	2118+	or	2119-
** Fed.s.97	2120+	or	2121-

** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years

2122+ or 2123-

** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years

2124+ or 2125-

** Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years

2126+ or 2127-

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

2150-

Subtotal (Additions) = 2128+

Subtotal (Subtractions) = 2129-

** Other adjustments 2130±

Subtotal ± 2100 - 2109 + 2115 + 2128 - 2129 ± 2130 2131= 1,069,748

** Share of partnership(s)/joint venture(s) **adjusted** net income/loss 2132±

Adjusted net income (loss) (if loss, transfer to 2202 in Schedule B) 2133= 1,069,748

Deduct: CMT losses: pre-1994 Loss * From 2210+

CMT losses: other eligible losses * 2211+

= 2134-

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

** Retain calculations. Do not submit with this tax return.

CMT Base 2135= 1,069,748

Transfer to CMT Base on page 8

Corporate Minimum Tax (CMT)

Schedule B: Continuity of CMT Losses Carried Forward



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
2001/12/31							
2002/12/31							
2003/12/31							
Totals							

Balance at Beginning of year (1), (2)

2201+

Add:	Current year's losses					2202+
	Losses from predecessor corporations on amalgamation (3)					2203+
	Losses from predecessor corporations on wind-up (3)					2204+
	Amalgamation (✓) 2205	Yes	Wind-up (✓) 2206	Yes		

Subtotal	2207+
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Adjustments (attach schedule) 2208±

CMT losses available 2201 + 2207 ± 2208 **2209=**

Subtract:	Pre-1994 loss utilized during the year to reduce adjusted net income	2210+	
	Other eligible losses utilized during the year to reduce adjusted net income (4)	2211+	
	Losses expired during the year	2212+	
Subtotal		=	▶ 2213-

Balances at End of Year (5) 2209 - 2213 **2214=**

Notes:

- (1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.
- (2) Where 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 Losses of Corporation	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 2001/12/31	2267	2287
2248 2002/12/31	2268	2288
2249 2003/12/31	2269	2289
Totals	2270	2290

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

Corporate Minimum Tax (CMT)



Schedule D: Continuity of CMT Credit Carryovers

CMT credit continuity by year

Year of origin	Beginning balance	Transfers on amalgamation or wind-up	Adjustments	Current year credit	Applied	Expired	Ending balance
2002/12/31			4,950		4,950		
2003/12/31							
Totals			4,950		4,950		

Balance at Beginning of year (1)

2301 +

Add: Current year's CMT Credit (280 on page 8. If negative, enter NIL) From 280 +

CMT Credit Carryovers from predecessor corporations (2) 2302 +

Amalgamation (✓) 2303 ☐ Yes Wind-up (✓) 2304 ☐ Yes

Subtotal = 2305 +

Adjustments (Attach schedule) 2306 ±

CMT credit carryover available 2301 + 2305 ± 2306 2307 = 4,950
Transfer to Page 8

Subtract: CMT credit utilized during the year to reduce income tax (Page 8) From 310 + 4,950

CMT credit expired during the year 2308 +

Subtotal = 4,950 2309 - 4,950

Balance at End of Year (3) 2307 - 2309 2310 =

Notes:

- (1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))
- (2) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))
- (3) Amount in 2310 must equal the sum of 2370 + 2390.

Schedule E: Analysis of CMT Credit Carryovers Year-End Balance by Year of Origin

Year of Origin (oldest year first)	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporations
2340	2360	2380
2341	2361	2281
2342	2362	2382
2343	2363	2383
2344	2364	2384
2345	2365	2385
2346	2366	2386
2347	2367	2387
2348 2002/12/31	2368	2388
2349 2003/12/31	2369	2389
Totals	2370	2390

The sum of amounts 2370 and 2390 must equal the amount in 2310.

Schedule A: Information on Ontario Corporations

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

MCBS**Schedule A****Page 22 of 24**

To submit additional director or Officer Information, please photocopy this page and attach the completed schedules with you return.

Identification			
Corporation's Legal Name (including punctuation) Newmarket Hydro Ltd.		Ontario Corporation No. (MCBS) 1800138	Date of Incorporation or Amalgamation 2001/11/01
Director/Officer Information			
Full Name and Address for Service:			
Last Name Clinton		First Name Iain	Middle Name(s) Nelson
Street Number and Name 590 Steven Court		Suite	
City/Town/Village Newmarket		Province/State ON	Country CA
		Postal/Zip Code L3Y 6Z2	
Director	Officer		
Are you a resident Canadian? (Applies to directors of business corporations only) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Indicate the appointment period for each of the following:		Other Titles (please specify)
			<input type="checkbox"/> Chair <input type="checkbox"/> Chief Executive Officer
			<input type="checkbox"/> Chair Person <input checked="" type="checkbox"/> Chief Financial Officer
			<input type="checkbox"/> Chairman <input type="checkbox"/> Chief Info. Officer
			<input type="checkbox"/> Chairwoman <input type="checkbox"/> Chief Operating Officer
			<input type="checkbox"/> Vice-Chair <input type="checkbox"/> Chief Administrative Officer
			<input type="checkbox"/> Vice-President <input type="checkbox"/> Comptroller
			<input type="checkbox"/> Assistant Secretary <input type="checkbox"/> Authorized Signing Officer
			<input type="checkbox"/> Assistant Treasurer <input type="checkbox"/> Chief Manager
			<input type="checkbox"/> Executive Director
			<input type="checkbox"/> Managing Director <input type="checkbox"/> Other (untitled)
Date Elected 	President	Date Appointed year month day	Date Ceased year month day
	Secretary		
	Treasurer		
	General Manager		
	Other (specify)		
Date Ceased 			

Director/Officer Information			
Full Name and Address for Service:			
Last Name		First Name	Middle Name(s)
Street Number and Name		Suite	
City/Town/Village		Province/State	Country
		Postal/Zip Code	
Director	Officer		
Are you a resident Canadian? (Applies to directors of business corporations only) <input type="checkbox"/> Yes <input type="checkbox"/> No	Indicate the appointment period for each of the following:		Other Titles (please specify)
			<input type="checkbox"/> Chair <input type="checkbox"/> Chief Executive Officer
			<input type="checkbox"/> Chair Person <input type="checkbox"/> Chief Financial Officer
			<input type="checkbox"/> Chairman <input type="checkbox"/> Chief Info. Officer
			<input type="checkbox"/> Chairwoman <input type="checkbox"/> Chief Operating Officer
			<input type="checkbox"/> Vice-Chair <input type="checkbox"/> Chief Administrative Officer
			<input type="checkbox"/> Vice-President <input type="checkbox"/> Comptroller
			<input type="checkbox"/> Assistant Secretary <input type="checkbox"/> Authorized Signing Officer
			<input type="checkbox"/> Assistant Treasurer <input type="checkbox"/> Chief Manager
			<input type="checkbox"/> Executive Director
			<input type="checkbox"/> Managing Director <input type="checkbox"/> Other (untitled)
Date Elected 	President	Date Appointed year month day	Date Ceased year month day
	Secretary		
	Treasurer		
	General Manager		
	Other (specify)		
Date Ceased 			

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

ProFile - Version 2003.5.0 - Approval code - 051D



Corporation's Legal Name Newmarket Hydro Ltd.	Ontario Corporations Tax Account No. (MOF) 1800138	Taxation Year End 2003/12/31
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- For use by a corporation to claim any of the following:
 - Charitable donations;
 - Gifts to Her Majesty in right of Ontario, to Ontario crown agencies, or to Ontario Crown foundations;
 - Gifts to Canada or a province;
 - Gifts of certified cultural property; or
 - Gifts of certified ecologically sensitive land.
- The donations and gifts are eligible for a five year carry-forward.
- Use this schedule to show a credit transfer following an amalgamation or wind-up of subsidiary as described under subsection 87(1) and 88(1) of the federal *Income Tax Act* (Canada).
- File one completed copy of this schedule with your CT23.

Part 1 - Charitable Donations

Charitable Donations at end of preceding taxation year	+		A
Deduct: Donations expired after 5 taxation years	-		B
Charitable donations at beginning of taxation year	=		C
Add: Donations transferred on amalgamation or wind-up of subsidiary	+		D
Total current year charitable donations made	+	1,900,000	E
Subtotal D + E	=	1,900,000	F
Total donations available C + F	= +	1,900,000	G
Deduct: Amount applied against taxable income (amount T)	-	1,900,000	T
Charitable donations closing balance	=		H

Part 2 - Maximum Deduction Calculation for Donations

Ontario net income for tax purposes multiplied by 75% = 2,221,931 I

Note: For credit unions the Ontario net income for tax purposes is the amount before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

Ontario taxable capital gains arising in respect of gifts of capital property + J

Ontario taxable capital gain in respect of deemed gifts of non-qualifying securities per subsection 40(1.01) ITA + K

Add the lesser of:

1. The amount of the recapture of capital cost allowance in respect of charitable gifts + L

2. The lesser of:

2a. Proceeds of dispositions less outlays and expenses M

2b. The capital cost N

The lesser of M and N O

The lesser of L and O + P

Subtotal J + K + P = Q

25 % x Q = R

Maximum deduction allowable I + R = 2,221,931 S

Claim for charitable donations (not exceeding the lesser of G from Part 1, S and net income for tax purposes) 1,900,000 T

Enter in 1 of the CT23

Corporation's Legal Name Newmarket Hydro Ltd.	Ontario Corporations Tax Account No. (MOF) 1800138	Taxation Year End 2003/12/31
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Part 3 - Gifts to Her Majesty in right of Ontario

For use by a corporation claiming gifts to Her Majesty in right of Ontario, to Ontario Crown Agencies, or to Ontario Crown Foundations.

Gifts to Ontario Crown Agency or Ontario Foundation at end of the preceding taxation year	+	
Deduct: Gifts expired after 5 years	-	
Gifts to Ontario Crown Agency or Ontario Crown Foundation at the beginning of the taxation year	=	
Add: Gifts transferred on amalgamation or wind-up of a subsidiary	+	
Total current year gifts	+	
Subtotal	=	
Deduct: Amount applied against taxable income 2 of the CT23	-	
Gifts to Ontario Crown Agency or Ontario Crown Foundation closing balance	=	

Foundation Name	Date of Donation	Amount \$
Total gifts to Her Majesty in right of Ontario		

Part 4 - Maximum Deduction Calculation for Gifts to Her Majesty in right of Ontario

Deduction is the lesser of:

1. Ontario Net Income before deductions of gifts after deducting charitable donations and gifts to Her Majesty in right of Canada or a province other than Ontario		1,062,574	U
2. Lesser of:			
2a. Ontario Net Income for the taxation year	2,962,574	V	
2b. Gifts made in the taxation year or any of the five preceding taxation years to Her Majesty in Right of Ontario, an Ontario Crown Agency or an Ontario Crown Foundation		W	
The lesser of V and W			X
Maximum deduction allowable the lesser of U and X			Y
			Transfer to 2 of the CT23

Part 5 - Gifts to Canada or a province other than Ontario

Gifts to Canada or a province other than Ontario at the end of the preceding year	+	
Deduct: Gifts to Canada or a province other than Ontario expired after five taxation years	-	
Gifts to Canada or a province other than Ontario at the beginning of the taxation year	=	
Add: Gifts to Canada or a province other than Ontario transferred on amalgamation or wind-up of a subsidiary	+	
Total current year gifts to Canada or a province other than Ontario (Not applicable for gifts made after February 18, 1997 unless a written agreement was made before this date.)	+	
Subtotal	=	
Deduct: Amount applied against taxable income	-	
Gifts to Canada or a province other than Ontario closing balance	=	

Corporation's Legal Name Newmarket Hydro Ltd.	Ontario Corporations Tax Account No. (MOF) 1800138	Taxation Year End 2003/12/31
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Part 6 - Gifts of certified cultural property

Gifts of certified cultural property at the end of the preceding taxation year	+	
Deduct: Gifts of certified cultural property expired after five years	-	
Gifts of certified cultural property at the beginning of the taxation year	=	
Add: Gifts of certified cultural property transferred on amalgamation or wind-up of a subsidiary	+	
Total current year gifts of certified cultural property	+	
Subtotal	=	
Deduct: Amount applied against taxable income	-	
Gifts of certified cultural property closing balance	=	

Part 7 - Gifts of certified ecologically sensitive land

Gifts of certified ecologically sensitive land at the end of the preceding taxation year	+	
Deduct: Gifts of certified ecologically sensitive land expired after five years	-	
Gifts of certified ecologically sensitive land at the beginning of the taxation year	=	
Add: Gifts of certified ecologically sensitive land transferred on amalgamation or wind-up of a subsidiary	+	
Total current year gifts of certified ecologically sensitive land	+	
Subtotal	=	
Deduct: Amount applied against taxable income	-	
Gifts of certified ecologically sensitive land closing balance	=	

Part 8 - Analysis of balance by year of origin

Year of origin	Charitable donations	Gifts to Her Majesty in right of Ontario	Gifts to Canada or a province other than Ontario	Gifts of certified cultural property	Gifts of certified ecologically sensitive land
Totals					

OS4N
Schedule 4

Ontario non-capital loss continuity

Part 1: Non-capital loss

Non-capital loss 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
2001/12/31							
2002/12/31	465,347					465,347	
2003/12/31							
Totals	465,347					465,347	

Current year non-capital loss

Net income (loss) for Ontario tax purposes 2,962,574**Deduct:**

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

Subtotal - if positive, enter "0"

Deduct: Section 110.5 - addition for foreign tax credits**Add:** Current year farm loss**Current year non-capital loss** (if positive, enter "0")

Non-capital loss continuity and carry-back request

Non-capital losses at end of preceding taxation year	465,347	
Losses expired after 7 years	-	
Non-capital losses - beginning balance	= 465,347	465,347
Transfers from wind-up of wholly-owned subsidiary and amalgamation		+
Current year non-capital loss from above		
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		+
	Subtotal	= 465,347
Deduct:		
Amount applied against taxable income (enter on line 704 of the CT23)	465,347	
Section 80 adjustments		
Other adjustments		
	465,347	- 465,347
Non-capital losses - ending balance		=



Ministry of Finance

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

Ontario Capital Cost Allowance Schedule 8

ONTARIO CAPITAL COST ALLOWANCE

Corporation's Legal Name Newmarket Hydro Ltd.			Ontario Corporations Tax Account No. (MOF) 1800138					Taxation Year End 2003/12/31				
Is the corporation electing under regulation 1101(5q)? 101 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>												
1 Class number	2 Ontario undepreciated capital cost at the beginning of the year	3 Cost of acquisitions during the year See note 1 below	4 Net adjustments	5 Proceeds of dispositions during the year	6 Ontario undepreciated capital cost (col 2 + 3 or col 2 - 4 - 5)	7 50% rule See note 2 below	8 Reduced undepreciated capital cost (col 6 - 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (col 8 x 9 or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (col 6 - 12)
1	31,382,999	3,913,640	(1,977,586)		33,319,053	1,956,820	31,362,233	4			1,254,489	32,064,564
3	8,751				8,751		8,751	5			438	8,313
8	2,887,076	91,773			2,978,849	45,887	2,932,962	20			586,592	2,392,257
10	528,889	730,868		68,000	1,191,757	331,434	860,323	30			258,097	933,660
12	24,961				24,961		24,961	100				
13	85,583	202,295			287,878	101,148	186,730				37,346	250,532
17	83,835				83,835		83,835	8			6,707	77,128
2	9,279,051				9,279,051		9,279,051	6			556,743	8,722,308
Totals	44,281,145	4,938,576	(1,977,586)	68,000		2,435,289	44,738,846				2,725,373	44,448,762

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.

Corporation's Legal Name Newmarket Hydro Ltd.	Ontario Corporations Tax Account No. (MOF) 1800138	Taxation Year End 2003/12/31
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- For use by a corporation that has eligible capital property.
- A separate cumulative eligible capital account must be kept for each business.

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

Ontario Cumulative eligible capital - balance at beginning of taxation year (if negative, enter zero)				2,138,016	A
Add: Cost of eligible capital property acquired during the taxation year	+		B		
Amount transferred on amalgamation or wind-up of subsidiary	+		C		
Other adjustments	+		D		
Total of B + C + D	=			x 3/4=	E
Subtotal A + E	=				F
				2,138,016	
Deduct: Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	+		G		
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the <i>Income Tax Act</i> (Canada)	+		H		
Other adjustments	+		I		
Total of G + H + I	=			x 3/4=	J
Ontario cumulative eligible capital balance F - J	=				K
				2,138,016	

If K is negative, enter zero at line M and proceed to Part 2

Current year deduction 2,138,016 K x 7%* = 149,661 L
 *The maximum current year deduction is 7%. However, you can claim any amount up to the maximum. Enter amount in box 651 of the CT23

Ontario cumulative eligible capital - closing balance K - L (if negative, enter zero) = 1,988,355 M

Note: Any amount up to the maximum deduction of 7% may be claimed. Taxation years starting after December 21, 2000, the deduction may not exceed the maximum amount prorated for the number of days in the taxation year divided by 365 or 366 days.

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

Complete this part only if the amount at line K is negative

Amount from line K above show as a positive amount					N
Total of cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988				1	
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80 (7)				2	
Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988				3	
Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988				4	
Line 3 deduct line 4				5	
Total lines 1 + 2 + 5				6	
Line T from previous Ontario Schedule 10 for taxation years ending after February 27, 2000				7	
Deduct line 7 from line 6					O
N - O (cannot be negative)					P
Amount on line 5	x 1/2				Q
P - Q					R
Amount on line R	x 66.6667				S
Lesser of line N or line O					T
Amount to be included in income S + T					

Note: For taxation years ending after February 27, 2000 and before October 18, 2000 use 8/9 to calculate S

**Ontario****Ministry of Finance**Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa, ON L1H 8E9**Taxable Capital of Associated Corporations**(Applicable to an associated group that
has a permanent establishment in Canada)**Schedule CT21**

Corporation's Legal Name Newmarket Hydro Ltd.	Ontario Corporations Tax Account No. (MOF) 1800138	Taxation Year End 2003/12/31
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This schedule must be completed in determining the aggregate taxable capital of an associated group and/or partnership that has a permanent establishment (PE) in Canada.

Name of Associated Corporation (Must have a PE in Canada)	Corporations Tax Account No. (MOF) (If applicable)	Taxation Year End	Taxable Capital
Unipower Holdings Ltd		2003/01/01	
1443393 Ontario Inc		2003/01/01	
1443394 Ontario Inc		2003/01/01	
1443396 Ontario Inc		2003/01/01	
1443397 Ontario Inc		2003/01/01	
1443398 Ontario Inc		2003/01/01	
1402318 Ontario Inc		2003/01/01	
Newmarket Hydro Holdings Inc		2003/01/01	
Aggregate of taxable capital			

Transfer to 540 of the CT23

**Ontario****Ministry of Finance**

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

Paid-Up Capital: Loans and Advances

Corporation's Legal Name Newmarket Hydro Ltd.	Ontario Corporations Tax Account No. (MOF) 1800138	Taxation Year End 2003/12/31
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Loans or Advances Credited or Advanced to Corporation (Includes accounts payable to related parties outstanding at the taxation year end for 120 days or more and accounts payable to non-related parties outstanding for 365 days or more at the taxation year end)	
Due to related parties	3,976,053
Long term Debt	22,000,000
Customer deposits	2,633,463
Total	28,609,516

Transfer to 353 on the CT23

**Ontario****Ministry of Finance**Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9**Paid-Up Capital: Other Reserves**

Corporation's Legal Name Newmarket Hydro Ltd.	Ontario Corporations Tax Account No. (MOF) 1800138	Taxation Year End 2003/12/31
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Description of Reserves NOT ALLOWED as a Deduction for Income Tax	Balance Beginning of the Year	Add	Deduct	Transfer on Amalgamation or Wind-up of Subsidiary	Balance at the End of the Year
Allowance for doubtful accounts		443,178			443,178
Employee Future Benefits		371,570			371,570
Total					814,748

Transfer to 361 on the CT23

**Ontario****Ministry of Finance**Corporations Tax Branch
PO Box 820
33 King Street West
Oshawa ON L1H 8E9**Corporate Minimum Tax - Associated Corporation**

Corporation's Legal Name Newmarket Hydro Ltd.	Ontario Corporations Tax Account No. (MOF) 1800138	Taxation Year End 2003/12/31
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Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Total Assets	Total Revenue
Unipower Holdings Ltd		2003/01/01		
1443393 Ontario Inc		2003/01/01		
1443394 Ontario Inc		2003/01/01		
1443396 Ontario Inc		2003/01/01		
1443397 Ontario Inc		2003/01/01		
1443398 Ontario Inc		2003/01/01		
1402318 Ontario Inc		2003/01/01		
Newmarket Hydro Holdings Inc		2003/01/01	4,014,937	1,350
Totals			4,014,937	1,350

*Transfer to 249
of the CT23**Transfer to 250
of the CT23*

Instalments

Ontario tax instalments

Instalment base

Year-end	Estimate for current year 2004/12/31	First instalment base 2003/12/31	Second instalment base 2002/12/31
Taxable income		597,227	
Base amount of tax		74,653	
Small business tax credit			
Surplus on CCPCs			
Manufacturing and processing profits credit			
Foreign tax credit			
Specified tax credits			
Other tax credits		4,950	
Income tax payable		69,703	
Corporate minimum tax payable			
Capital tax payable		150,675	
Premium tax payable			
Total tax payable		220,378	
Days in taxation year	365	365	
Tax payable adjusted for short taxation years		220,378	
Estimated tax credits for the current year			
Instalment base		220,378	
Monthly payment		18,365	
Quarterly payment		55,095	

Instalment payment options

- ☐ 1. based on estimated taxes for the current year
☐ 2. based on the first instalment base

- ☒ 3. based on the first and second instalment base
☐ 4. instalments are not required

Instalment payments

Date	Instalments required	Instalments paid	Instalments payable
2004/01/31			
2004/02/29			
2004/03/31	22,038		
2004/04/30	22,038		
2004/05/31	22,038		
2004/06/30	22,038		88,152
2004/07/31	22,038		22,038
2004/08/31	22,038		22,038
2004/09/30	22,038		22,038
2004/10/31	22,038		22,038
2004/11/30	22,038		22,038
2004/12/31	22,038		22,038
Total	220,380		220,380