

APPENDIX A – NWTC TAX RETURNS 2009 TO 2011

June 10, 2010

PERSONAL AND CONFIDENTIAL

SHAFEE BACCHUS
DIRECTOR
NIAGARA WEST TRANSFORMATION CORPORATION
231 ROBERTS ROAD
GRIMSBY ON L3M 4E8

Dear Sir,

Corporate Tax Return Filing Instructions

T2 - CORPORATION INCOME TAX RETURN (FEDERAL)

The "T2 Bar codes format" has been adopted by the Canada Revenue Agency (CRA) for corporate income tax returns produced by tax preparation software. The traditional federal forms no longer have to be filed. Furthermore, the CRA requires that the General Index of Financial Information (GIFI) be used to report financial statement information.

The form containing the T2 bar codes includes information from your corporation's income tax return and all applicable schedules (traditional federal forms), including the GIFI.

Signature

 The form containing the T2 bar codes should be completed and signed.

Payment

No amount is payable for the 2010 taxation year.

Mailing

 A copy of the form containing the T2 bar codes (and of any required federal form, such as Form RC59) should be sent to the Taxation Centre, 290 Empire Avenue, St. John's NL A1B 3Z1 no later than June 30, 2010.

If you have any questions concerning the Company's corporate tax returns or the instalment schedule please do not hesitate to contact us.

Yours very truly,

Durward Jones Barkwell & Company LLP



Canada Revenue Agency
Agence du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

200

EXEMPT FROM TAX

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Ontario (for tax years ending before 2009), Quebec, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporation return.

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

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax centre or tax services office. You have to file the return within six months after the end of the corporation's tax year.

For more information see www.cra.gc.ca or Guide T4012, *T2 Corporation – Income Tax Guide*.

055 Do not use this area

Identification

Business Number (BN) 001 87681 9301 RC0001

Corporation's name

002 NIAGARA WEST TRANSFORMATION CORPORATION

Address of head office

Has this address changed since the last time you filed your T2 return? 010 1 Yes ☒ 2 No ☐

(If yes, complete lines 011 to 018.)

011 231 ROBERTS ROAD

012

City

Province, territory, or state

015 GRIMSBY

016 ON

Country (other than Canada)

Postal code/Zip code

017

018 L3M 4E8

Mailing address (if different from head office address)

Has this address changed since the last time you filed your T2 return? 020 1 Yes ☒ 2 No ☐

(If yes, complete lines 021 to 028.)

021 c/o

022 231 ROBERTS ROAD

023

City

Province, territory, or state

025 GRIMSBY

026 ON

Country (other than Canada)

Postal code/Zip code

027

028 L3M 4E8

Location of books and records

Has the location of books and records changed since the last time you filed your T2 return? 030 1 Yes ☒ 2 No ☐

(If yes, complete lines 031 to 038.)

031 231 ROBERTS ROAD

032

City

Province, territory, or state

035 GRIMSBY

036 ON

Country (other than Canada)

Postal code/Zip code

037

038 L3M 4E8

040 Type of corporation at the end of the tax year

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

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

YYYY MM DD

To which tax year does this return apply?

Tax year start

060 2009-01-01

YYYY MM DD

Tax year-end

061 2009-12-31

YYYY MM DD

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

If yes, provide the date

control was acquired 065

YYYY MM DD

Is the date on line 061 a deemed tax year-end in accordance with subsection 249(3.1)? 066 1 Yes ☐ 2 No ☒

Is the corporation a professional corporation that is a member of a partnership? 067 1 Yes ☐ 2 No ☒

Is this the first year of filing after:

Incorporation? 070 1 Yes ☐ 2 No ☒

Amalgamation? 071 1 Yes ☐ 2 No ☒

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

Has there been a wind-up of a subsidiary under section 88 during the current tax year? 072 1 Yes ☐ 2 No ☒

If yes, complete and attach Schedule 24.

Is this the final tax year before amalgamation? 076 1 Yes ☐ 2 No ☒

Is this the final return up to dissolution? 078 1 Yes ☐ 2 No ☒

If an election was made under section 261, state the functional currency used 079

Is the corporation a resident of Canada?

080 1 Yes ☒ 2 No ☐ If no, give the country of residence on line 081 and complete and attach Schedule 97.

081

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

If yes, complete and attach Schedule 91.

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

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

Do not use this area

091

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Attachments

Financial statement information: Use GIFL schedules 100, 125, and 141.

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

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

Attachments – continued from page 2

	Yes	Schedule
Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	256	T1134-A
Did the corporation have any controlled foreign affiliates?	258	T1134-B
Did the corporation own specified foreign property in the year with a cost amount over \$100,000?	259	T1135
Did the corporation transfer or loan property to a non-resident trust?	260	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	265	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267	T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	268	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	269	54

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements? **270** 1 Yes ☐ 2 No ☒

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

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

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

(Only complete if **yes** was entered at line 281)

If the major business activity involves the resale of goods, show whether it is wholesale or retail **283** 1 Wholesale ☐ 2 Retail ☐

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

284	ELECTRICITY DISTRIBUTOR	285	100.000 %
286		287	%
288		289	%

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

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

Do you want to be considered as a quarterly instalment remitter if you are eligible? **293** 1 Yes ☐ 2 No ☐

If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible **294** _____

If the corporation's major business activity is construction, did you have any subcontractors during the tax year? **295** 1 Yes ☐ 2 No ☐

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFL. **300** 170,417 A

Deduct:

Charitable donations from Schedule 2	311	
Gifts to Canada, a province, or a territory from Schedule 2	312	
Cultural gifts from Schedule 2	313	
Ecological gifts from Schedule 2	314	
Gifts of medicine from Schedule 2	315	
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320	
Part VI.1 tax deduction *	325	
Non-capital losses of previous tax years from Schedule 4	331	170,417
Net capital losses of previous tax years from Schedule 4	332	
Restricted farm losses of previous tax years from Schedule 4	333	
Farm losses of previous tax years from Schedule 4	334	
Limited partnership losses of previous tax years from Schedule 4	335	
Taxable capital gains or taxable dividends allocated from a central credit union	340	
Prospector's and grubstaker's shares	350	
Subtotal		170,417

Subtotal (amount A minus amount B) (if negative, enter "0") **355** 170,417 B

Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions **360**

Taxable income (amount C plus amount D) **370**

Income exempt under paragraph 149(1)(t) **370**

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

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

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the tax year

Income from active business carried on in Canada from Schedule 7 **400** A
 Taxable income from line 360, **minus** 10/3 of the amount on line 632*, **minus** 3 times the amount on line 636**, and **minus** any amount that, because of federal law, is exempt from Part I tax **405** B

Calculation of the business limit:

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

400,000	x	Number of days in the tax year before 2009	=		1
		Number of days in the tax year	365		
500,000	x	Number of days in the tax year after 2008	365	=	 500,000
		Number of days in the tax year	365		
Add amounts at lines 1 and 2				500,000	4

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

- Notes:**
1. For CCPCs that are not associated, enter the amount from line 4 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate the amount from line 4 by the number of days in the tax year divided by 365, and enter the result on line 410.
 2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction:

Amount C x **415** *** D = E
 11,250

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

Small business deduction

Amount A, B, C, or F whichever is the least x $\frac{\text{Number of days in the tax year before January 1, 2008}}{\text{Number of days in the tax year}}$ x 16 % = 5
 365

Amount A, B, C, or F whichever is the least x $\frac{\text{Number of days in the tax year after December 31, 2007}}{\text{Number of days in the tax year}}$ x 17 % = 6
 365

Total of amounts 5 and 6 – enter on line 9 **430** G

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

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

*** Large corporations

- If the corporation is not associated with any corporations in both the current and the previous tax years, the amount to be entered at line 415 is: (Total taxable capital employed in Canada for the **prior year** minus \$10,000,000) x 0.225%.
- If the corporation is not associated with any corporations in the current tax year, but was associated in the previous tax year, the amount to be entered at line 415 is: (Total taxable capital employed in Canada for the **current year** minus \$10,000,000) x 0.225%
- For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income **440** x 26 2 / 3 % = A
from Schedule 7

Foreign non-business income tax credit from line 632

Deduct:

Foreign investment income **445** x 9 1 / 3 % =
from Schedule 7 (if negative, enter "0") B

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

Taxable income from line 360

Deduct:

Amount from line 400, 405, 410, or 425, whichever is the least

Foreign non-business
income tax credit
from line 632 x 25 / 9 =

Foreign business
income tax credit
from line 636 x 3 =
..... x 26 2 / 3 % = D

Part I tax payable minus investment tax credit refund (line 700 minus line 780)

Deduct: Corporate surtax from line 600

Net amount E

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

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the previous tax year **460**

Deduct: Dividend refund for the previous tax year **465**
..... G

Add the total of:

Refundable portion of Part I tax from line 450 above

Total Part IV tax payable from Schedule 3

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

Refundable dividend tax on hand at the end of the tax year – Amount G plus amount H **485**

Dividend refund

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

Taxable dividends paid in the tax year from line 460 of Schedule 3 x 1 / 3 I

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

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

Part I tax

Base amount of Part I tax – Taxable income (line 360 or amount Z, whichever applies) multiplied by 38.00 % **550** A

Corporate surtax calculation

Base amount from line A above 1

Deduct:

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

Investment corporation deduction from line 620 below 3

Federal logging tax credit from line 640 below 4

Federal qualifying environmental trust tax credit from line 648 below 5

For a mutual fund corporation or an investment corporation throughout the tax year, enter amount a, b, or c below on line 6, whichever is the least:

28.00 % of taxable income from line 360 a

28.00 % of taxed capital gains b

Part I tax otherwise payable c

(line A plus lines C and D minus line F)

Total of lines 2 to 6 7

Net amount (line 1 minus line 7) 8

Corporate surtax*

Line 8 x Number of days in the tax year before January 1, 2008 x 4 % = **600** B
Number of days in the tax year 365

* The corporate surtax is zero effective January 1, 2008.

Recapture of investment tax credit from Schedule 31 **602** C

Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income (if it was a CCPC throughout the tax year)

Aggregate investment income from line 440 i

Taxable income from line 360 ii

Deduct:

Amount from line 400, 405, 410, or 425, whichever is the least iii

Net amount iv

Refundable tax on CCPC's investment income – 6 2 / 3 % of whichever is less: amount i or ii **604** D

Subtotal (add lines A to D) E

Deduct:

Small business deduction from line 430 9

Federal tax abatement **608**

Manufacturing and processing profits deduction from Schedule 27 **616**

Investment corporation deduction **620**

Taxed capital gains **624** **624**

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

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

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

General tax reduction for CCPCs from amount M **638**

General tax reduction from amount X **639**

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

Federal qualifying environmental trust tax credit **648**

Investment tax credit from Schedule 31 **652**

Subtotal F

Part I tax payable – Line E minus line F G

Enter amount G on line 700.

Summary of tax and credits

Federal tax

Part I tax payable	700
Part II surtax payable from Schedule 46	708
Part III.1 tax payable from Schedule 55	710
Part IV tax payable from Schedule 3	712
Part IV.1 tax payable from Schedule 43	716
Part VI tax payable from Schedule 38	720
Part VI.1 tax payable from Schedule 43	724
Part XIII.1 tax payable from Schedule 92	727
Part XIV tax payable from Schedule 20	728

Add provincial or territorial tax:

Provincial or territorial jurisdiction . . . **750** ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)
Net provincial or territorial tax payable (except Ontario [for tax years ending before 2009], Quebec, and Alberta) . . . **760**
Provincial tax on large corporations (New Brunswick* and Nova Scotia) . . . **765**

Total federal tax

* The New Brunswick tax on large corporations is eliminated effective January 1, 2009.

Total tax payable **770** A

Deduct other credits:

Investment tax credit refund from Schedule 31	780
Dividend refund	784
Federal capital gains refund from Schedule 18	788
Federal qualifying environmental trust tax credit refund	792
Canadian film or video production tax credit refund (Form T1131)	796
Film or video production services tax credit refund (Form T1177)	797
Tax withheld at source	800
Total payments on which tax has been withheld	801
Provincial and territorial capital gains refund from Schedule 18	808
Provincial and territorial refundable tax credits from Schedule 5	812
Tax instalments paid	840
Total credits	890

B

Refund code **894** Overpayment

Balance (line A minus line B)



Direct deposit request

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

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

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

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.
Enter the amount on whichever line applies.

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

Balance unpaid

Enclosed payment **898**

896 1 Yes ☐ 2 No ☒

Certification

I, **950** BACCHUS **951** SHAFEE **954** DIRECTOR
Last name in block letters First name in block letters Position, office, or rank

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

955 2010-06-10 **956** (905) 309-0611
Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation Telephone number

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

958 Name in block letters **959** Telephone number

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering 1 for English or 2 for French.
Indiquez votre langue de correspondance en inscrivant 1 pour anglais ou 2 pour français.

990 ☐ 1 ☐ 2



Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Name of corporation	Business Number	Tax year end Year Month Day
NIAGARA WEST TRANSFORMATION CORPORATION	87681 9301 RC0001	2009-12-31

Balance sheet information

Account	Description	GIFI	Current year	Prior year
Assets				
	Total current assets	1599 +	384,277	366,004
	Total tangible capital assets	2008 +	7,626,628	7,626,628
	Total accumulated amortization of tangible capital assets	2009 -	1,108,112	927,318
	Total intangible capital assets	2178 +		
	Total accumulated amortization of intangible capital assets	2179 -		
	Total long-term assets	2589 +		
	* Assets held in trust	2590 +		
	Total assets (mandatory field)	2599 =	6,902,793	7,065,314

Liabilities				
	Total current liabilities	3139 +	459,041	632,335
	Total long-term liabilities	3450 +	5,190,000	5,333,000
	* Subordinated debt	3460 +		
	* Amounts held in trust	3470 +		
	Total liabilities (mandatory field)	3499 =	5,649,041	5,965,335

Shareholder equity				
	Total shareholder equity (mandatory field)	3620 +	1,253,752	1,099,979

	Total liabilities and shareholder equity	3640 =	6,902,793	7,065,314
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Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849 =	-1,146,348	-1,300,121

* Generic item



Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Name of corporation	Business Number	Tax year end Year Month Day
NIAGARA WEST TRANSFORMATION CORPORATION	87681 9301 RC0001	2009-12-31

Income statement information

Description	GIFI
Operating name	0001
Description of the operation	0002
Sequence Number	0003 01

Account	Description	GIFI	Current year	Prior year
Income statement information				
	Total sales of goods and services	8089 +	634,964	649,937
	Cost of sales	8518 -		
	Gross profit/loss	8519 =	634,964	649,937
	Cost of sales	8518 +		
	Total operating expenses	9367 +	429,596	741,273
	Total expenses (mandatory field)	9368 =	429,596	741,273
	Total revenue (mandatory field)	8299 +	638,369	660,670
	Total expenses (mandatory field)	9368 -	429,596	741,273
	Net non-farming income	9369 =	208,773	-80,603

Farming income statement information				
	Total farm revenue (mandatory field)	9659 +		
	Total farm expenses (mandatory field)	9898 -		
	Net farm income	9899 =		

	Net income/loss before taxes and extraordinary items	9970 =	208,773	-80,603
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Extraordinary items and income (linked to Schedule 140)				
	Extraordinary item(s)	9975 -		
	Legal settlements	9976 -		
	Unrealized gains/losses	9980 +		
	Unusual items	9985 -		
	Current income taxes	9990 -		
	Deferred income tax provision	9995 -	55,000	-178,000
	Total – Other comprehensive income	9998 +		
	Net income/loss after taxes and extraordinary items (mandatory field)	9999 =	153,773	97,397



NOTES CHECKLIST

Corporation's name	Business Number	Tax year-end Year Month Day
NIAGARA WEST TRANSFORMATION CORPORATION	87681 9301 RC0001	2009-12-31

- Parts 1, 2, and 3 of this schedule must be completed from the perspective of the person (referred to in these parts as the "accountant") who prepared or reported on the financial statements.
- For more information, see Guide RC4088, *General Index of Financial Information (GIFI) for Corporations* and Guide T4012, *T2 Corporation – Income Tax Guide*.
- Complete this schedule, and include it with your T2 return along with the other GIFI schedules.

If the person preparing the tax return is not the accountant referred to above, they must still complete Parts 1, 2, 3, and 4, as applicable.

Part 1 – Information on the accountant preparing or reporting on the financial statements

Does the accountant have a professional designation? **095** 1 Yes ☒ 2 No ☐

Is the accountant connected* with the corporation? **097** 1 Yes ☐ 2 No ☒

* A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the common shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the corporation.

Note: If the accountant does not have a professional designation **or** is connected to the corporation, you do not have to complete Parts 2 and 3 of this schedule. However, you do have to complete Part 4, as applicable.

Part 2 – Type of involvement with the financial statements

Choose the option that represents the highest level of involvement of the accountant:

Completed an auditor's report **198** 1 ☒ 2 ☐ 3 ☐

Completed a review engagement report 2 ☐

Conducted a compilation engagement 3 ☐

Part 3 – Reservations

If you selected option "1" or "2" under **Type of involvement with the financial statements** above, answer the following question:

Has the accountant expressed a reservation? **099** 1 Yes ☐ 2 No ☒

Part 4 – Other information

If you have a professional designation and are not the accountant associated with the financial statements in Part 1 above, choose one of the following options:

Prepared the tax return (financial statements prepared by client) **110** 1 ☐ 2 ☐

Prepared the tax return and the financial information contained therein
(financial statements have not been prepared) 2 ☐

Were notes to the financial statements prepared? **101** 1 Yes ☒ 2 No ☐

If **yes**, complete lines 102 to 107 below:

Are any values presented at other than cost? **102** 1 Yes ☒ 2 No ☐

Has there been a change in accounting policies since the last return? **103** 1 Yes ☐ 2 No ☒

Are subsequent events mentioned in the notes? **104** 1 Yes ☐ 2 No ☒

Is re-evaluation of asset information mentioned in the notes? **105** 1 Yes ☐ 2 No ☒

Is contingent liability information mentioned in the notes? **106** 1 Yes ☐ 2 No ☒

Is information regarding commitments mentioned in the notes? **107** 1 Yes ☐ 2 No ☒

Does the corporation have investments in joint venture(s) or partnership(s)? **108** 1 Yes ☐ 2 No ☒

If **yes**, complete line 109 below:

Are you filing financial statements of the joint venture(s) or partnership(s)? **109** 1 Yes ☐ 2 No ☐



Canada Revenue Agency
Agence du revenu du Canada

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

SCHEDULE 1

Corporation's name	Business Number	Tax year end Year Month Day
NIAGARA WEST TRANSFORMATION CORPORATION	87681 9301 RC0001	2009-12-31

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 *Corporation Income Tax Guide*.
- Sections, subsections, and paragraphs referred to on this schedule are from the *Income Tax Act*.

Amount calculated on line 9999 from Schedule 125 153,773 A

Add:

Provision for income taxes – deferred	102	55,000	
Amortization of tangible assets	104	180,794	
Subtotal of additions		235,794	235,794

Other additions:

Miscellaneous other additions:

604			
Subtotal of other additions	199		
Total additions	500	235,794	235,794

Deduct:

Capital cost allowance from Schedule 8	403	219,150	
Subtotal of deductions		219,150	219,150

Other deductions:

Miscellaneous other deductions:

704			
Total	394		
Subtotal of other deductions	499	0	0
Total deductions	510	219,150	219,150

Net income (loss) for income tax purposes – enter on line 300 of the T2 return 170,417

* For reference purposes only



CORPORATION LOSS CONTINUITY AND APPLICATION

SCHEDULE 4

Name of corporation	Business Number	Tax year-end Year Month Day
NIAGARA WEST TRANSFORMATION CORPORATION	87681 9301 RC0001	2009-12-31

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

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes	170,417
Deduct: (increase a loss)	
Net capital losses deducted in the year (enter as a positive amount)	
Taxable dividends deductible under sections 112, 113, or subsection 138(6)	
Amount of Part VI.1 tax deductible	
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)	
Deduct: (increase a loss)	
Section 110.5 and/or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions	
	Subtotal (if positive, enter "0")
Add: (decrease a loss)	
Current-year farm loss	
Current-year non-capital loss (if positive, enter "0")	

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of the previous tax year	677,939
Deduct: Non-capital loss expired *	100
Non-capital losses at the beginning of the tax year	102
Add: Non-capital losses transferred on the amalgamation or the wind-up of a subsidiary corporation	105
Current-year non-capital loss (from calculation above)	110
Deduct:	
Other adjustments (includes adjustments for an acquisition of control)	150
Section 80 – Adjustments for forgiven amounts	140
Subsection 111(10) – Adjustments for fuel tax rebate	
Deduct:	
Amount applied against taxable income (enter on line 331 of the T2 return)	130
Amount applied against taxable dividends subject to Part IV tax	135
	Subtotal
Deduct – Request to carry back non-capital loss to:	
First previous tax year to reduce taxable income	901
Second previous tax year to reduce taxable income	902
Third previous tax year to reduce taxable income	903
First previous tax year to reduce taxable dividends subject to Part IV tax	911
Second previous tax year to reduce taxable dividends subject to Part IV tax	912
Third previous tax year to reduce taxable dividends subject to Part IV tax	913
Non-capital losses – Closing balance	180
	507,522

* A non-capital loss expires as follows:

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

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

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

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 previous tax year.

Part 2 - Capital losses

Continuity of capital losses and request for a carryback

Capital losses at the end of the previous tax year	200	
Capital losses transferred on the amalgamation or the wind-up of a subsidiary corporation	205	
Deduct:		
Other adjustments (includes adjustments for an acquisition of control)	250	
Section 80 - Adjustments for forgiven amounts	240	
		Subtotal
Current-year capital loss (from the calculation on Schedule 6)	210	
Unused non-capital losses that expired in the tax year*		A
Allowable business investment losses (ABIL) that expired as non-capital losses in the tax year**		B
Enter amount from line A or B, whichever is less	215	
ABILs expired as non-capital loss: line 215 divided by the inclusion rate*** 75.0000 %		220
		Subtotal
Note: If there has been an amalgamation or a wind-up of a subsidiary, do a separate calculation of the ABIL expired as non-capital loss for each predecessor or subsidiary. Add all these amounts and enter the total at line 220 above.		
Deduct: Amount applied against the current-year capital gain (see Note 1)		225
		Subtotal
Deduct - Request to carry back capital loss to (see Note 2):		
	Capital gain (100%)	Amount carried back (100%)
First previous tax year	951	
Second previous tax year	952	
Third previous tax year	953	
Capital losses - Closing balance		280

Note 1

Enter the amount from line 225 multiplied by 50% on line 332 of the T2 return.

Note 2

On lines 225, 951, 952, or 953, whichever applies, enter the actual amount of the loss. When the loss is applied, multiply this amount by the 50% inclusion rate.

* Enter the losses from the 8th previous tax year if the losses were incurred in a tax year ending before March 23, 2004. Enter the losses from the 11th previous tax year if the losses were incurred in a tax year ending after March 22, 2004, and before 2006. Enter the losses from the 21st previous tax year if the losses were incurred in a tax year ending after 2005. Enter the part that was not used in previous years and the current year on line A.

** Enter the losses from the 8th previous tax year if the losses were incurred in a tax year ending before March 23, 2004. Enter the losses from the 11th previous tax year if the losses were incurred in a tax year ending after March 22, 2004. Enter the full amount on line B.

*** This inclusion rate is the rate used to calculate your ABIL referred to at line B. Therefore, use one of the following inclusion rates, whichever applies:

- For ABILs incurred in the 1999 and previous tax years, use 0.75.
- For ABILs incurred in the 2000 and 2001 tax years, the inclusion rate is equal to amount M on Schedule 6 - version T2SCH6(01).
- For ABILs incurred in the 2002 and later tax years, use 0.50.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

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

* A farm loss expires as follows:

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

Part 4 – Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business	485	C
Minus the deductible farm loss:		
\$2,500 plus D or E, whichever is less	\$ 2,500	
(Amount C above – \$2,500) divided by 2 =	D	
	\$ 6,250	E
		2,500 F
Current-year restricted farm loss (amount C minus amount F) (enter this amount on line 410)		

Continuity of restricted farm losses and request for a carryback

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

Note

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

* A restricted farm loss expires as follows:

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

Part 5 – Listed personal property losses

Continuity of listed personal property loss and request for a carryback

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

Part 7 – Limited partnership losses

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

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

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

Continuity of limited partnership losses that can be carried forward to future tax years					
Partnership identifier	Limited partnership losses at the end of the previous tax year	Limited partnership losses transferred on an amalgamation or the wind-up of a subsidiary	Current-year limited partnership losses (from column 620)	Limited partnership losses applied (cannot exceed column 650)	Limited partnership losses closing balance (662 + 664 + 670 - 675)
660	662	664	670	675	680

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

Non-Capital Loss Continuity Workchart

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

Non-capital losses – losses that can be carried forward over 20 years

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A				N/A		
1st preceding taxation year 2008-12-31	128,090	N/A		N/A			128,090
2nd preceding taxation year 2007-12-31		N/A		N/A			
3rd preceding taxation year 2006-12-31	157,321	N/A		N/A			157,321
4th preceding taxation year 2005-12-31		N/A		N/A			
5th preceding taxation year 2004-12-31		N/A		N/A			
6th preceding taxation year 2003-12-31		N/A		N/A			
7th preceding taxation year 2002-12-31		N/A		N/A			
8th preceding taxation year 2001-12-31		N/A		N/A			
9th preceding taxation year 2000-12-31		N/A		N/A			
10th preceding taxation year 1999-12-31		N/A		N/A			
11th preceding taxation year 1998-12-31		N/A		N/A			
12th preceding taxation year 1997-12-31		N/A		N/A			
13th preceding taxation year 1996-12-31		N/A		N/A			
14th preceding taxation year 1995-12-31		N/A		N/A			
15th preceding taxation year 1994-12-31		N/A		N/A			
16th preceding taxation year 1993-12-31		N/A		N/A			
17th preceding taxation year 1992-12-31		N/A		N/A			
18th preceding taxation year 1991-12-31		N/A		N/A			
19th preceding taxation year 1990-12-31		N/A		N/A			
20th preceding taxation year 1989-12-31		N/A		N/A			*
Total	285,411						285,411

Non-capital losses – losses that can be carried forward over 10 years

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A	N/A		N/A	N/A	N/A	N/A
1st preceding taxation year 2008-12-31		N/A		N/A			
2nd preceding taxation year 2007-12-31		N/A		N/A			
3rd preceding taxation year 2006-12-31		N/A		N/A			
4th preceding taxation year 2005-12-31	344,575	N/A		N/A	122,464		222,111
5th preceding taxation year 2004-12-31	47,953	N/A		N/A	47,953		
6th preceding taxation year 2003-12-31		N/A		N/A			
7th preceding taxation year 2002-12-31		N/A		N/A			
8th preceding taxation year 2001-12-31		N/A		N/A			
9th preceding taxation year 2000-12-31		N/A		N/A			
10th preceding taxation year 1999-12-31		N/A		N/A			*
Total	392,528	N/A		N/A	170,417		222,111

Non-capital losses – losses that can be carried forward over 7 years

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A	N/A		N/A	N/A	N/A	N/A
1st preceding taxation year 2008-12-31		N/A		N/A			
2nd preceding taxation year 2007-12-31		N/A		N/A			
3rd preceding taxation year 2006-12-31		N/A		N/A			
4th preceding taxation year 2005-12-31		N/A		N/A			
5th preceding taxation year 2004-12-31		N/A		N/A			
6th preceding taxation year 2003-12-31		N/A		N/A			
7th preceding taxation year 2002-12-31		N/A		N/A			*
Total		N/A		N/A			

Farm losses – losses that can be carried forward over 20 years

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A				N/A		
1st preceding taxation year 2008-12-31		N/A		N/A			
2nd preceding taxation year 2007-12-31		N/A		N/A			
3rd preceding taxation year 2006-12-31		N/A		N/A			
4th preceding taxation year 2005-12-31		N/A		N/A			
5th preceding taxation year 2004-12-31		N/A		N/A			
6th preceding taxation year 2003-12-31		N/A		N/A			
7th preceding taxation year 2002-12-31		N/A		N/A			
8th preceding taxation year 2001-12-31		N/A		N/A			
9th preceding taxation year 2000-12-31		N/A		N/A			
10th preceding taxation year 1999-12-31		N/A		N/A			
11th preceding taxation year 1998-12-31		N/A		N/A			
12th preceding taxation year 1997-12-31		N/A		N/A			
13th preceding taxation year 1996-12-31		N/A		N/A			
14th preceding taxation year 1995-12-31		N/A		N/A			
15th preceding taxation year 1994-12-31		N/A		N/A			
16th preceding taxation year 1993-12-31		N/A		N/A			
17th preceding taxation year 1992-12-31		N/A		N/A			
18th preceding taxation year 1991-12-31		N/A		N/A			
19th preceding taxation year 1990-12-31		N/A		N/A			
20th preceding taxation year 1989-12-31		N/A		N/A			*
Total							

Farm losses – losses that can be carried forward over 10 years

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A	N/A		N/A	N/A	N/A	N/A
1st preceding taxation year 2008-12-31		N/A		N/A			
2nd preceding taxation year 2007-12-31		N/A		N/A			
3rd preceding taxation year 2006-12-31		N/A		N/A			
4th preceding taxation year 2005-12-31		N/A		N/A			
5th preceding taxation year 2004-12-31		N/A		N/A			
6th preceding taxation year 2003-12-31		N/A		N/A			
7th preceding taxation year 2002-12-31		N/A		N/A			
8th preceding taxation year 2001-12-31		N/A		N/A			
9th preceding taxation year 2000-12-31		N/A		N/A			
10th preceding taxation year 1999-12-31		N/A		N/A			*
Total		N/A		N/A			

Restricted farm losses – losses that can be carried forward over 20 years

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Part I	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A				N/A	N/A	
1st preceding taxation year 2008-12-31		N/A		N/A		N/A	
2nd preceding taxation year 2007-12-31		N/A		N/A		N/A	
3rd preceding taxation year 2006-12-31		N/A		N/A		N/A	
4th preceding taxation year 2005-12-31		N/A		N/A		N/A	
5th preceding taxation year 2004-12-31		N/A		N/A		N/A	
6th preceding taxation year 2003-12-31		N/A		N/A		N/A	
7th preceding taxation year 2002-12-31		N/A		N/A		N/A	
8th preceding taxation year 2001-12-31		N/A		N/A		N/A	
9th preceding taxation year 2000-12-31		N/A		N/A		N/A	
10th preceding taxation year 1999-12-31		N/A		N/A		N/A	
11th preceding taxation year 1998-12-31		N/A		N/A		N/A	
12th preceding taxation year 1997-12-31		N/A		N/A		N/A	
13th preceding taxation year 1996-12-31		N/A		N/A		N/A	
14th preceding taxation year 1995-12-31		N/A		N/A		N/A	
15th preceding taxation year 1994-12-31		N/A		N/A		N/A	
16th preceding taxation year 1993-12-31		N/A		N/A		N/A	
17th preceding taxation year 1992-12-31		N/A		N/A		N/A	
18th preceding taxation year 1991-12-31		N/A		N/A		N/A	
19th preceding taxation year 1990-12-31		N/A		N/A		N/A	
20th preceding taxation year 1989-12-31		N/A		N/A		N/A	*
Total						N/A	

Restricted farm losses – losses that can be carried forward over 10 years

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Part I	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A	N/A		N/A	N/A	N/A	N/A
1st preceding taxation year 2008-12-31		N/A		N/A		N/A	
2nd preceding taxation year 2007-12-31		N/A		N/A		N/A	
3rd preceding taxation year 2006-12-31		N/A		N/A		N/A	
4th preceding taxation year 2005-12-31		N/A		N/A		N/A	
5th preceding taxation year 2004-12-31		N/A		N/A		N/A	
6th preceding taxation year 2003-12-31		N/A		N/A		N/A	
7th preceding taxation year 2002-12-31		N/A		N/A		N/A	
8th preceding taxation year 2001-12-31		N/A		N/A		N/A	
9th preceding taxation year 2000-12-31		N/A		N/A		N/A	
10th preceding taxation year 1999-12-31		N/A		N/A		N/A	*
Total		N/A		N/A		N/A	

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

CAPITAL COST ALLOWANCE (CCA)

Name of corporation	Business Number	Tax year end Year Month Day
NIAGARA WEST TRANSFORMATION CORPORATION	87681 9301 RC0001	2009-12-31

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

Is the corporation electing under regulation 1101(5q)? **101** 1 Yes ☐ 2 No ☒

1 Class number (See Note)	Description	2 Undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of last year)	3 Cost of acquisitions during the year (new property must be available for use)*	4 Net adjustments**	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)***	7 Reduced undepreciated capital cost	8 CCA rate %	9 Recapture of capital cost allowance (line 107 of Schedule 1)	10 Terminal loss (line 404 of Schedule 1)	11 Capital cost allowance (column 7 multiplied by column 8; or a lower amount) (line 403 of Schedule 1)****	12 Undepreciated capital cost at the end of the year (column 6 plus column 7 minus column 11)
200		201	203	205	207	211		212	213	215	217	220
1.	1	5,478,743			0		5,478,743	4	0	0	219,150	5,259,593
	Total	5,478,743					5,478,743				219,150	5,259,593

Note: Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed.
Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).

- * Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule, see Regulation 1100(2) and (2.2).
- ** Include amounts transferred under section 85, or on amalgamation and winding-up of a subsidiary. See the *T2 Corporation Income Tax Guide* for other examples of adjustments to include in column 4.
- *** The net cost of acquisitions is the cost of acquisitions (column 3) plus or minus certain adjustments from column 4. For exceptions to the 50% rule, see Interpretation Bulletin IT-285, *Capital Cost Allowance – General Comments*.
- **** If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the *T2 Corporation Income Tax Guide* for more information.



SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
NIAGARA WEST TRANSFORMATION CORPORATION	87681 9301 RC0001	2009-12-31

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

		Provide only one number per shareholder				
Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)		Business Number (If a corporation is not registered, enter "NR")	Social insurance number	Trust number	Percentage common shares	Percentage preferred shares
100		200	300	350	400	500
1	NIAGARA POWER INC	NR			50.000	
2	PENINSULA WEST POWER INC	89108 9419 RC0001			50.000	
3						
4						
5						
6						
7						
8						
9						
10						



ONTARIO SPECIALTY TYPES

Name of corporation	Business Number	Tax year-end Year Month Day
NIAGARA WEST TRANSFORMATION CORPORATION	87681 9301 RC0001	2009-12-31

- Use this schedule to identify the specialty type of a corporation carrying on business in the province of Ontario through a permanent establishment if:
 - its tax year includes January 1, 2009;
 - the tax year is the first year after incorporation or an amalgamation; or
 - there is a change to the specialty type.
- If none of the listed specialty types applies, tick box 99 "Other."
- Unless otherwise noted, references to sections, subsections, and clauses are from the *Taxation Act, 2007* (Ontario).

Specialty types

100 Identify the specialty type that applies to your corporation:

- ☐ 01 Family farm corporation – See subsection 64(3).
- ☐ 02 Family fishing corporation – See subsection 64(3).
- ☐ 03 Mortgage investment corporation – See subsection 130.1(6) of the federal *Income Tax Act*.
- ☐ 04 Credit union – See subsection 137(6) of the federal Act.
- ☐ 06 Bank – See subsection 248(1) of the federal Act.
- ☐ 08 Financial institution prescribed by regulation only – See clause 66(2)(f).
- ☐ 09 Registered securities dealer – See subsection 248(1) of the federal Act.
- ☐ 10 Farm feeder finance co-operative corporation
- ☐ 11 Insurance corporation – See subsection 248(1) of the federal Act.
- ☐ 12 Mutual insurance – See subsection 27(2) of the *Taxation Act, 2007* (Ontario) and paragraph 149(1)(m) of the federal Act.
- ☐ 13 Specialty mutual insurance
- ☐ 14 Mutual fund corporation – See subsection 131(8) of the federal Act.
- ☐ 15 Bare trustee corporation
- ☐ 16 Professional corporation (incorporated professional only) – See subsection 248(1) of the federal Act.
- ☐ 17 Limited liability corporation
- ☐ 18 Generator of electrical energy for sale, or producer of steam for use in the generation of electrical energy for sale – See subsection 33(7).
- ☒ 19 Hydro successor, municipal electrical utility, or subsidiary of either – See subsection 91.1(1) and section 88 of the *Electricity Act, 1998* (Ontario).
- ☐ 20 Producer and seller of steam for uses other than for the generation of electricity – See subsection 33(7).
- ☐ 21 Mining corporation
- ☐ 22 Non-resident corporation
- ☐ 99 Other (if none of the previous descriptions apply)



CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
NIAGARA WEST TRANSFORMATION CORPORATION	87681 9301 RC0001	2009-12-31

- This schedule should be completed by a corporation that is incorporated, continued, or amalgamated in Ontario and subject to the *Business Corporations Act* (BCA) or *Corporations Act* (CA), except for registered charities under the federal *Income Tax Act*. This completed schedule serves as a *Corporations Information Act* Annual Return under the Ontario *Corporations Information Act*.
- Complete parts 1 to 4. Complete parts 5 to 7 only to report change(s) in the information recorded on the Ontario Ministry of Government Services (MGS) public record.
- This schedule must set out the required information for the corporation as of the date of delivery of this schedule.
- A completed Ontario *Corporations Information Act* Annual Return must be delivered within six months after the end of the corporation's tax year-end. The MGS considers this return to be delivered on the date that it is filed with the Canada Revenue Agency (CRA) together with the corporation's income tax return.
- It is the corporation's responsibility to ensure that the information shown on the MGS public record is accurate and up to date. To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. For more information, visit www.ServiceOntario.ca.
- This schedule contains non-tax information collected under the authority of the Ontario *Corporations Information Act*. This information will be sent to the MGS for the purposes of recording the information on the public record maintained by the MGS.

Part 1 – Identification

100 Corporation's name (exactly as shown on the MGS public record) NIAGARA WEST TRANSFORMATION CORPORATION			
Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent Ontario	110 Date of incorporation or amalgamation, whichever is the most recent Year Month Day 2003-09-05	120 Ontario Corporation No. 1586499	

Part 2 – Head or registered office address (P.O. box not acceptable)

200 Care of (if applicable)			
210 Street number 231	220 Street name ROBERTS ROAD	230 Suite number	
240 Additional address information			
250 Municipality (e.g., city, town) GRIMSBY	260 Province/state ON	270 Country CA	280 Postal/zip code L3M 4E8

Part 3 – Change identifier

Have there been any changes in any of the information most recently filed for the public record maintained by the MGS with respect to names, addresses for service, and the date elected/appointed and date ceased of the directors and five most senior officers, or the corporation's mailing address or language of preference? Obtain a Corporation Profile Report to review the information shown for the corporation on the public record maintained by the MGS. For more information, visit www.ServiceOntario.ca.

- 300** ☒ 2 If there have been no changes, enter 1 in this box and then go to "Part 4 – Certification."
If there are changes, enter 2 in this box and complete the applicable parts on the next page, and then go to "Part 4 – Certification."

Part 4 – Certification

I certify that all information given in this *Corporations Information Act* Annual Return is true, correct, and complete.

450 BACCHUS	451 SHAFEE
Last name	First name
454 _____ Middle name(s)	

- 460** ☒ 1 Please enter one of the following numbers in this box for the above-named person: enter 1 for director, 2 for officer, or 3 for other individual having knowledge of the affairs of the corporation. If you are a director and officer, enter 1 or 2.

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

Complete the applicable parts to report changes in the information recorded on the MGS public record.

Part 5 – Mailing address

500	☐ 2	Please enter one of the following numbers in this box:				
		1 - Show no mailing address on the MGS public record.				
		2 - The corporation's mailing address is the same as the head or registered office address in Part 2 of this schedule.				
		3 - The corporation's complete mailing address is as follows:				
510	Care of (if applicable)					
520	Street number	530	Street name		540	Suite number
550	Additional address information					
560	Municipality (e.g., city, town)		570	Province/state	580	Country
			590	Postal/zip code		

Part 6 – Language of preference

600	☐	Indicate your language preference by entering 1 for English or 2 for French. This is the language of preference recorded on the MGS public record for communication with the corporation. This may be different from line 990 on the T2 return.
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Summary of federal carryforward/carryback information (continued)

Gifts of certified cultural property	
Gifts of certified ecologically sensitive land	
Gifts of medicine	
Investment tax credits	
Non-capital losses that can be carried forward over 7 years	
Non-capital losses that can be carried forward over 10 years	222,111
Non-capital losses that can be carried forward over 20 years	285,411
Capital losses/L.P.P.	
Farm losses that can be carried forward over 10 years	
Farm losses that can be carried forward over 20 years	
Restricted farm losses that can be carried forward over 10 years	
Restricted farm losses that can be carried forward over 20 years	
Current year's balance of SR&ED expenditures (T661)	
Foreign business tax credit	
Unused surtax credit (Schedule 37)	
Capital dividend amount	
Part I tax credit (Schedule 42)	
Cumulative eligible capital	
Capital gains reserves	
Financial statement reserve	
Other reserves	
Balance of patronage dividends	
Continuity of exemption of accumulated income	

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	170,417		
Taxable income			
% Allocation	100.00		
Attributed taxable income			
Surtax		N/A	N/A
Tax payable before deduction*			
Deductions and credits			
Net tax payable			
Attributed taxable capital			N/A
Capital tax payable**			N/A
Total tax payable***			
Instalments and refundable credits			
Balance due/Refund (-)			

* For Québec, this includes special taxes and logging operations.

** For Québec, this includes compensation tax and registration fee.

*** For Ontario, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations. The Balance due/Refund is included in the federal Balance due/refund.

Summary of provincial information – provincial income tax payable (continued)

Summary of provincial information – provincial income tax payable (continued)				
	British Columbia	Saskatchewan	Manitoba	
% Allocation				
Attributed taxable income				
Tax payable before deduction*				
Deductions and credits				
Tax payable or refundable credit				
Attributed taxable capital				
Capital tax payable**				
Instalments and refundable credits				
Balance due/Refund (-)				
* For British Columbia, this includes the Logging Tax Payable.				
** For Manitoba, this includes the Outstanding Balance Excluding Instalments.				
	Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick
% Allocation				
Attributed taxable income				
Tax payable before deduction				
Deductions and credits				
Tax payable or refundable credit				
Attributed taxable capital				
Capital tax payable				
Instalments and refundable credits				
Balance due/Refund (-)*				
* Only applies in the case of bank, a loan corporation or a trust corporation.				
		Yukon	Northwest Territories	Nunavut
% Allocation				
Attributed taxable income				
Tax payable before deduction				
Deductions and credits				
Tax payable or refundable credit				

Summary of provincial carryforward amounts

	Québec	Alberta
Non-capital losses that can be carried forward over 7 years		
Non-capital losses that can be carried forward over 10 years		
Non-capital losses that can be carried forward over 20 years		
Net capital losses/Listed personal property losses		
Farm losses that can be carried forward over 10 years		
Farm losses that can be carried forward over 20 years		
Restricted farm losses that can be carried forward over 10 years		
Restricted farm losses that can be carried forward over 20 years		
Donations		
Capital gains reserves		
Financial statement reserves		
Other reserves		
Eligible capital		
Other carryforward amounts		
Ontario		
Transitional tax credit – Schedule 506		
Ontario research and development tax credit – Schedule 508		
Corporate minimum tax credit that can be carried forward over 20 years – Schedule 510		
Corporate minimum tax credit that can be carried forward over 10 years – Schedule 510		
Corporate minimum tax loss that can be carried forward over 20 years – Schedule 510		80,603
Corporate minimum tax loss that can be carried forward over 10 years – Schedule 510		313,602
Ontario political contributions tax credit that can be carried forward over 20 years – Schedule 525		
Québec		
R&D expenditures not deducted at the end of the year – RD-222		
Tax credit for fees and dues paid to a research consortium – RD-1029.8.9.03		
Foreign non-business income tax credits – CO-17S.39		
Non-refundable tax credit for resources – 1029.8.36.EM		
Investment Tax Credit – CO-1029.8.36.IN		
Development work expenses – FM220.3		
Excess development work expenses – FM220.3		
Balance of patronage dividends – CO-786		
Alberta		
Unclaimed SR&ED expenditure pool deduction balance – A16		
British Columbia		
Scientific research and experimental development – Schedule 425		
Manufacturing and processing – Schedule 426		
Manitoba		
Research and development – Schedule 380		
Manufacturing investment – Schedule 381		
Co-op education and apprenticeship – Schedule 384		
Odour control – Schedule 385		
Community enterprise investment – Schedule 387		
Saskatchewan		
Royalty tax rebate – Schedule 400		
Manufacturing and processing investment – Schedule 402		
Research and development – Schedule 403		

Summary of provincial carryforward amounts (continued)

Newfoundland and Labrador

Direct equity tax – Schedule 303

Prince Edward Island

Investment – Schedule 321

Nova Scotia

Energy efficiency tax credit – Schedule 342

Manufacturing and processing investment – Schedule 344

New Brunswick

Research and development – Schedule 360

Nunavut

Investment – Schedule 480

Five-Year Comparative Summary

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Federal information (T2)					
Taxation year end	2009-12-31	2008-12-31	2007-12-31	2006-12-31	2005-12-31
Net income	170,417	-128,090			
Taxable income					
Active business income	170,417				
Dividends paid					
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year					
GRIP – end of the year					
Donations					
Balance due/refund (-)					

Federal taxes					
Part I before surtax					
Surtax					
Part I.3					
Part IV					
Part I & Surtax					
Part III.1					
Other*					
* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.					

Credits against part I tax					
Small business deduction					
M&P deduction					
Foreign tax credit					
Political contribution					
Investment tax credit					
Abatement/other*					
* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.					

Refunds/credits					
ITC refund					
Dividend refund					
Instalments					
Surtax credit					
Other*					
* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.					

Ontario

Taxation year end	<u>2009-12-31</u>	<u>2008-12-31</u>	<u>2007-12-31</u>	<u>2006-12-31</u>	<u>2005-12-31</u>
Net income	170,417	-128,090			
Taxable income					
% Allocation	100.00	100.00			
Attributed taxable income					
Surtax					
Income tax payable before deduction					
Income tax deductions /credits					
Net income tax payable					
Taxable capital		6,496,979			
Capital tax payable					
Total tax payable*					
Instalments and refundable credits					
Balance due/refund**					

* For taxation years ending before January 1, 2009, this includes the corporate minimum tax and the premium tax. For taxation years ending after December 31, 2008, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations.

** For taxation years ending after December 31, 2008, the Balance due/Refund is included in the federal Balance due/refund.



CHARTERED ACCOUNTANTS

DURWARD JONES BARKWELL
& COMPANY LLP

May 31, 2011

NIAGARA WEST TRANSFORMATION CORPORATION
ATTN: SHAFEE BACCHUS
231 ROBERTS ROAD
GRIMSBY ON L3M 4E8

Dear Sir,

Corporate Tax Return Filing Instructions

When you receive the notice of assessment from Canada Revenue Agency please send it to us for review. We must determine if the assessment is correct before the time limit to file a notice of objection expires.

Tax Balances

The company has non-capital losses of **\$625,947** available for carryforward.

If you have any questions or concerns please do not hesitate to contact us.

Yours truly,

DURWARD JONES BARKWELL & COMPANY LLP



INFORMATION RETURN FOR CORPORATIONS FILING ELECTRONICALLY

- You have to complete this return to allow your transmitter to electronically file your corporation income tax return to us at the Canada Revenue Agency. You have to complete this return for each taxation year.
- By completing Part B and signing Part C, you acknowledge that, under the *Income Tax Act*, you have to keep all records used to prepare your corporation income tax return, and provide this information to us on request.
- Part D must be completed by either you or the preparer of your corporation income tax return.
- You have to give the signed original of this return to the transmitter and keep a copy for yourself.
- We are responsible for ensuring the confidentiality of your electronically filed tax information only after we have accepted it.

Part A – Identification

Name of corporation NIAGARA WEST TRANSFORMATION CORPORATION			
Business Number 87681 9301 RC0001	Taxation year: ▶	From Y M D 2010-01-01	To Y M D 2010-12-31

Part B – Declaration

Enter the following amounts, if applicable, from your corporation income tax return for the taxation year noted above:	
Net income or (loss) for income tax purposes from Schedule 1, financial statements or GIFL (line 300)	-118,425
Part I tax payable (line 700)	
Part I.3 tax payable (line 704)	
Part II surtax payable (line 708)	
Part III.1 tax payable (line 710)	
Part IV tax payable (line 712)	
Part IV.1 tax payable (line 716)	
Part VI tax payable (line 720)	
Part VI.1 tax payable (line 724)	
Part XIV tax payable (line 728)	
Net provincial and territorial tax payable (line 760)	
Provincial tax on large corporations (line 765)	

Part C – Certification and authorization

I certify that the amounts in Part B above are correct and complete, and fully disclose the corporation's income tax payable. These amounts also reflect the information given on the corporation's income tax return.	
I authorize the transmitter identified in Part D to electronically file the corporation income tax return identified in Part A. The transmitter can also modify the information originally filed in response to any errors Canada Revenue Agency identifies. This authorization expires when the Minister of National Revenue accepts the electronic return as filed.	
Signature of an authorized signing officer of the corporation	Date

Part D – Transmitter identification

The following person or firm has electronically filed the tax return of the corporation identified in Part A.	
Name of person or firm Durward Jones Barkwell & Company LLP	Address 8 Christie Street P.O. Box 261 Grimsby ON L3M 4G5

This return is for your records. Do not send it to us unless we ask for it.

T2 CORPORATION INCOME TAX RETURN

200

EXEMPT FROM TAX

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Ontario (for tax years ending before 2009), Quebec, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporation return.

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

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax centre or tax services office. You have to file the return within six months after the end of the corporation's tax year.

For more information see www.cra.gc.ca or Guide T4012, *T2 Corporation – Income Tax Guide*.

055 Do not use this area

Identification

Business Number (BN) **001** 87681 9301 RC0001

Corporation's name

002 NIAGARA WEST TRANSFORMATION CORPORATION

Address of head office

Has this address changed since the last time you filed your T2 return? **010** 1 Yes ☐ 2 No ☒
(If yes, complete lines 011 to 018.)

011 231 ROBERTS ROAD

012

City Province, territory, or state

015 GRIMSBY

016 ON

Country (other than Canada) Postal code/Zip code

017 **018** L3M 4E8

Mailing address (if different from head office address)

Has this address changed since the last time you filed your T2 return? **020** 1 Yes ☐ 2 No ☒
(If yes, complete lines 021 to 028.)

021 c/o

022 231 ROBERTS ROAD

023

City Province, territory, or state

025 GRIMSBY

026 ON

Country (other than Canada) Postal code/Zip code

027 **028** L3M 4E8

Location of books and records

Has the location of books and records changed since the last time you filed your T2 return? **030** 1 Yes ☐ 2 No ☒
(If yes, complete lines 031 to 038.)

031 231 ROBERTS ROAD

032

City Province, territory, or state

035 GRIMSBY

036 ON

Country (other than Canada) Postal code/Zip code

037 **038** L3M 4E8

040 Type of corporation at the end of the tax year

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

EXEMPT FROM TAX

If the type of corporation changed during the tax year, provide the effective date of the change.

043 YYYY MM DD

To which tax year does this return apply?

Tax year start	Tax year-end
060 2010-01-01	061 2010-12-31
YYYY MM DD	YYYY MM DD

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

If yes, provide the date control was acquired **065** YYYY MM DD

Is the date on line 061 a deemed tax year-end in accordance with subsection 249(3.1)? **066** 1 Yes ☐ 2 No ☒

Is the corporation a professional corporation that is a member of a partnership? **067** 1 Yes ☐ 2 No ☒

Is this the first year of filing after:

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

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

Has there been a wind-up of a subsidiary under section 88 during the current tax year? **072** 1 Yes ☐ 2 No ☒
If yes, complete and attach Schedule 24.

Is this the final tax year before amalgamation? **076** 1 Yes ☐ 2 No ☒

Is this the final return up to dissolution? **078** 1 Yes ☐ 2 No ☒

If an election was made under section 261, state the functional currency used **079**

Is the corporation a resident of Canada? **080** 1 Yes ☒ 2 No ☐ If no, give the country of residence on line 081 and complete and attach Schedule 97.

081

Is the non-resident corporation claiming an exemption under an income tax treaty? **082** 1 Yes ☐ 2 No ☒
If yes, complete and attach Schedule 91.

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

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

Do not use this area

091	092	093	094	095	096
100					

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.

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

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

Attachments – continued from page 2

	Yes	Schedule
Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	☐	T1134-A
Did the corporation have any controlled foreign affiliates?	☐	T1134-B
Did the corporation own specified foreign property in the year with a cost amount over \$100,000?	☐	T1135
Did the corporation transfer or loan property to a non-resident trust?	☐	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	☐	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	☐	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	☐	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	☐	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	☐	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	☐	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	☐	T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	☐	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	☐	54

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	1 Yes ☐	2 No ☒
Is the corporation inactive?	280	1 Yes ☐	2 No ☒
Has the major business activity changed since the last return was filed? (enter yes for first-time filers)	281	1 Yes ☐	2 No ☒
What is the corporation's major business activity? (Only complete if yes was entered at line 281)	282		
If the major business activity involves the resale of goods, show whether it is wholesale or retail	283	1 Wholesale ☐	2 Retail ☐
Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	284	ELECTRICITY DISTRIBUTOR	285 100.000 %
	286		287 %
	288		289 %
Did the corporation immigrate to Canada during the tax year?	291	1 Yes ☐	2 No ☒
Did the corporation emigrate from Canada during the tax year?	292	1 Yes ☐	2 No ☒
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293	1 Yes ☐	2 No ☐
If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible	294		
		YYYY MM DD	
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295	1 Yes ☐	2 No ☐

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFL.	300	-118,425	A
Deduct: Charitable donations from Schedule 2	311		
Gifts to Canada, a province, or a territory from Schedule 2	312		
Cultural gifts from Schedule 2	313		
Ecological gifts from Schedule 2	314		
Gifts of medicine from Schedule 2	315		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320		
Part VI.1 tax deduction*	325		
Non-capital losses of previous tax years from Schedule 4	331		
Net capital losses of previous tax years from Schedule 4	332		
Restricted farm losses of previous tax years from Schedule 4	333		
Farm losses of previous tax years from Schedule 4	334		
Limited partnership losses of previous tax years from Schedule 4	335		
Taxable capital gains or taxable dividends allocated from a central credit union	340		
Prospector's and grubstaker's shares	350		
Subtotal			B
Subtotal (amount A minus amount B) (if negative, enter "0")			C
Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		D
Taxable income (amount C plus amount D)	360		
Income exempt under paragraph 149(1)(t)	370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)			Z
* This amount is equal to 3.2 times the Part VI.1 tax payable at line 724.			

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the tax year

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

Taxable income from line 360, **minus** 10/3 of the amount on line 632*, **minus** 1/ (.38 **minus** X**) 3.57143
times the amount on line 636***, and **minus** any amount that, because of federal law, is exempt from Part I tax **405** B

Calculation of the business limit:

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

400,000	x	Number of days in the tax year before 2009	=		1
		Number of days in the tax year	365		
500,000	x	Number of days in the tax year after 2008	365	=	 500,000 2
		Number of days in the tax year	365		
				Add amounts at lines 1 and 2	 500,000 4

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

- Notes:**
1. For CCPCs that are not associated, enter the amount from line 4 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate the amount from line 4 by the number of days in the tax year divided by 365, and enter the result on line 410.
 2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction:

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

..... 11,250

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

Small business deduction

Amount A, B, C, or F whichever is the least x 17 % = **430** G

Enter amount G on line 1.

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

** General rate reduction percentage for the tax year. This has to be pro-rated.

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

**** Large corporations

- If the corporation is not associated with any corporations in both the current and the previous tax years, the amount to be entered at line 415 is: (Total taxable capital employed in Canada for the **prior year** minus \$10,000,000) x 0.225%.
- If the corporation is not associated with any corporations in the current tax year, but was associated in the previous tax year, the amount to be entered at line 415 is: (Total taxable capital employed in Canada for the **current year** minus \$10,000,000) x 0.225%
- For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from line 360	_____	A
Lesser of amounts V and Y (line Z1) from Part 9 of Schedule 27	_____ B	
Amount QQ from Part 13 of Schedule 27	_____ C	
Amount used to calculate the credit union deduction from Schedule 17	_____ D	
Amount from line 400, 405, 410, or 425, whichever is the least	_____ E	
Aggregate investment income from line 440*	_____ F	
Total of amounts B to F	_____ 	G
Amount A minus amount G (if negative, enter "0")	_____	H
Amount H	_____ x _____	
Number of days in the tax year after December 31, 2007, and before January 1, 2009		
_____	x 8.5 % =	I
Number of days in the tax year 365		
Amount H	_____ x _____	
Number of days in the tax year after December 31, 2008, and before January 1, 2010		
_____	x 9 % =	J
Number of days in the tax year 365		
Amount H	_____ x _____	
Number of days in the tax year after December 31, 2009, and before January 1, 2011		
_____	x 10 % =	K
Number of days in the tax year 365		
Amount H	_____ x _____	
Number of days in the tax year after December 31, 2010, and before January 1, 2012		
_____	x 11.5 % =	L
Number of days in the tax year 365		
Amount H	_____ x _____	
Number of days in the tax year after 2011		
_____	x 13 % =	L.1
Number of days in the tax year 365		

General tax reduction for Canadian-controlled private corporations – Total of amounts I to L.1 _____ M

Enter amount M on line 638.

* Except for a corporation that is, throughout the year, a cooperative corporation (within the meaning assigned by subsection 136(2)) or a credit union.

General tax reduction

Do not complete this area if you are a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, mutual fund corporation, or any corporation with taxable income that is not subject to the corporation tax rate of 38%.

Taxable income from page 3 (line 360 or amount Z, whichever applies)	_____	N
Lesser of amounts V and Y (line Z1) from Part 9 of Schedule 27	_____ O	
Amount QQ from Part 13 of Schedule 27	_____ P	
Amount used to calculate the credit union deduction from Schedule 17	_____ Q	
Total of amounts O to Q	_____ 	R
Amount N minus amount R (if negative, enter "0")	_____	S
Amount S	_____ x _____	
Number of days in the tax year after December 31, 2007, and before January 1, 2009		
_____	x 8.5 % =	T
Number of days in the tax year 365		
Amount S	_____ x _____	
Number of days in the tax year after December 31, 2008, and before January 1, 2010		
_____	x 9 % =	U
Number of days in the tax year 365		
Amount S	_____ x _____	
Number of days in the tax year after December 31, 2009, and before January 1, 2011		
_____	x 10 % =	V
Number of days in the tax year 365		
Amount S	_____ x _____	
Number of days in the tax year after December 31, 2010, and before January 2012		
_____	x 11.5 % =	W
Number of days in the tax year 365		
Amount S	_____ x _____	
Number of days in the tax year after 2011		
_____	x 13 % =	W.1
Number of days in the tax year 365		

General tax reduction – Total of amounts T to W.1 _____ X

Enter amount X on line 639.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income **440** x 26 2 / 3 % = A
from Schedule 7

Foreign non-business income tax credit from line 632

Deduct:

Foreign investment income **445** x 9 1 / 3 % = B
from Schedule 7 (if negative, enter "0")

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

Taxable income from line 360

Deduct:

Amount from line 400, 405, 410, or 425, whichever is the least

Foreign non-business
income tax credit
from line 632 x 25 / 9 =

Foreign business
income tax credit
from line 636 x 1(.38 - X*)
3.57143 =
x 26 2 / 3 % = D

Part I tax payable minus investment tax credit refund (line 700 minus line 780) E

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

* General rate reduction percentage for the tax year. This has to be pro-rated.

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the previous tax year **460**

Deduct: Dividend refund for the previous tax year **465**
..... G

Add the total of:

Refundable portion of Part I tax from line 450 above

Total Part IV tax payable from Schedule 3

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

Refundable dividend tax on hand at the end of the tax year – Amount G plus amount H **485**

Dividend refund

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

Taxable dividends paid in the tax year from line 460 of Schedule 3 x 1 / 3 I

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

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

Part I tax

Base amount of Part I tax – Taxable income (line 360 or amount Z, whichever applies) multiplied by 38.00 % **550** A
Recapture of investment tax credit from Schedule 31 **602** B

Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income
(if it was a CCPC throughout the tax year)

Aggregate investment income from line 440 i
Taxable income from line 360

Deduct:

Amount from line 400, 405, 410, or 425, whichever is the least
Net amount ii

Refundable tax on CCPC's investment income – 6 2 / 3 % of whichever is less: amount i or ii **604** C

Subtotal (add lines A to C) D

Deduct:

Small business deduction from line 430 1

Federal tax abatement **608**

Manufacturing and processing profits deduction from Schedule 27 **616**

Investment corporation deduction **620**

Taxed capital gains **624**

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

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

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

General tax reduction for CCPCs from amount M **638**

General tax reduction from amount X **639**

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

Federal qualifying environmental trust tax credit **648**

Investment tax credit from Schedule 31 **652**

Subtotal E

Part I tax payable – Line D minus line E F

Enter amount F on line 700.

Summary of tax and credits

Federal tax

Part I tax payable	700
Part II surtax payable from Schedule 46	708
Part III.1 tax payable from Schedule 55	710
Part IV tax payable from Schedule 3	712
Part IV.1 tax payable from Schedule 43	716
Part VI tax payable from Schedule 38	720
Part VI.1 tax payable from Schedule 43	724
Part XIII.1 tax payable from Schedule 92	727
Part XIV tax payable from Schedule 20	728
Total federal tax	

Add provincial or territorial tax:

Provincial or territorial jurisdiction . . . **750** ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)
Net provincial or territorial tax payable (except Ontario [for tax years ending before 2009], Quebec, and Alberta) . . . **760**
Provincial tax on large corporations (New Brunswick* and Nova Scotia) . . . **765**

Total tax payable 770 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780
Dividend refund	784
Federal capital gains refund from Schedule 18	788
Federal qualifying environmental trust tax credit refund	792
Canadian film or video production tax credit refund (Form T1131)	796
Film or video production services tax credit refund (Form T1177)	797
Tax withheld at source	800
Total payments on which tax has been withheld	801
Provincial and territorial capital gains refund from Schedule 18	808
Provincial and territorial refundable tax credits from Schedule 5	812
Tax instalments paid	840
Total credits	890 B

Refund code **894** Overpayment

Balance (line A minus line B)



Direct deposit request

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

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

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.
Enter the amount on whichever line applies.

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

Balance unpaid

Enclosed payment **898**

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? **896** 1 Yes ☐ 2 No ☒

* The New Brunswick tax on large corporations is eliminated effective January 1, 2009.

Certification

I, **950** BACCHUS **951** SHAFEE **954** DIRECTOR
Last name in block letters First name in block letters Position, office, or rank
am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income for this tax year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.
955 2011-05-31 **956** (905) 309-0611
Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation Telephone number
Is the contact person the same as the authorized signing officer? If no, complete the information below **957** 1 Yes ☒ 2 No ☐
958 Name in block letters **959** Telephone number

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering 1 for English or 2 for French.
Indiquez votre langue de correspondance en inscrivant 1 pour anglais ou 2 pour français.

990 1

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Name of corporation	Business Number	Tax year end Year Month Day
NIAGARA WEST TRANSFORMATION CORPORATION	87681 9301 RC0001	2010-12-31

Balance sheet information

Account	Description	GIFI	Current year	Prior year
Assets				
	Total current assets	1599 +	326,224	384,277
	Total tangible capital assets	2008 +	7,626,628	7,626,628
	Total accumulated amortization of tangible capital assets	2009 –	1,288,906	1,108,112
	Total intangible capital assets	2178 +		
	Total accumulated amortization of intangible capital assets	2179 –		
	Total long-term assets	2589 +		
	* Assets held in trust	2590 +		
	Total assets (mandatory field)	2599 =	6,663,946	6,902,793
Liabilities				
	Total current liabilities	3139 +	523,029	459,041
	Total long-term liabilities	3450 +	4,951,000	5,190,000
	* Subordinated debt	3460 +		
	* Amounts held in trust	3470 +		
	Total liabilities (mandatory field)	3499 =	5,474,029	5,649,041
Shareholder equity				
	Total shareholder equity (mandatory field)	3620 +	1,189,917	1,253,752
	Total liabilities and shareholder equity	3640 =	6,663,946	6,902,793
Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849 =	-1,210,183	-1,146,348

* Generic item



Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Name of corporation	Business Number	Tax year end Year Month Day
NIAGARA WEST TRANSFORMATION CORPORATION	87681 9301 RC0001	2010-12-31

Income statement information

Description	GIFI
Operating name	0001
Description of the operation	0002
Sequence Number	0003 01

Account	Description	GIFI	Current year	Prior year
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Income statement information

Total sales of goods and services	8089	+	681,252	634,964
Cost of sales	8518	-		
Gross profit/loss	8519	=	681,252	634,964
Cost of sales	8518	+		
Total operating expenses	9367	+	773,186	429,596
Total expenses (mandatory field)	9368	=	773,186	429,596
Total revenue (mandatory field)	8299	+	684,351	638,369
Total expenses (mandatory field)	9368	-	773,186	429,596
Net non-farming income	9369	=	-88,835	208,773

Farming income statement information

Total farm revenue (mandatory field)	9659	+		
Total farm expenses (mandatory field)	9898	-		
Net farm income	9899	=		

Net income/loss before taxes and extraordinary items	9970	=	-88,835	208,773
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Extraordinary items and income (linked to Schedule 140)

Extraordinary item(s)	9975	-		
Legal settlements	9976	-		
Unrealized gains/losses	9980	+		
Unusual items	9985	-		
Current income taxes	9990	-		
Deferred income tax provision	9995	-	-25,000	55,000
Total – Other comprehensive income	9998	+		
Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	-63,835	153,773

NOTES CHECKLIST

Corporation's name	Business Number	Tax year-end Year Month Day
NIAGARA WEST TRANSFORMATION CORPORATION	87681 9301 RC0001	2010-12-31

- Parts 1, 2, and 3 of this schedule must be completed from the perspective of the person (referred to in these parts as the "accountant") who prepared or reported on the financial statements.
- For more information, see Guide RC4088, *General Index of Financial Information (GIFI) for Corporations* and Guide T4012, *T2 Corporation – Income Tax Guide*.
- Complete this schedule, and include it with your T2 return along with the other GIFI schedules.

If the person preparing the tax return is not the accountant referred to above, they must still complete Parts 1, 2, 3, and 4, as applicable.

Part 1 – Information on the accountant preparing or reporting on the financial statements

Does the accountant have a professional designation? **095** 1 Yes ☒ 2 No ☐

Is the accountant connected* with the corporation? **097** 1 Yes ☐ 2 No ☒

* A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the common shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the corporation.

Note: If the accountant does not have a professional designation or is connected to the corporation, you do not have to complete Parts 2 and 3 of this schedule. However, you do have to complete Part 4, as applicable.

Part 2 – Type of involvement with the financial statements

Choose the option that represents the highest level of involvement of the accountant: **198**

Completed an auditor's report 1 ☒

Completed a review engagement report 2 ☐

Conducted a compilation engagement 3 ☐

Part 3 – Reservations

If you selected option "1" or "2" under **Type of involvement with the financial statements** above, answer the following question:

Has the accountant expressed a reservation? **099** 1 Yes ☐ 2 No ☒

Part 4 – Other information

If you have a professional designation and are not the accountant associated with the financial statements in Part 1 above, choose one of the following options:

Prepared the tax return (financial statements prepared by client) **110** 1 ☐

Prepared the tax return and the financial information contained therein
(financial statements have not been prepared) 2 ☐

Were notes to the financial statements prepared? **101** 1 Yes ☒ 2 No ☐

If **yes**, complete lines 102 to 107 below:

Are any values presented at other than cost? **102** 1 Yes ☒ 2 No ☐

Has there been a change in accounting policies since the last return? **103** 1 Yes ☐ 2 No ☒

Are subsequent events mentioned in the notes? **104** 1 Yes ☐ 2 No ☒

Is re-evaluation of asset information mentioned in the notes? **105** 1 Yes ☐ 2 No ☒

Is contingent liability information mentioned in the notes? **106** 1 Yes ☐ 2 No ☒

Is information regarding commitments mentioned in the notes? **107** 1 Yes ☐ 2 No ☒

Does the corporation have investments in joint venture(s) or partnership(s)? **108** 1 Yes ☐ 2 No ☒

If **yes**, complete line 109 below:

Are you filing financial statements of the joint venture(s) or partnership(s)? **109** 1 Yes ☐ 2 No ☐

SCHEDULE 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Form identifier 100

Name of corporation	Business Number	Tax year-end Year Month Day
NIAGARA WEST TRANSFORMATION CORPORATION	87681 9301 RC0001	2010-12-31

Assets – lines 1000 to 2599

1001	158,287	1062	124,755	1484	43,182
1599	326,224	1600	149,992	1680	1,224,419
1681	-171,419	1785	6,252,217	1786	-1,117,487
2008	7,626,628	2009	-1,288,906	2599	6,663,946

Liabilities – lines 2600 to 3499

2620	309,029	2920	214,000	3139	523,029
3140	4,802,000	3240	149,000	3450	4,951,000
3499	5,474,029				

Shareholder equity – lines 3500 to 3640

3500	100	3520	2,400,000	3600	-1,210,183
3620	1,189,917	3640	6,663,946		

Retained earnings – lines 3660 to 3849

3660	-1,146,348	3680	-63,835	3849	-1,210,183
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SCHEDULE 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Form identifier 125

Name of corporation	Business Number	Tax year-end Year Month Day
NIAGARA WEST TRANSFORMATION CORPORATION	87681 9301 RC0001	2010-12-31

Revenue – lines 8000 to 8299

8000	681,252	8089	681,252	8090	3,099
8299	684,351				

Cost of sales – lines 8300 to 8519

8519	681,252
-------------	---------

Operating expenses – lines 8520 to 9369

8670	180,794	8710	353,996	9284	238,396
9367	773,186	9368	773,186	9369	-88,835

Farming revenue – lines 9370 to 9659

9659	0
-------------	---

Farming expenses – lines 9660 to 9899

9898	0
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Extraordinary items and taxes – lines 9970 to 9999

9970	-88,835	9995	-25,000	9999	-63,835
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NET INCOME (LOSS) FOR INCOME TAX PURPOSES

SCHEDULE 1

Corporation's name	Business Number	Tax year end Year Month Day
NIAGARA WEST TRANSFORMATION CORPORATION	87681 9301 RC0001	2010-12-31

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 *Corporation Income Tax Guide*.
- Sections, subsections, and paragraphs referred to on this schedule are from the *Income Tax Act*.

Amount calculated on line 9999 from Schedule 125			-63,835	A
Add:				
Provision for income taxes – deferred	102	-25,000		
Amortization of tangible assets	104	180,794		
		Subtotal of additions	155,794	155,794
Other additions:				
Miscellaneous other additions:				
604				
		Subtotal of other additions	199	
		Total additions	500	155,794
Deduct:				
Capital cost allowance from Schedule 8	403	210,384		
		Subtotal of deductions		210,384
Other deductions:				
Miscellaneous other deductions:				
704				
		Total	394	
		Subtotal of other deductions	499	0
		Total deductions	510	210,384
Net income (loss) for income tax purposes – enter on line 300 of the T2 return				-118,425

* For reference purposes only



Canada Revenue Agency
Agence du revenu
du Canada

CORPORATION LOSS CONTINUITY AND APPLICATION

SCHEDULE 4

Name of corporation	Business Number	Tax year-end Year Month Day
NIAGARA WEST TRANSFORMATION CORPORATION	87681 9301 RC0001	2010-12-31

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

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes	-118,425
Deduct: (increase a loss)	
Net capital losses deducted in the year (enter as a positive amount)	
Taxable dividends deductible under sections 112, 113, or subsection 138(6)	
Amount of Part VI.1 tax deductible	
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)	
Subtotal (if positive, enter "0")	-118,425
Deduct: (increase a loss) Section 110.5 and/or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions	
Subtotal	-118,425
Add: (decrease a loss) Current-year farm loss	
Current-year non-capital loss (if positive, enter "0")	-118,425

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of the previous tax year	507,522
Deduct: Non-capital loss expired*	100
Non-capital losses at the beginning of the tax year	102
Add: Non-capital losses transferred on the amalgamation or the wind-up of a subsidiary corporation	105
Current-year non-capital loss (from calculation above)	110
Subtotal	118,425
Deduct:	
Other adjustments (includes adjustments for an acquisition of control)	150
Section 80 – Adjustments for forgiven amounts	140
Subsection 111(10) – Adjustments for fuel tax rebate	
Amount applied against taxable income (enter on line 331 of the T2 return)	130
Amount applied against taxable dividends subject to Part IV tax	135
Subtotal	625,947
Deduct – Request to carry back non-capital loss to:	
First previous tax year to reduce taxable income	901
Second previous tax year to reduce taxable income	902
Third previous tax year to reduce taxable income	903
First previous tax year to reduce taxable dividends subject to Part IV tax	911
Second previous tax year to reduce taxable dividends subject to Part IV tax	912
Third previous tax year to reduce taxable dividends subject to Part IV tax	913
Non-capital losses – Closing balance	180
	625,947

* A non-capital loss expires as follows:

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

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

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

Part 1 – Non-capital losses (continued)

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 previous tax year.

Part 2 – Capital losses

Continuity of capital losses and request for a carryback

Capital losses at the end of the previous tax year **200**
Capital losses transferred on the amalgamation or the wind-up of a subsidiary corporation **205**

Deduct:

Other adjustments (includes adjustments for an acquisition of control) **250**
Section 80 – Adjustments for forgiven amounts **240**
Subtotal

Add:

Current-year capital loss (from the calculation on Schedule 6) **210**
Unused non-capital losses that expired in the tax year* **A**
Allowable business investment losses (ABIL) that expired as non-capital losses in the tax year** **B**
Enter amount from line A or B, whichever is less **215**

ABILs expired as non-capital loss:
line 215 divided by the inclusion rate*** 50.0000 % **220**
Subtotal

Note

If there has been an amalgamation or a wind-up of a subsidiary, do a separate calculation of the ABIL expired as non-capital loss for each predecessor or subsidiary. Add all these amounts and enter the total at line 220 above.

Deduct:

Amount applied against the current-year capital gain (see Note 1) **225**
Subtotal

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

	Capital gain (100%)	Amount carried back (100%)
First previous tax year	 951	
Second previous tax year	 952	
Third previous tax year	 953	
		280
Capital losses – Closing balance		

Note 1

Enter the amount from line 225 multiplied by 50% on line 332 of the T2 return.

Note 2

On lines 225, 951, 952, or 953, whichever applies, enter the actual amount of the loss. When the loss is applied, multiply this amount by the 50% inclusion rate.

* Enter the losses from the 8th previous tax year if the losses were incurred in a tax year ending before March 23, 2004. Enter the losses from the 11th previous tax year if the losses were incurred in a tax year ending after March 22, 2004, and before 2006. Enter the losses from the 21st previous tax year if the losses were incurred in a tax year ending after 2005. Enter the part that was not used in previous years and the current year on line A.

** Enter the losses from the 8th previous tax year if the losses were incurred in a tax year ending before March 23, 2004. Enter the losses from the 11th previous tax year if the losses were incurred in a tax year ending after March 22, 2004. Enter the full amount on line B.

*** This inclusion rate is the rate used to calculate your ABIL referred to at line B. Therefore, use one of the following inclusion rates, whichever applies:

- For ABILs incurred in the 1999 and previous tax years, use 0.75.
- For ABILs incurred in the 2000 and 2001 tax years, the inclusion rate is equal to amount M on Schedule 6 – version T2SCH6(01)
- For ABILs incurred in the 2002 and later tax years, use 0.50.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

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

* A farm loss expires as follows:

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

Part 4 – Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business		485	C
Minus the deductible farm loss:			
\$2,500 plus D or E, whichever is less		2,500	
(Amount C above – \$2,500) divided by 2 =	D		
	6,250 E		
		2,500	▶
			2,500 F
Current-year restricted farm loss (amount C minus amount F) (enter this amount on line 410)			

Continuity of restricted farm losses and request for a carryback

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

Note

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

* A restricted farm loss expires as follows:

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

Part 5 – Listed personal property losses

Continuity of listed personal property loss and request for a carryback

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

Part 7 – Limited partnership losses

Current-year limited partnership losses

1	2	3	4	5	6	7
Partnership identifier	Fiscal period ending	Corporation's share of limited partnership loss	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses	Column 4 minus column 5 (if negative, enter "0")	Current-year limited partnership losses (column 3 – 6)
600	602	604	606	608		620
						Total
						(enter this amount on line 222 of Schedule 1)

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

1	2	3	4	5	6	7
Partnership identifier	Fiscal period ending	Limited partnership losses at the end of the previous tax year	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses	Column 4 minus column 5 (if negative, enter "0")	Limited partnership losses that may be applied in the year (the lesser of columns 3 and 6)
630	632	634	636	638		650

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

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

Non-Capital Loss Continuity Workchart

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

Non-capital losses – losses that can be carried forward over 20 years

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A	118,425			N/A		118,425
1st preceding taxation year 2009-12-31		N/A		N/A			
2nd preceding taxation year 2008-12-31	128,090	N/A		N/A			128,090
3rd preceding taxation year 2007-12-31		N/A		N/A			
4th preceding taxation year 2006-12-31	157,321	N/A		N/A			157,321
5th preceding taxation year 2005-12-31		N/A		N/A			
6th preceding taxation year 2004-12-31		N/A		N/A			
7th preceding taxation year 2003-12-31		N/A		N/A			
8th preceding taxation year 2002-12-31		N/A		N/A			
9th preceding taxation year 2001-12-31		N/A		N/A			
10th preceding taxation year 2000-12-31		N/A		N/A			
11th preceding taxation year 1999-12-31		N/A		N/A			
12th preceding taxation year 1998-12-31		N/A		N/A			
13th preceding taxation year 1997-12-31		N/A		N/A			
14th preceding taxation year 1996-12-31		N/A		N/A			
15th preceding taxation year 1995-12-31		N/A		N/A			
16th preceding taxation year 1994-12-31		N/A		N/A			
17th preceding taxation year 1993-12-31		N/A		N/A			
18th preceding taxation year 1992-12-31		N/A		N/A			
19th preceding taxation year 1991-12-31		N/A		N/A			
20th preceding taxation year 1990-12-31		N/A		N/A			*
Total	285,411	118,425					403,836

Non-capital losses – losses that can be carried forward over 10 years

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A	N/A		N/A	N/A	N/A	N/A
1st preceding taxation year 2009-12-31		N/A		N/A			
2nd preceding taxation year 2008-12-31		N/A		N/A			
3rd preceding taxation year 2007-12-31		N/A		N/A			
4th preceding taxation year 2006-12-31		N/A		N/A			
5th preceding taxation year 2005-12-31	222,111	N/A		N/A			222,111
6th preceding taxation year 2004-12-31		N/A		N/A			
7th preceding taxation year 2003-12-31		N/A		N/A			
8th preceding taxation year 2002-12-31		N/A		N/A			
9th preceding taxation year 2001-12-31		N/A		N/A			
10th preceding taxation year 2000-12-31		N/A		N/A			*
Total	222,111	N/A		N/A			222,111

Non-capital losses – losses that can be carried forward over 7 years

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A	N/A		N/A	N/A	N/A	N/A
1st preceding taxation year 2009-12-31		N/A		N/A			
2nd preceding taxation year 2008-12-31		N/A		N/A			
3rd preceding taxation year 2007-12-31		N/A		N/A			
4th preceding taxation year 2006-12-31		N/A		N/A			
5th preceding taxation year 2005-12-31		N/A		N/A			
6th preceding taxation year 2004-12-31		N/A		N/A			
7th preceding taxation year 2003-12-31		N/A		N/A			*
Total		N/A		N/A			

Farm losses – losses that can be carried forward over 20 years

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A				N/A		
1st preceding taxation year 2009-12-31		N/A		N/A			
2nd preceding taxation year 2008-12-31		N/A		N/A			
3rd preceding taxation year 2007-12-31		N/A		N/A			
4th preceding taxation year 2006-12-31		N/A		N/A			
5th preceding taxation year 2005-12-31		N/A		N/A			
6th preceding taxation year 2004-12-31		N/A		N/A			
7th preceding taxation year 2003-12-31		N/A		N/A			
8th preceding taxation year 2002-12-31		N/A		N/A			
9th preceding taxation year 2001-12-31		N/A		N/A			
10th preceding taxation year 2000-12-31		N/A		N/A			
11th preceding taxation year 1999-12-31		N/A		N/A			
12th preceding taxation year 1998-12-31		N/A		N/A			
13th preceding taxation year 1997-12-31		N/A		N/A			
14th preceding taxation year 1996-12-31		N/A		N/A			
15th preceding taxation year 1995-12-31		N/A		N/A			
16th preceding taxation year 1994-12-31		N/A		N/A			
17th preceding taxation year 1993-12-31		N/A		N/A			
18th preceding taxation year 1992-12-31		N/A		N/A			
19th preceding taxation year 1991-12-31		N/A		N/A			
20th preceding taxation year 1990-12-31		N/A		N/A			*
Total							

Farm losses – losses that can be carried forward over 10 years

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A	N/A		N/A	N/A	N/A	N/A
1st preceding taxation year 2009-12-31		N/A		N/A			
2nd preceding taxation year 2008-12-31		N/A		N/A			
3rd preceding taxation year 2007-12-31		N/A		N/A			
4th preceding taxation year 2006-12-31		N/A		N/A			
5th preceding taxation year 2005-12-31		N/A		N/A			
6th preceding taxation year 2004-12-31		N/A		N/A			
7th preceding taxation year 2003-12-31		N/A		N/A			
8th preceding taxation year 2002-12-31		N/A		N/A			
9th preceding taxation year 2001-12-31		N/A		N/A			
10th preceding taxation year 2000-12-31		N/A		N/A			*
Total		N/A		N/A			

Restricted farm losses – losses that can be carried forward over 20 years

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Part I	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A				N/A	N/A	
1st preceding taxation year 2009-12-31		N/A		N/A		N/A	
2nd preceding taxation year 2008-12-31		N/A		N/A		N/A	
3rd preceding taxation year 2007-12-31		N/A		N/A		N/A	
4th preceding taxation year 2006-12-31		N/A		N/A		N/A	
5th preceding taxation year 2005-12-31		N/A		N/A		N/A	
6th preceding taxation year 2004-12-31		N/A		N/A		N/A	
7th preceding taxation year 2003-12-31		N/A		N/A		N/A	
8th preceding taxation year 2002-12-31		N/A		N/A		N/A	
9th preceding taxation year 2001-12-31		N/A		N/A		N/A	
10th preceding taxation year 2000-12-31		N/A		N/A		N/A	
11th preceding taxation year 1999-12-31		N/A		N/A		N/A	
12th preceding taxation year 1998-12-31		N/A		N/A		N/A	
13th preceding taxation year 1997-12-31		N/A		N/A		N/A	
14th preceding taxation year 1996-12-31		N/A		N/A		N/A	
15th preceding taxation year 1995-12-31		N/A		N/A		N/A	
16th preceding taxation year 1994-12-31		N/A		N/A		N/A	
17th preceding taxation year 1993-12-31		N/A		N/A		N/A	
18th preceding taxation year 1992-12-31		N/A		N/A		N/A	
19th preceding taxation year 1991-12-31		N/A		N/A		N/A	
20th preceding taxation year 1990-12-31		N/A		N/A		N/A	*
Total						N/A	

Restricted farm losses – losses that can be carried forward over 10 years

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Part I	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A	N/A		N/A	N/A	N/A	N/A
1st preceding taxation year 2009-12-31		N/A		N/A		N/A	
2nd preceding taxation year 2008-12-31		N/A		N/A		N/A	
3rd preceding taxation year 2007-12-31		N/A		N/A		N/A	
4th preceding taxation year 2006-12-31		N/A		N/A		N/A	
5th preceding taxation year 2005-12-31		N/A		N/A		N/A	
6th preceding taxation year 2004-12-31		N/A		N/A		N/A	
7th preceding taxation year 2003-12-31		N/A		N/A		N/A	
8th preceding taxation year 2002-12-31		N/A		N/A		N/A	
9th preceding taxation year 2001-12-31		N/A		N/A		N/A	
10th preceding taxation year 2000-12-31		N/A		N/A		N/A	*
Total		N/A		N/A		N/A	

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

CAPITAL COST ALLOWANCE (CCA)

Name of corporation	Business Number	Tax year end Year Month Day
NIAGARA WEST TRANSFORMATION CORPORATION	87681 9301 RC0001	2010-12-31

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

Is the corporation electing under regulation 1101(5q)?

101 1 Yes ☐ 2 No ☒

1 Class number (See Note)	Description	2 Undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of last year)	3 Cost of acquisitions during the year (new property must be available for use)*	4 Net adjustments**	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)***	7 Reduced undepreciated capital cost	8 CCA rate %	9 Recapture of capital cost allowance (line 107 of Schedule 1)	10 Terminal loss (line 404 of Schedule 1)	11 Capital cost allowance (column 7 multiplied by column 8; or a lower amount) (line 403 of Schedule 1)****	12 Undepreciated capital cost at the end of the year (column 6 plus column 7 minus column 11)
200		201	203	205	207	211		212	213	215	217	220
1.	1	5,259,593			0		5,259,593	4	0	0	210,384	5,049,209
	Total	5,259,593					5,259,593				210,384	5,049,209

Note: Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed.
Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).

- * Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule, see Regulation 1100(2) and (2.2).
- ** Include amounts transferred under section 85, or on amalgamation and winding-up of a subsidiary. See the *T2 Corporation Income Tax Guide* for other examples of adjustments to include in column 4.
- *** The net cost of acquisitions is the cost of acquisitions (column 3) plus or minus certain adjustments from column 4. For exceptions to the 50% rule, see Interpretation Bulletin IT-285, *Capital Cost Allowance – General Comments*.
- **** If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the *T2 Corporation Income Tax Guide* for more information.



SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
NIAGARA WEST TRANSFORMATION CORPORATION	87681 9301 RC0001	2010-12-31

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

Provide only one number per shareholder						
Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)		Business Number (If a corporation is not registered, enter "NR")	Social insurance number	Trust number	Percentage common shares	Percentage preferred shares
100		200	300	350	400	500
1	NIAGARA POWER INC	NR			50.000	
2	PENINSULA WEST POWER INC	89108 9419 RC0001			50.000	
3						
4						
5						
6						
7						
8						
9						
10						

CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
NIAGARA WEST TRANSFORMATION CORPORATION	87681 9301 RC0001	2010-12-31

- This schedule should be completed by a corporation that is incorporated, continued, or amalgamated in Ontario and subject to the Ontario *Business Corporations Act* (BCA) or Ontario *Corporations Act* (CA), except for registered charities under the federal *Income Tax Act*. This completed schedule serves as a *Corporations Information Act* Annual Return under the *Ontario Corporations Information Act*.
- Complete parts 1 to 4. Complete parts 5 to 7 only to report change(s) in the information recorded on the Ontario Ministry of Government Services (MGS) public record.
- This schedule must set out the required information for the corporation as of the date of delivery of this schedule.
- A completed Ontario *Corporations Information Act* Annual Return must be delivered within six months after the end of the corporation's tax year-end. The MGS considers this return to be delivered on the date that it is filed with the Canada Revenue Agency (CRA) together with the corporation's income tax return.
- It is the corporation's responsibility to ensure that the information shown on the MGS public record is accurate and up-to-date. To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. Visit www.ServiceOntario.ca for more information.
- This schedule contains non-tax information collected under the authority of the Ontario *Corporations Information Act*. This information will be sent to the MGS for the purposes of recording the information on the public record maintained by the MGS.

Part 1 – Identification

100 Corporation's name (exactly as shown on the MGS public record) NIAGARA WEST TRANSFORMATION CORPORATION			
Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent Ontario	110 Date of incorporation or amalgamation, whichever is the most recent Year Month Day 2003-09-05	120 Ontario Corporation No. 1586499	

Part 2 – Head or registered office address (P.O. box not acceptable as stand-alone address)

200 Care of (if applicable)			
210 Street number 231	220 Street name/Rural route/Lot and Concession number ROBERTS ROAD	230 Suite number	
240 Additional address information if applicable (line 220 must be completed first)			
250 Municipality (e.g., city, town) GRIMSBY	260 Province/state ON	270 Country CA	280 Postal/zip code L3M 4E8

Part 3 – Change identifier

Have there been any changes in any of the information most recently filed for the public record maintained by the MGS for the corporation with respect to names, addresses for service, and the date elected/appointed and, if applicable, the date the election/appointment ceased of the directors and five most senior officers, or with respect to the corporation's mailing address or language of preference? To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. For more information, visit www.ServiceOntario.ca.

- 300** ☐ If there have been no changes, enter 1 in this box and then go to "Part 4 – Certification."
If there are changes, enter 2 in this box and complete the applicable parts on the next page, and then go to "Part 4 – Certification."

Part 4 – Certification

I certify that all information given in this *Corporations Information Act* Annual Return is true, correct, and complete.

450 BACCHUS	451 SHAFEE
Last name	First name
454 _____ Middle name(s)	

- 460** ☒ 1 Please enter one of the following numbers in this box for the above-named person: 1 for director, 2 for officer, or 3 for other individual having knowledge of the affairs of the corporation. If you are a director and officer, enter 1 or 2.

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

Complete the applicable parts to report changes in the information recorded on the MGS public record.

Part 5 – Mailing address

500	☐	Please enter one of the following numbers in this box:	1 - Show no mailing address on the MGS public record. 2 - The corporation's mailing address is the same as the head or registered office address in Part 2 of this schedule. 3 - The corporation's complete mailing address is as follows:
510	Care of (if applicable)		
520	Street number	530	Street name/Rural route/Lot and Concession number
		540	Suite number
550	Additional address information if applicable (line 530 must be completed first)		
560	Municipality (e.g., city, town)	570	Province/state
		580	Country
		590	Postal/zip code

Part 6 – Language of preference

600	☐	Indicate your language of preference by entering 1 for English or 2 for French. This is the language of preference recorded on the MGS public record for communications with the corporation. It may be different from line 990 on the T2 return.
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Corporate Taxpayer Summary

Corporate information

Corporation's name NIAGARA WEST TRANSFORMATION CORPORATION															
Taxation Year 2010-01-01 to 2010-12-31															
Jurisdiction Ontario															
BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC
☐	☐	☐	☐	☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Corporation is associated N															
Corporation is related N															
Number of associated corporations															
Type of corporation Other Corporation															
Total amount due (refund) federal and provincial*															

* The amounts displayed on lines "Total amount due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensitive help.

Summary of federal information

Net income	-118,425
Taxable income	
Donations	
Calculation of income from an active business carried on in Canada	
Dividends paid	
Balance of the low rate income pool at the end of the previous year	
Balance of the low rate income pool at the end of the year	
Balance of the general rate income pool at the end of the previous year	
Balance of the general rate income pool at the end of the year	
Part I tax (base amount)	

Credits against part I tax	Summary of tax	Refunds/credits
Small business deduction	Part I	ITC refund
M&P deduction	Part IV	Dividends refund
Foreign tax credit	Part III.1	Instalments
Investment tax credits	Other*	Surtax credit
Abatement/Other*	Provincial or territorial tax	Other*
		Balance due/refund (-)

* The amounts displayed on lines "Other" are all listed in the Help. Press F1 to consult the context-sensitive help.

Summary of federal carryforward/carryback information

Carryback amounts	
Investment tax credits	
Non-capital losses	
Capital losses	
Farm losses	
Restricted farm losses	
Part I tax credit (Schedule 42)	
Federal foreign non-business income tax credit	
Carryforward balances	
RDTOH	
Charitable donations	
Gifts to Canada, a province or a territory	

Summary of federal carryforward/carryback information (continued)

Gifts of certified cultural property	
Gifts of certified ecologically sensitive land	
Gifts of medicine	
Investment tax credits	
Non-capital losses that can be carried forward over 7 years	
Non-capital losses that can be carried forward over 10 years	222,111
Non-capital losses that can be carried forward over 20 years	403,836
Capital losses/L.P.P.	
Farm losses that can be carried forward over 10 years	
Farm losses that can be carried forward over 20 years	
Restricted farm losses that can be carried forward over 10 years	
Restricted farm losses that can be carried forward over 20 years	
Current year's balance of SR&ED expenditures (T661)	
Foreign business tax credit	
Unused surtax credit (Schedule 37)	
Capital dividend amount	
Part I tax credit (Schedule 42)	
Cumulative eligible capital	
Capital gains reserves	
Financial statement reserve	
Other reserves	
Balance of patronage dividends	
Continuity of exemption of accumulated income	

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	-118,425		
Taxable income			
% Allocation	100.00		
Attributed taxable income			
Surtax		N/A	N/A
Tax payable before deduction*			
Deductions and credits			
Net tax payable			
Attributed taxable capital			N/A
Capital tax payable**			N/A
Total tax payable***			
Instalments and refundable credits			
Balance due/Refund (-)			

* For Québec, this includes special taxes and logging operations.

** For Québec, this includes compensation tax and registration fee.

*** For Ontario, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations. The Balance due/Refund is included in the federal Balance due/refund.

Summary of provincial information – provincial income tax payable (continued)

Summary of provincial information – provincial income tax payable (continued)				
	British Columbia	Saskatchewan	Manitoba	
% Allocation				
Attributed taxable income				
Tax payable before deduction*				
Deductions and credits				
Tax payable or refundable credit				
Attributed taxable capital				
Capital tax payable**				
Instalments and refundable credits				
Balance due/Refund (-)				
* For British Columbia, this includes the Logging Tax Payable.				
** For Manitoba, this includes the Outstanding Balance Excluding Instalments.				
	Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick
% Allocation				
Attributed taxable income				
Tax payable before deduction				
Deductions and credits				
Tax payable or refundable credit				
Attributed taxable capital				
Capital tax payable				
Instalments and refundable credits				
Balance due/Refund (-)*				
* Only applies in the case of bank, a loan corporation or a trust corporation.				
		Yukon	Northwest Territories	Nunavut
% Allocation				
Attributed taxable income				
Tax payable before deduction				
Deductions and credits				
Tax payable or refundable credit				

Summary of provincial carryforward amounts

	Québec	Alberta
Non-capital losses that can be carried forward over 7 years		
Non-capital losses that can be carried forward over 10 years		
Non-capital losses that can be carried forward over 20 years		
Net capital losses/Listed personal property losses		
Farm losses that can be carried forward over 10 years		
Farm losses that can be carried forward over 20 years		
Restricted farm losses that can be carried forward over 10 years		
Restricted farm losses that can be carried forward over 20 years		
Donations		
Capital gains reserves		
Financial statement reserves		
Other reserves		
Eligible capital		
Other carryforward amounts		
Ontario		
Transitional tax credit – Schedule 506		
Ontario research and development tax credit – Schedule 508		
Corporate minimum tax credit that can be carried forward over 20 years – Schedule 510		
Corporate minimum tax credit that can be carried forward over 10 years – Schedule 510		
Corporate minimum tax loss that can be carried forward over 20 years – Schedule 510		169,438
Corporate minimum tax loss that can be carried forward over 10 years – Schedule 510		313,602
Ontario political contributions tax credit that can be carried forward over 20 years – Schedule 525		
Québec		
R&D expenditures not deducted at the end of the year – RD-222		
Tax credit for fees and dues paid to a research consortium – RD-1029.8.9.03		
Foreign non-business income tax credits – CO-17S.39		
Non-refundable tax credit for resources – 1029.8.36.EM		
Investment Tax Credit – CO-1029.8.36.IN		
Development work expenses – FM220.3		
Excess development work expenses – FM220.3		
Balance of patronage dividends – CO-786		
Alberta		
Unclaimed SR&ED expenditure pool deduction balance – A16		
British Columbia		
Scientific research and experimental development – Schedule 425		
Manufacturing and processing – Schedule 426		
Manitoba		
Research and development – Schedule 380		
Manufacturing investment – Schedule 381		
Co-op education and apprenticeship – Schedule 384		
Odour control – Schedule 385		
Community enterprise investment – Schedule 387		
Saskatchewan		
Royalty tax rebate – Schedule 400		
Manufacturing and processing investment – Schedule 402		
Research and development – Schedule 403		

Summary of provincial carryforward amounts (continued)

Newfoundland and Labrador

Direct equity tax – Schedule 303

Prince Edward Island

Investment – Schedule 321

Nova Scotia

Energy efficiency tax credit – Schedule 342

Manufacturing and processing investment – Schedule 344

New Brunswick

Research and development – Schedule 360

Nunavut

Investment – Schedule 480

Five-Year Comparative Summary

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Federal information (T2)					
Taxation year end	2010-12-31	2009-12-31	2008-12-31	2007-12-31	2006-12-31
Net income	-118,425	170,417	-128,090		
Taxable income					
Active business income		170,417			
Dividends paid					
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year					
GRIP – end of the year					
Donations					
Balance due/refund (-)					

Federal taxes					
Part I before surtax					
Surtax					
Part I.3					
Part IV					
Part I & Surtax					
Part III.1					
Other*					
* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.					

Credits against part I tax					
Small business deduction					
M&P deduction					
Foreign tax credit					
Political contribution					
Investment tax credit					
Abatement/other*					
* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.					

Refunds/credits					
ITC refund					
Dividend refund					
Instalments					
Surtax credit					
Other*					
* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.					

Ontario					
Taxation year end	2010-12-31	2009-12-31	2008-12-31	2007-12-31	2006-12-31
Net income	-118,425	170,417	-128,090		
Taxable income					
% Allocation	100.00	100.00	100.00		
Attributed taxable income					
Surtax					
Income tax payable before deduction					
Income tax deductions /credits					
Net income tax payable					
Taxable capital		6,641,752	6,496,979		
Capital tax payable					
Total tax payable*					
Instalments and refundable credits					
Balance due/refund**					

* For taxation years ending before January 1, 2009, this includes the corporate minimum tax and the premium tax. For taxation years ending after December 31, 2008, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations.

** For taxation years ending after December 31, 2008, the Balance due/Refund is included in the federal Balance due/refund.



CHARTERED ACCOUNTANTS

DURWARD JONES BARKWELL
& COMPANY LLP

June 21, 2012

NIAGARA WEST TRANSFORMATION CORPORATION
ATTN: SHAFEE BACCHUS
231 ROBERTS ROAD
GRIMSBY ON L3M 4E8

Dear Sir,

Corporate Tax Return Filing Instructions

T2 - CORPORATION INCOME TAX RETURN (FEDERAL)

Attached is your copy of the T2 return for NIAGARA WEST TRANSFORMATION CORPORATION for the December 31, 2011 tax year. Your Federal corporate income tax returns will be electronically transmitted to the CRA. In order for us to electronically file the corporation's income tax return, a signed copy of Form T183CORP, *Information Return for Corporations Filing Electronically* must be signed and received by us.

Signature

 Form T183CORP, *Information Return for Corporations Filing Electronically*, should be signed and returned to us by fax, electronic mail or regular mail if not already signed at our DJB office.

Payment

No amount is payable for the 2011 taxation year.

When you receive the notice of assessment from Canada Revenue Agency please send it to us for review. We must determine if the assessment is correct before the time limit to file a notice of objection expires.

Tax Balances

The company has non-capital losses of **\$670,084** available for carryforward.

If you have any questions or concerns please do not hesitate to contact us.

Yours truly,

DURWARD JONES BARKWELL & COMPANY LLP

June 21, 2012

Canada Revenue Agency
875 Heron Road
Ottawa, ON K1A 1B1

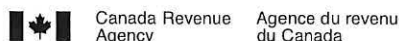
Re: NIAGARA WEST TRANSFORMATION CORPORATION (BN 87681 9301 RC0001)

Our office has recently efiled the T2 Corporation Income Tax Return of NIAGARA WEST TRANSFORMATION CORPORATION for the taxation year ended 2011-12-31. Enclosed with this letter is a cheque in the amount of \$ representing the balance of taxes due for that taxation year. Please ensure that this payment is credited to the 2011-12-31 taxation year.

If you have any questions, please do not hesitate to contact us.

Yours very truly,

DURWARD JONES BARKWELL & COMPANY LLP



INFORMATION RETURN FOR CORPORATIONS FILING ELECTRONICALLY

- You have to complete this return to allow your transmitter to electronically file your corporation income tax return to us at the Canada Revenue Agency. You have to complete this return for each tax year.
- By completing part B and signing part C, you acknowledge that, under the *Income Tax Act*, you have to keep all records used to prepare your corporation income tax return, and provide this information to us on request.
- Part D must be completed by either you or the electronic transmitter of your corporation income tax return.
- Give the signed original of this return to the transmitter and keep a copy for yourself. Under the Act, you have to keep your copy for six years.
- We are responsible for ensuring the confidentiality of your electronically filed tax information only after we have accepted it.

This return is for your records. Do not send it to us unless we ask for it.

Part A – Identification

Name of corporation NIAGARA WEST TRANSFORMATION CORPORATION			
Business Number 87681 9301 RC0001	Tax year	From Y M D 2011-01-01	To Y M D 2011-12-31

Part B – Declaration

Enter the following amounts, if applicable, from your corporation income tax return for the tax year noted above:

Net income or (loss) for income tax purposes from Schedule 1, financial statements or GIFL (line 300)	-44,137
Part I tax payable (line 700)	
Part II surtax payable (line 708)	
Part III.1 tax payable (line 710)	
Part IV tax payable (line 712)	
Part IV.1 tax payable (line 716)	
Part VI tax payable (line 720)	
Part VI.1 tax payable (line 724)	
Part XIV tax payable (line 728)	
Net provincial and territorial tax payable (line 760)	
Provincial tax on large corporations (line 765)	

Part C – Certification and authorization

I, <u>BACCHUS</u>	<u>SHAFEE</u>	<u>DIRECTOR</u>
Last name in block letters	First name in block letters	Position, office, or rank

am an authorized signing officer of the corporation. I certify that I have examined the corporation T2 income tax return, including accompanying schedules and statements, and that the information given on the T2 return and this T183 Corp information return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

I authorize the transmitter identified in Part D to electronically file the corporation income tax return identified in Part A. The transmitter can also modify the information originally filed in response to any errors Canada Revenue Agency identifies. This authorization expires when the Minister of National Revenue accepts the electronic return as filed.

<u>2012-06-21</u>		<u>(905) 309-0611</u>
Date (yyyy/mm/dd)	Signature of an authorized signing officer of the corporation	Telephone number

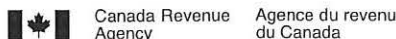
Part D – Transmitter identification

The following transmitter has electronically filed the tax return of the corporation identified in Part A.	
Name of person or firm <u>Durward Jones Barkwell & Company LLP</u>	Electronic filer number <u>D0833</u>

Privacy Act, Personal Information Bank number CRA PPU 047

T183 CORP (11)

Canada



T2 CORPORATION INCOME TAX RETURN

200

EXEMPT FROM TAX

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

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

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax centre or tax services office. You have to file the return within six months after the end of the corporation's tax year.

For more information see www.cra.gc.ca or Guide T4012, *T2 Corporation – Income Tax Guide*.

055 Do not use this area

Identification

Business Number (BN) **001** 87681 9301 RC0001

Corporation's name

002 NIAGARA WEST TRANSFORMATION CORPORATION

Address of head office

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

(If yes, complete lines 011 to 018.)

011 231 ROBERTS ROAD

012

City Province, territory, or state

015 GRIMSBY

016 ON

Country (other than Canada) Postal code/Zip code

017 **018** L3M 4E8

Mailing address (if different from head office address)

Has this address changed since the last time we were notified? **020** 1 Yes ☐ 2 No ☒

(If yes, complete lines 021 to 028.)

021 c/o

022 231 ROBERTS ROAD

023

City Province, territory, or state

025 GRIMSBY

026 ON

Country (other than Canada) Postal code/Zip code

027 **028** L3M 4E8

Location of books and records

Has the location of books and records changed since the last time we were notified **030** 1 Yes ☐ 2 No ☒

(If yes, complete lines 031 to 038.)

031 231 ROBERTS ROAD

032

City Province, territory, or state

035 GRIMSBY

036 ON

Country (other than Canada) Postal code/Zip code

037 **038** L3M 4E8

040 Type of corporation at the end of the tax year

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

If the type of corporation changed during the tax year, provide the effective date of the change.

043 _____
YYYY MM DD

To which tax year does this return apply?

Tax year start	Tax year-end
060 2011-01-01	061 2011-12-31
YYYY MM DD	YYYY MM DD

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

If yes, provide the date control was acquired **065** _____
YYYY MM DD

Is the date on line 061 a deemed tax year-end in accordance with:

subparagraph 88(2)(a)(iv)?	064 1 Yes ☐ 2 No ☒
subsection 249(3.1)?	066 1 Yes ☐ 2 No ☒

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

067 1 Yes ☐ 2 No ☒

Is this the first year of filing after:

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

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

Has there been a wind-up of a subsidiary under section 88 during the current tax year?

072 1 Yes ☐ 2 No ☒

If yes, complete and attach Schedule 24.

Is this the final tax year before amalgamation? **076** 1 Yes ☐ 2 No ☒

Is this the final return up to dissolution? **078** 1 Yes ☐ 2 No ☒

If an election was made under section 261, state the functional currency used

079 _____

Is the corporation a resident of Canada?

080 1 Yes ☒ 2 No ☐ If no, give the country of residence on line 081 and complete and attach Schedule 97.

081 _____

Is the non-resident corporation claiming an exemption under an income tax treaty?

082 1 Yes ☐ 2 No ☒

If yes, complete and attach Schedule 91.
If the corporation is exempt from tax under section 149, tick one of the following boxes:

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

Do not use this area

095

096

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.

Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

	Yes	Schedule
Is the corporation related to any other corporations?	☐	9
Is the corporation an associated CCPC?	☐	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	☐	49
Does the corporation have any non-resident shareholders?	☐	19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	☐	11
If you answered yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	☐	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	☐	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	☐	15
Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	☐	T5004
Is the corporation a member of a partnership for which a partnership identification number has been assigned?	☐	T5013
Was the resident corporation the beneficiary of a non-resident discretionary trust or did it make a contribution to a non-resident discretionary trust at any time during the tax year?	☐	22
Did the corporation have any foreign affiliates during the year?	☐	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal <i>Income Tax Regulations</i> ?	☐	29
Has the corporation had any non-arm's length transactions with a non-resident?	☐	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	☒	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	☐	
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	☒	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; gifts of cultural or ecological property; or gifts of medicine?	☐	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	☐	3
Is the corporation claiming any type of losses?	☒	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	☐	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	☐	6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or	☐	
ii) does the corporation have aggregate investment income at line 440?	☐	7
Does the corporation have any property that is eligible for capital cost allowance?	☒	8
Does the corporation have any property that is eligible capital property?	☐	10
Does the corporation have any resource-related deductions?	☐	12
Is the corporation claiming deductible reserves?	☐	13
Is the corporation claiming a patronage dividend deduction?	☐	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	☐	17
Is the corporation an investment corporation or a mutual fund corporation?	☐	18
Is the corporation carrying on business in Canada as a non-resident corporation?	☐	20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	☐	21
Does the corporation have any Canadian manufacturing and processing profits?	☐	27
Is the corporation claiming an investment tax credit?	☐	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	☐	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	☐	
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	☐	
Is the corporation claiming a surtax credit?	☐	37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	☐	38
Is the corporation claiming a Part I tax credit?	☐	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	☐	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	☐	45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	☐	46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	☐	39
Is the corporation claiming a Canadian film or video production tax credit refund?	☐	T1131
Is the corporation claiming a film or video production services tax credit refund?	☐	T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	☐	92

Attachments – continued from page 2

	Yes	Schedule
Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	☐	T1134-A
Did the corporation have any controlled foreign affiliates?	☐	T1134-B
Did the corporation own specified foreign property in the year with a cost amount over \$100,000?	☐	T1135
Did the corporation transfer or loan property to a non-resident trust?	☐	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	☐	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	☐	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	☐	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	☐	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	☐	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	☐	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	☐	T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	☐	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	☐	54

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements? **270** 1 Yes ☐ 2 No ☒

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

What is the corporation's main revenue-generating business activity? **221122** Electric Power Distribution US

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

284	ELECTRICITY DISTRIBUTOR	285	100.000 %
286		287	%
288		289	%

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

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

Do you want to be considered as a quarterly instalment remitter if you are eligible? **293** 1 Yes ☐ 2 No ☐

If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible **294** _____

If the corporation's major business activity is construction, did you have any subcontractors during the tax year? **295** 1 Yes ☐ 2 No ☐

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFL. **300** -44,137 A

Deduct:

Charitable donations from Schedule 2	311	
Gifts to Canada, a province, or a territory from Schedule 2	312	
Cultural gifts from Schedule 2	313	
Ecological gifts from Schedule 2	314	
Gifts of medicine from Schedule 2	315	
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320	
Part VI.1 tax deduction*	325	
Non-capital losses of previous tax years from Schedule 4	331	
Net capital losses of previous tax years from Schedule 4	332	
Restricted farm losses of previous tax years from Schedule 4	333	
Farm losses of previous tax years from Schedule 4	334	
Limited partnership losses of previous tax years from Schedule 4	335	
Taxable capital gains or taxable dividends allocated from a central credit union	340	
Prospector's and grubstaker's shares	350	
Subtotal		B
Subtotal (amount A minus amount B) (if negative, enter "0")		C
Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355	D
Taxable income (amount C plus amount D)	360	
Income exempt under paragraph 149(1)(t)	370	
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)		Z

* This amount is equal to 3.2 times the Part VI.1 tax payable at line 724 on page 8.

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the tax year

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

Taxable income from line 360 on page 3, **minus** 10/3 of the amount on line 632* on page 7, **minus** 1/(0.38 - X**) 3.77358 times the amount on line 636*** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax **405** B

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

Notes:

- For CCPCs that are not associated, enter \$ 500,000 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate this amount by the number of days in the tax year divided by 365, and enter the result on line 410.
- For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction:

Amount C x **415** **** D = **11,250** E

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

Small business deduction

Amount A, B, C, or F, whichever is the least x 17 % = **430** G

Enter amount G on line 1 on page 7.

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

** General rate reduction percentage for the tax year. It has to be pro-rated.

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

**** Large corporations

- If the corporation is not associated with any corporations in both the current and previous tax years, the amount to be entered on line 415 is: (Total taxable capital employed in Canada for the **prior year** minus \$10,000,000) x 0.225%.
- If the corporation is not associated with any corporations in the current tax year, but was associated in the previous tax year, the amount to be entered on line 415 is: (Total taxable capital employed in Canada for the **current year** minus \$10,000,000) x 0.225%.
- For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.

Canadian-controlled private corporations throughout the tax year

* Except for a corporation that is, throughout the year, a cooperative corporation (within the meaning assigned by subsection 136(2)) or a credit union.

Do not complete this area if you are a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or any corporation with taxable income that is not subject to the corporation tax rate of 38%.

Taxable income from page 3 (line 360 or amount Z, whichever applies)		_____	N
Lesser of amounts V and Y (line Z1) from Part 9 of Schedule 27		_____ O	
Amount QQ from Part 13 of Schedule 27		_____ P	
Amount used to calculate the credit union deduction from Schedule 17		_____ Q	
Total of amounts O to Q		=====	R
Amount N minus amount R (if negative, enter "0")		=====	S
Amount S	_____ x _____	_____ x 9 % = _____	T
	Number of days in the tax year after December 31, 2008, and before January 1, 2010	365	
Amount S	_____ x _____	_____ x 10 % = _____	U
	Number of days in the tax year after December 31, 2009, and before January 1, 2011	365	
Amount S	_____ x _____	365 x 11.5 % = _____	V
	Number of days in the tax year after December 31, 2010, and before January 1, 2012	365	
Amount S	_____ x _____	_____ x 13 % = _____	W
	Number of days in the tax year after December 31, 2011	365	
General tax reduction – Total of amounts T to W		=====	X
Enter amount X on line 639 on page 7.			

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income **440** x 26 2 / 3 % = A
from Schedule 7

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

Deduct:

Foreign investment income **445** x 9 1 / 3 % =
from Schedule 7 (if negative, enter "0") B

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

Taxable income from line 360 on page 3

Deduct:

Amount from line 400, 405, 410, or 425 on page 4,
whichever is the least

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 1(0.38 - X*)
3.77358 =
x 26 2 / 3 % = D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 from page 8) E

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

* General rate reduction percentage for the tax year. It has to be pro-rated.

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the previous tax year **460**

Deduct: Dividend refund for the previous tax year **465**
..... G

Add the total of:

Refundable portion of Part I tax from line 450 above

Total Part IV tax payable from Schedule 3

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

Refundable dividend tax on hand at the end of the tax year – Amount G plus amount H **485**

Dividend refund

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

Taxable dividends paid in the tax year from line 460 on page 2 of Schedule 3 x 1 / 3 I

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

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

Part I tax

Base amount of Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) multiplied by 38 % **550** _____ A
Recapture of investment tax credit from Schedule 31 **602** _____ B

Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income
(if it was a CCPC throughout the tax year)

Aggregate investment income from line 440 on page 6 **i**

Taxable income from line 360 on page 3 _____

Deduct:

Amount from line 400, 405, 410, or 425 on page 4, whichever
is the least _____

Net amount **ii**

Refundable tax on CCPC's investment income – 6 2 / 3 % of whichever is less: amount i or ii **604** _____ C

Subtotal (add lines A to C) D

Deduct:

Small business deduction from line 430 on page 4 **1**

Federal tax abatement **608** _____

Manufacturing and processing profits deduction from Schedule 27 **616** _____

Investment corporation deduction **620** _____

Taxed capital gains **624** _____

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

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

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

General tax reduction for CCPCs from amount M on page 5 **638** _____

General tax reduction from amount X on page 5 **639** _____

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

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

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

Subtotal E

Part I tax payable – Line D minus line E F

Enter amount F on line 700 on page 8.

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700
Part II surtax payable from Schedule 46	708
Part III.1 tax payable from Schedule 55	710
Part IV tax payable from Schedule 3	712
Part IV.1 tax payable from Schedule 43	716
Part VI tax payable from Schedule 38	720
Part VI.1 tax payable from Schedule 43	724
Part XIII.1 tax payable from Schedule 92	727
Part XIV tax payable from Schedule 20	728

Add provincial or territorial tax:

Provincial or territorial jurisdiction . . . **750** ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial or territorial tax payable (except Quebec and Alberta) . . . **760**
Provincial tax on large corporations (Nova Scotia Schedule 342) . . . **765**

Total federal tax

Deduct other credits:

Investment tax credit refund from Schedule 31 . . . **780**
Dividend refund from page 6 . . . **784**
Federal capital gains refund from Schedule 18 . . . **788**
Federal qualifying environmental trust tax credit refund . . . **792**
Canadian film or video production tax credit refund (Form T1131) . . . **796**
Film or video production services tax credit refund (Form T1177) . . . **797**
Tax withheld at source . . . **800**

Total payments on which tax has been withheld . . . **801**

Provincial and territorial capital gains refund from Schedule 18 . . . **808**
Provincial and territorial refundable tax credits from Schedule 5 . . . **812**
Tax instalments paid . . . **840**

Total credits **890**

Total tax payable **770** A

Refund code **894** Overpayment

Balance (line A minus line B)



Direct deposit request

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

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

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

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.
Enter the amount on whichever line applies.

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

Balance unpaid

Enclosed payment **898**

896 1 Yes ☐ 2 No ☒

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT FROM INFORMATION PROVIDED BY THE TAXPAYER.

Certification

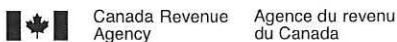
I, **950** BACCHUS **951** SHAFEE **954** DIRECTOR
Last name in block letters First name in block letters Position, office, or rank
am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.
955 2012-06-21 **956** (905) 309-0611
Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation Telephone number
Is the contact person the same as the authorized signing officer? If **no**, complete the information below **957** 1 Yes ☒ 2 No ☐
958 Name in block letters **959** Telephone number

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering 1 for English or 2 for French.
Indiquez votre langue de correspondance en inscrivant 1 pour anglais ou 2 pour français.

990 ☐ 1 ☐ 2

Privacy Act, Personal Information Bank number CRA PPU 047



SCHEDULE 100

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Name of corporation	Business Number	Tax year end Year Month Day
NIAGARA WEST TRANSFORMATION CORPORATION	87681 9301 RC0001	2011-12-31

Balance sheet information

Account	Description	GIFI	Current year	Prior year	
Assets					
	Total current assets	1599	+	235,327	326,224
	Total tangible capital assets	2008	+	7,658,394	7,626,628
	Total accumulated amortization of tangible capital assets	2009	-	1,469,798	1,288,906
	Total intangible capital assets	2178	+		
	Total accumulated amortization of intangible capital assets	2179	-		
	Total long-term assets	2589	+		
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	6,423,923	6,663,946

Liabilities					
	Total current liabilities	3139	+	1,449,903	523,029
	Total long-term liabilities	3450	+	4,574,000	4,951,000
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	6,023,903	5,474,029

Shareholder equity					
	Total shareholder equity (mandatory field)	3620	+	400,020	1,189,917

	Total liabilities and shareholder equity	3640	=	6,423,923	6,663,946
--	---	-------------	---	------------------	------------------

Retained earnings					
	Retained earnings/deficit – end (mandatory field)	3849	=	-2,000,080	-1,210,183

* Generic item

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT FROM INFORMATION PROVIDED BY THE TAXPAYER.

Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Name of corporation	Business Number	Tax year end Year Month Day
NIAGARA WEST TRANSFORMATION CORPORATION	87681 9301 RC0001	2011-12-31

Income statement information

Description	GIFI
Operating name	0001 _____
Description of the operation	0002 _____
Sequence Number	0003 <u>01</u>

Account	Description	GIFI	Current year	Prior year
---------	-------------	------	--------------	------------

Income statement information

Total sales of goods and services	8089 +	740,984	681,252
Cost of sales	8518 -		
Gross profit/loss	8519 =	740,984	681,252
Cost of sales	8518 +		
Total operating expenses	9367 +	755,305	773,186
Total expenses (mandatory field)	9368 =	755,305	773,186
Total revenue (mandatory field)	8299 +	742,599	684,351
Total expenses (mandatory field)	9368 -	755,305	773,186
Net non-farming income	9369 =	-12,706	-88,835

Farming income statement information

Total farm revenue (mandatory field)	9659 +		
Total farm expenses (mandatory field)	9898 -		
Net farm income	9899 =		

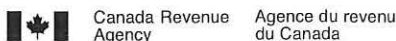
Net income/loss before taxes and extraordinary items	9970 =	-12,706	-88,835
---	---------------	---------	---------

Total other comprehensive income	9998 =		
---	---------------	--	--

Extraordinary items and income (linked to Schedule 140)

Extraordinary item(s)	9975 -		
Legal settlements	9976 -		
Unrealized gains/losses	9980 +	-348,672	
Unusual items	9985 -		
Current income taxes	9990 -		
Deferred income tax provision	9995 -		-25,000
Total – Other comprehensive income	9998 +		
Net income/loss after taxes and extraordinary items (mandatory field)	9999 =	-361,378	-63,835

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT FROM INFORMATION PROVIDED BY THE TAXPAYER.



SCHEDULE 141

NOTES CHECKLIST

Name of corporation	Business Number	Tax year-end Year Month Day
NIAGARA WEST TRANSFORMATION CORPORATION	87681 9301 RC0001	2011-12-31

- Parts 1, 2, and 3 of this schedule must be completed from the perspective of the person (referred to in these parts as the "accountant") who prepared or reported on the financial statements.
- For more information, see Guide RC4088, *General Index of Financial Information (GIFI)* and Guide T4012, *T2 Corporation – Income Tax Guide*.
- Complete this schedule and include it with your T2 return along with the other GIFI schedules.

If the person preparing the tax return is not the accountant referred to above, they must still complete Parts 1, 2, 3, and 4, as applicable.

Part 1 – Information on the accountant who prepared or reported on the financial statements

Does the accountant have a professional designation? **095** 1 Yes ☒ 2 No ☐

Is the accountant connected* with the corporation? **097** 1 Yes ☐ 2 No ☒

* A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the common shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the corporation.

Note: If the accountant does not have a professional designation or is connected to the corporation, you do not have to complete Parts 2 and 3 of this schedule. However, you do have to complete Part 4, as applicable.

Part 2 – Type of involvement with the financial statements

Choose the option that represents the highest level of involvement of the accountant:

Completed an auditor's report **198** 1 ☒

Completed a review engagement report 2 ☐

Conducted a compilation engagement 3 ☐

Part 3 – Reservations

If you selected option "1" or "2" under **Type of involvement with the financial statements** above, answer the following question:

Has the accountant expressed a reservation? **099** 1 Yes ☐ 2 No ☒

Part 4 – Other information

If you have a professional designation and are not the accountant associated with the financial statements in Part 1 above, choose one of the following options:

Prepared the tax return (financial statements prepared by client) **110** 1 ☐

Prepared the tax return and the financial information contained therein (financial statements have not been prepared) 2 ☐

Were notes to the financial statements prepared? **101** 1 Yes ☒ 2 No ☐

If **yes**, complete lines 104 to 107 below:

Are subsequent events mentioned in the notes? **104** 1 Yes ☐ 2 No ☒

Is re-evaluation of asset information mentioned in the notes? **105** 1 Yes ☐ 2 No ☒

Is contingent liability information mentioned in the notes? **106** 1 Yes ☐ 2 No ☒

Is information regarding commitments mentioned in the notes? **107** 1 Yes ☐ 2 No ☒

Does the corporation have investments in joint venture(s) or partnership(s)? **108** 1 Yes ☐ 2 No ☒

Part 4 – Other information (continued)

Impairment and fair value changes

In any of the following assets, was an amount recognized in net income or other comprehensive income (OCI) as a result of an impairment loss in the tax year, a reversal of an impairment loss recognized in a previous tax year, or a change in fair value during the tax year?

200 1 Yes ☐ 2 No ☒

If **yes**, enter the amount recognized:

		In net income Increase (decrease)		In OCI Increase (decrease)
Property, plant, and equipment	210		211	
Intangible assets	215		216	
Investment property	220			
Biological assets	225			
Financial instruments	230		231	
Other	235		236	

Financial instruments

Did the corporation derecognize any financial instrument(s) during the tax year?

250 1 Yes ☐ 2 No ☒

Did the corporation apply hedge accounting during the tax year?

255 1 Yes ☐ 2 No ☒

Did the corporation discontinue hedge accounting during the tax year?

260 1 Yes ☐ 2 No ☒

Adjustments to opening equity

Was an amount included in the opening balance of retained earnings or equity, in order to correct an error, to recognize a change in accounting policy, or to adopt a new accounting standard in the current tax year?

265 1 Yes ☒ 2 No ☐

If **yes**, you have to maintain a separate reconciliation.

Name: NIAGARA WEST TRANSFORMATION CORPORATION

BN: 87681 9301 RC 0001

Tax Year Start: 2011-01-01

Tax Year End: 2011-12-31

1. SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Nature of business

The Company is subject to the provisions of the Ontario Business Corporations Act and provides hydro transformation services to Grimsby Power Inc. and Niagara Peninsula Energy Inc.

Property and equipment

Property and equipment are stated at cost. Depreciation is recorded on a straight-line basis over the estimated life of the assets as stated in Note 3.

Depreciation is recorded at one half of the normal rates in the year of acquisition.

Revenue recognition

Revenue from the transformation of electricity is recorded on the basis of peak demand for the month and is recognized when the peak demand has occurred.

Other revenue is recognized as earned.

Rate regulation

The Company is regulated by the Ontario Energy Board ("OEB"), under the security granted by the Ontario Energy Board Act (1998). The OEB has the power and responsibility to approve or fix rates for the transformer connection fees that the Company charges. The OEB may also prescribe license requirements and conditions of service which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes. In its capacity to approve or set rates, the OEB has the authority to specify regulatory accounting treatments that may differ from Canadian generally accepted accounting principles for enterprises operating in a non-rate regulated environment.

Name: NIAGARA WEST TRANSFORMATION CORPORATION

BN: 87681 9301 RC 0001

Tax Year Start: 2011-01-01

Tax Year End: 2011-12-31

The Company has a Transmission Licence from the OEB stating that the Company owns a transmission station connected to Hydro One Networks Inc. that provides power to the service areas of licensed distributors Niagara Peninsula Energy Inc. and Grimsby Power Inc. The Decision and Order are dated December 24, 2010 and expire December 23, 2030.

Financial instruments

The Company has classified its financial instruments as follows:

Cash	Held-for-trading
Accounts receivable	Loans and receivables
Accounts payable and accrued charges	Other liabilities
Interest rate swap agreement	Held-for-trading
Term loan	Other liabilities

Financial assets and liabilities classified as held-for-trading are measured at fair value with the change in fair value recorded in the statement of income or loss. Financial assets classified as loans and receivables and financial liabilities classified as other liabilities are measured at amortized costs using the effective interest method.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates, as additional information becomes available in the future. Significant estimates and assumptions are used when accounting

Name: NIAGARA WEST TRANSFORMATION CORPORATION**BN: 87681 9301 RC 0001****Tax Year Start: 2011-01-01**

for items such as the determination of an impairment of long-lived assets,
Tax Year End: 2011-12-31
 useful lives of building and equipment, fair value of the interest rate swap
 agreement and revenue recognition.

2. ADJUSTMENT TO FAIR VALUE OF INTEREST RATE SWAP AGREEMENT

During the year, it was determined that the unrealized loss on fair value of the interest rate swap agreement had been understated in prior years and therefore the comparative figures have been restated for this difference along with the related effect on the future payment in lieu of taxes. As a result, the 2010 opening deficit has been increased by \$300,433 relating to an increase in the unrealized loss on fair value of the interest rate swap agreement in the amount of \$474,433 and a decrease in the future payment in lieu of taxes liability in the amount of \$174,000. The 2010 comparative statement of loss reflects an increase in the loss on change in fair value of the interest rate swap agreement in the amount of \$103,086 and a reduction to the recovery of future payment in lieu of taxes in the amount of \$25,000 for a net effect on net loss of \$128,086. The 2010 comparative balance sheet has been adjusted to increase the unrealized loss on fair value of the interest rate swap agreement in the amount of \$577,519 and to remove the future payment in lieu of taxes liability in the amount of \$149,000.

3. PROPERTY AND EQUIPMENT

2011 2010

Annual Assets

Depreciation at Accumulated Net Book Net Book

Rates Cost Depreciation Value Value

Name: NIAGARA WEST TRANSFORMATION CORPORATION

BN: 87681 9301 RC 0001

Tax Year Start: 2011-01-01

Tax Year End: 2011-12-31

Land - \$149,992 \$- \$149,992 \$149,992

Building S.L. 50 yrs. 1,256,185 196,225 1,059,960

1,053,000

Machinery and equipment S.L. 40 yrs. 6,252,217 1,273,572

4,978,645 5,134,731

\$7,658,394 \$1,469,797 \$6,188,597 \$6,337,723

4. ACCOUNTS PAYABLE AND ACCRUED CHARGES

2011 2010

Trade accounts payable 12,734 37,042

Harmonized Sales Tax 24,683 23,692

Accrued liabilities 10,000 -

47,417 60,734

5. TERM LOAN

The term loan is a variable rate loan issued as bankers acceptances and is due March 9, 2012. The loan is secured by a general security agreement, an assignment of fire and liability insurance and by general security agreements and limited guarantees from the shareholders, Peninsula West Power Inc. and Niagara Power Inc., in the amount of \$3,250,000 each. The Company has entered into a swap transaction for the full amount of the debt, the effect of which

Name: NIAGARA WEST TRANSFORMATION CORPORATION**BN: 87681 9301 RC 0001****Tax Year Start: 2011-01-01**

is to fix the interest rate of the loan at 5.6% until January 31, 2025.

Tax Year End: 2011-12-31

The fair value of the interest rate swap agreement is based on discounted future cash flows of amounts estimated by the Company's bank of the cost or benefit of the swap contracts until the end of the term of the loan. At December 31, 2011, the interest rate swap agreement was in a net unfavourable position of \$1,174,487 (2010 - \$825,815). This unfavourable amount has been included as a current liability and the impact of the change in the fair value of the interest rate swap agreement, in the amount of \$348,672, is included in net loss.

2011 2010

Term loan - as described above 4,802,000 5,016,000

Less principal due within one year 228,000 214,000

4,574,000 4,802,000

The Company has agreed to certain covenants with respect to this loan and as at December 31, 2011 was not in compliance with certain covenants. Subsequent to year end, the bank renewed the loan under the same terms for an additional five year term thus indicating its intention to not demand or accelerate payment of the loan during 2012.

The principal amounts due over the next five years are as follows:

2012 228,000

2013 246,000

2014 265,000

Name: NIAGARA WEST TRANSFORMATION CORPORATION

BN: 87681 9301 RC 0001

Tax Year Start: 2011-01-01

2015 ~~281,000~~ **Tax Year End: 2011-12-31**

2016 306,000

1,326,000

6. FUTURE PAYMENT IN LIEU OF TAXES

The Company is currently exempt from taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act. Pursuant to the Electricity Act, 1998 (Ontario), the Company is required to compute taxes under the Income Tax Act and Ontario Corporations Tax Act and remit such amounts computed thereunder to the Ministry of Finance (Ontario).

The Company has Provincial non-capital losses in the amount of approximately \$661,318 available for carry forward to reduce future years' payments in lieu of taxes which expire as follows:

December 31, 2015 \$222,111

2026 157,321

2028 128,090

2030 118,425

2031 35,371

\$661,318

The benefit of these losses carried forward have not been reflected in these financial statements.

Name: NIAGARA WEST TRANSFORMATION CORPORATION**BN: 87681 9301 RC 0001****Tax Year Start: 2011-01-01****Tax Year End: 2011-12-31****7. RELATED PARTIES**

The Company is controlled under common ownership by Peninsula West Power Inc. and Niagara Power Inc. Peninsula West Power Inc. holds an investment in Niagara Peninsula Energy Inc. and Niagara Power Inc. is the parent company of Grimsby Power Inc.

During the year, the Company recorded transformer connection charges of \$325,908 (2010 - \$300,740) and \$415,076 (2010 - \$380,512) from Niagara Peninsula Energy Inc. and Grimsby Power Inc. respectively.

At December 31, 2011, included in accounts receivable were amounts due from Niagara Peninsula Energy Inc. and Grimsby Power Inc. in the amounts of \$59,862 (2010 - \$53,938) and \$36,367 (2010 - \$69,667) respectively.

During the year, the Company incurred \$9,727 (2010 - \$14,303) in maintenance costs related to a service agreement with Niagara Peninsula Energy Inc. At December 31, 2011 trade accounts payable included \$2,689 (2010 - \$9,080) due to Niagara Peninsula Energy Inc.

All transactions are measured at the exchange amount, are under similar terms with non-related parties and are in the normal course of business.

8. CAPITAL MANAGEMENT

The Company defines capital as the aggregate of its share capital and deficit. Management's objective is to optimize the return to the shareholders while supporting and fostering the future growth of the Company. During the 2011

Name: NIAGARA WEST TRANSFORMATION CORPORATION

BN: 87681 9301 RC 0001

Tax Year Start: 2011-01-01

fiscal year the Company's strategy, which was unchanged from the 2010 fiscal

Tax Year End: 2011-12-31

year, was to meet or exceed its TD Commercial Banking credit facility covenants. The Company is required to maintain a minimum debt service coverage ratio of not less than 1.1:1 and a tangible net worth of not less than \$1,000,000. In addition, the guarantors are required to maintain a minimum level of 85% regulated earnings before interest, taxes, depreciation and amortization. At December 31, 2011 certain of these covenants were violated.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Fair values

The fair values of cash, accounts receivable, and accounts payable and accrued charges are assumed to approximate their carrying amounts because of their short term to maturity. The carrying amount of the term loan approximates its fair value because the interest rate approximates the market rate.

b) Derivative financial instrument

The Company utilizes an interest rate swap contract to manage the risk associated with fluctuations in interest rates. The Company's policy is not to utilize financial instruments for trading or speculative purposes. The interest rate swap contract is used to reduce the impact of fluctuating interest rates on the Company's long-term debt. The swap agreement requires the periodic exchange of payments without the exchange of the notional principal amount on which the payments are based. Payments and receipts under interest rate swap contracts are recognized as adjustments to interest expense on long-term debt.

Name: NIAGARA WEST TRANSFORMATION CORPORATION**BN: 87681 9301 RC 0001****Tax Year Start: 2011-01-01****Tax Year End: 2011-12-31****c) Risk management**

In the normal course of business, the Company is exposed to financial risks that may potentially impact its operating results. The Company employs risk management strategies with a view to mitigating these risks on a cost effective basis.

i) Liquidity risk

Liquidity is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company monitors collection efforts to ensure sufficient cash flows are generated from operations to meet the current debt obligations. The Company expects that cash flow from operations in fiscal 2012 will be adequate to fund on-going investment in working capital and capital expenditures.

ii) Credit risk

The Company had a significant exposure of sales to two customers during the year. As at December 31, 2011, all of the Company's accounts receivable related to two customers. This amount is current and management monitors collections on a regular basis and is not aware of any collection issues related to these accounts.

iii) Other risks

The Company is not exposed to significant currency risk on its financial instruments.

SCHEDULE 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Form identifier 100

Name of corporation	Business Number	Tax year-end Year Month Day
NIAGARA WEST TRANSFORMATION CORPORATION	87681 9301 RC0001	2011-12-31

Assets – lines 1000 to 2599

1001	117,101	1062	97,379	1484	20,847
1599	235,327	1600	149,992	1680	1,256,185
1681	-196,225	1785	6,252,217	1786	-1,273,573
2008	7,658,394	2009	-1,469,798	2599	6,423,923

Liabilities – lines 2600 to 3499

2620	47,416	2920	228,000	2960	1,174,487
3139	1,449,903	3140	4,574,000	3450	4,574,000
3499	6,023,903				

Shareholder equity – lines 3500 to 3640

3500	100	3520	2,400,000	3600	-2,000,080
3620	400,020	3640	6,423,923		

Retained earnings – lines 3660 to 3849

3660	-1,210,183	3680	-361,378	3740	-428,519
3849	-2,000,080				

SCHEDULE 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Form identifier 125

Name of corporation	Business Number	Tax year-end Year Month Day
NIAGARA WEST TRANSFORMATION CORPORATION	87681 9301 RC0001	2011-12-31

Description

Sequence number **0003** 01

Revenue – lines 8000 to 8299

8000	740,984	8089	740,984	8090	1,615
8299	742,599				

Cost of sales – lines 8300 to 8519

8519	740,984
-------------	---------

Operating expenses – lines 8520 to 9369

8670	180,891	8710	312,126	9284	262,288
9367	755,305	9368	755,305	9369	-12,706

Farming revenue – lines 9370 to 9659

9659	0
-------------	---

Farming expenses – lines 9660 to 9899

9898	0
-------------	---

Extraordinary items and taxes – lines 9970 to 9999

9970	-12,706	9980	-348,672	9999	-361,378
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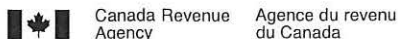
NET INCOME (LOSS) FOR INCOME TAX PURPOSES

SCHEDULE 1

Corporation's name	Business Number	Tax year end Year Month Day
NIAGARA WEST TRANSFORMATION CORPORATION	87681 9301 RC0001	2011-12-31

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 *Corporation Income Tax Guide*.
- Sections, subsections, and paragraphs referred to on this schedule are from the *Income Tax Act*.

Amount calculated on line 9999 from Schedule 125			-361,378	A
Add:				
Amortization of tangible assets	104	180,891		
		180,891	▶	180,891
Other additions:				
Miscellaneous other additions:				
600 Unrealized interest rate adjustment	290	348,672		
604				
Total	294			
	199	348,672	▶	348,672
Total additions	500	529,563	▶	529,563
Deduct:				
Capital cost allowance from Schedule 8	403	212,322		
		212,322	▶	212,322
Other deductions:				
Miscellaneous other deductions:				
704				
Total	394			
	499		▶	
Total deductions	510	212,322	▶	212,322
Net income (loss) for income tax purposes – enter on line 300 of the T2 return				-44,137



SCHEDULE 4

CORPORATION LOSS CONTINUITY AND APPLICATION

Name of corporation	Business Number	Tax year-end Year Month Day
NIAGARA WEST TRANSFORMATION CORPORATION	87681 9301 RC0001	2011-12-31

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

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes -44,137

Deduct: (increase a loss)

Net capital losses deducted in the year (enter as a positive amount)

Taxable dividends deductible under sections 112, 113(1), 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") -44,137

Deduct: (increase a loss)

Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions

Subtotal -44,137

Add: (decrease a loss)

Current-year farm loss

(whichever is less: the net loss from farming or fishing included in the income, or the non-capital loss before deducting the farm loss. Enter this amount on line 310.)

Current-year non-capital loss -44,137

(if positive, enter "0"; if negative, enter this amount on line 110 as a positive)

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of the previous tax year 625,947

Deduct: Non-capital loss expired* **100**

Non-capital losses at the beginning of the tax year **102** 625,947 ▶ 625,947

Add:

Non-capital losses transferred on the amalgamation or the wind-up of a subsidiary corporation **105**

Current-year non-capital loss (from calculation above) **110** 44,137

44,137 ▶ 44,137

Subtotal 670,084

Part 2 – Capital losses (continued)

Subtotal from page 2 _____

Note

If there has been an amalgamation or a windup of a subsidiary, do a separate calculation of the ABIL expired as non-capital loss for each predecessor or subsidiary. Add all these amounts, and enter the total at line 220 above.

Deduct: Capital losses from previous tax years applied against the current-year net capital gain (see Note 1) **225** _____
Amount of capital losses available to carry back or carry forward to other years _____

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

	Capital gain (100%)	Amount carried back (100%)
First previous tax year	951	_____
Second previous tax year	952	_____
Third previous tax year	953	_____
		280 _____
Capital losses – Closing balance		280 _____

Note 1

To get the net capital losses required to reduce the taxable capital gain included in the net income (loss) for the purpose of current-year tax, enter the amount from line 225 **multiplied** by 50% on line 332 of the T2 return.

Note 2

On line 225, 951, 952, or 953, whichever applies, enter the actual amount of the loss. When the loss is applied, **multiply** this amount by the 50% inclusion rate.

* If the losses were incurred in a tax year ending before March 23, 2004, enter the losses from the 8th previous tax year. If the losses were incurred in a tax year ending after March 22, 2004, and before 2006, enter the losses from the 11th previous tax year. Enter the losses from the 21st previous tax year if the losses were incurred in a tax year ending after 2005. Enter the part that was not used in previous years and the current year on line A.

** If the losses were incurred in a tax year ending before March 23, 2004, enter the losses from the 8th previous tax year. If the losses were incurred in a tax year ending after March 22, 2004, enter the losses from the 11th previous tax year. Enter the full amount on line B.

*** This inclusion rate is the rate used to calculate your ABIL referred to at line B. Therefore, use one of the following inclusion rates, whichever applies:

- For ABILs incurred in the 1999 and previous tax years, use 0.75.
- For ABILs incurred in the 2000 and 2001 tax years, the inclusion rate is equal to amount M on Schedule 6 – Version T2SCH6(01)
- For ABILs incurred in the 2002 and later tax years, use 0.50.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year _____

Deduct: Farm loss expired* **300** _____

Farm losses at the beginning of the tax year **302** _____ ▶ _____

Add:

Farm losses transferred on the amalgamation or the windup of a subsidiary corporation **305** _____

Current-year farm loss **310** _____

Subtotal _____

Part 3 – Farm losses (continued)

Subtotal from page 3 _____

Deduct:

Other adjustments (includes adjustments for an acquisition of control)	350	
Section 80 – Adjustments for forgiven amounts	340	
Amount applied against taxable income (enter on line 334 of the T2 return)	330	
Amount applied against taxable dividends subject to Part IV tax	335	
		▶
Amount of farm losses available to carry back or carry forward to other years		

Deduct – Request to carry back farm loss to:

First previous tax year to reduce taxable income	921	
Second previous tax year to reduce taxable income	922	
Third previous tax year to reduce taxable income	923	
First previous tax year to reduce taxable dividends subject to Part IV tax	931	
Second previous tax year to reduce taxable dividends subject to Part IV tax	932	
Third previous tax year to reduce taxable dividends subject to Part IV tax	933	
		▶
Farm losses – Closing balance	380	

* A farm loss expires as follows:

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

Part 4 – Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business	485	C
Minus the deductible farm loss:		
\$2,500 plus D or E, whichever is less	2,500	
(amount C above – \$2,500) divided by 2 =	D	
	6,250	E
	2,500	
	▶	2,500 F
Current-year restricted farm loss (amount C minus amount F) (enter this amount on line 410)		

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at the end of the previous tax year		
Deduct: Restricted farm loss expired*	400	
Restricted farm losses at the beginning of the tax year	402	▶
Add:		
Restricted farm losses transferred on the amalgamation or the wind-up of a subsidiary corporation	405	
Current-year restricted farm loss (enter on line 233 of Schedule 1)	410	
		▶
Subtotal		

Part 4 – Restricted farm losses (continued)

Subtotal from page 4 _____

Deduct:

Amount applied against farming income (enter on line 333 of the T2 return)	430	_____
Section 80 – Adjustments for forgiven amounts	440	_____
Other adjustments	450	_____
		▶ _____
Amount of restricted farm losses available to carry back or carry forward to other years _____		

Deduct – Request to carry back restricted farm loss to:

First previous tax year to reduce farming income	941	_____
Second previous tax year to reduce farming income	942	_____
Third previous tax year to reduce farming income	943	_____
		▶ _____
Restricted farm losses – Closing balance	480	_____

Note

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

* A restricted farm loss expires as follows:

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

Part 5 – Listed personal property losses

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at the end of the previous tax year	_____
Deduct: Listed personal property loss expired after seven tax years	500 _____
Listed personal property losses at the beginning of the tax year	502 _____
Add: Current-year listed personal property loss (from Schedule 6)	510 _____
	▶ _____
Subtotal	_____

Deduct:

Previous year personal property losses applied in the current tax year against listed personal property gains (enter on line 655 of Schedule 6)	530	_____
Other adjustments	550	_____
		▶ _____
Amount of listed personal property losses available to carry back or carry forward to other years _____		

Deduct – Request to carry back listed personal property loss to:

First previous tax year to reduce listed personal property gains	961	_____
Second previous tax year to reduce listed personal property gains	962	_____
Third previous tax year to reduce listed personal property gains	963	_____
		▶ _____
Listed personal property losses – Closing balance	580	_____

Part 7 – Limited partnership losses

Current-year limited partnership losses

1	2	3	4	5	6	7
Partnership identifier	Tax year ending YYYY/MM/DD	Corporation's share of limited partnership loss	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses	Column 4 minus column 5 (if negative, enter "0")	Current-year limited partnership losses (column 3 minus 6)
600	602	604	606	608		620
Total						
(enter this amount on line 222 of Schedule 1)						

Limited partnership losses from previous tax years that may be applied in the current year

1	2	3	4	5	6	7
Partnership identifier	Tax year ending YYYY/MM/DD	Limited partnership losses at the end of the previous tax year	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses	Column 4 minus column 5 (if negative, enter "0")	Limited partnership losses that may be applied in the year (the lesser of columns 3 and 6)
630	632	634	636	638		650

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

1	2	3	4	5	6
Partnership identifier	Limited partnership losses at the end of the previous tax year	Limited partnership losses transferred on an amalgamation or the windup of a subsidiary	Current-year limited partnership losses (from column 620)	Limited partnership losses applied in the current year (cannot be more than column 650)	Current year limited partnership losses closing balance to be carried forward to future years (662 + 664 + 670 – 675)
660	662	664	670	675	680
Total					
(enter this amount on line 335 of the T2 return)					

Note

If you have any current–or previous–year losses, please enter your partnership identifier on line 600, 630, or 660.

Part 8 – Election under paragraph 88(1.1)(f)

If you are making an election under paragraph 88(1.1)(f), check the box **190** Yes ☐

Further to a winding-up of a subsidiary, the portion of a non-capital loss, restricted farm loss, farm loss, or limited partnership loss from a wholly-owned subsidiary is deemed to be the loss of a parent from its tax year starting after the commencement of the winding-up.

Note

This election is only applicable for wind-ups under 88(1) that are reported on Schedule 24, *First-Time Filer after Incorporation, Amalgamation, or Winding-up of a Subsidiary into a Parent*, and the deemed provision is only for the tax years that start after the commencement of the wind-up.

Non-Capital Loss Continuity Workchart

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

Non-capital losses – losses that can be carried forward over 20 years

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A	44,137	2,221		N/A		46,358
1st preceding taxation year 2010-12-31	118,425	N/A		N/A			118,425
2nd preceding taxation year 2009-12-31		N/A		N/A			
3rd preceding taxation year 2008-12-31	128,090	N/A		N/A			128,090
4th preceding taxation year 2007-12-31		N/A		N/A			
5th preceding taxation year 2006-12-31	157,321	N/A		N/A			157,321
6th preceding taxation year 2005-12-31		N/A		N/A			
7th preceding taxation year 2004-12-31		N/A		N/A			
8th preceding taxation year 2003-12-31		N/A		N/A			
9th preceding taxation year 2002-12-31		N/A		N/A			
10th preceding taxation year 2001-12-31		N/A		N/A			
11th preceding taxation year 2000-12-31		N/A		N/A			
12th preceding taxation year 1999-12-31		N/A		N/A			
13th preceding taxation year 1998-12-31		N/A		N/A			
14th preceding taxation year 1997-12-31		N/A		N/A			
15th preceding taxation year 1996-12-31		N/A		N/A			
16th preceding taxation year 1995-12-31		N/A		N/A			
17th preceding taxation year 1994-12-31		N/A		N/A			
18th preceding taxation year 1993-12-31		N/A		N/A			
19th preceding taxation year 1992-12-31		N/A		N/A			
20th preceding taxation year 1991-12-31		N/A		N/A			*
Total	403,836	44,137	2,221				450,194

Non-capital losses – losses that can be carried forward over 10 years

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A	N/A	2,221	N/A	N/A	N/A	N/A
1st preceding taxation year 2010-12-31		N/A		N/A			
2nd preceding taxation year 2009-12-31		N/A		N/A			
3rd preceding taxation year 2008-12-31		N/A		N/A			
4th preceding taxation year 2007-12-31		N/A		N/A			
5th preceding taxation year 2006-12-31		N/A		N/A			
6th preceding taxation year 2005-12-31	222,111	N/A	-2,221	N/A			219,890
7th preceding taxation year 2004-12-31		N/A		N/A			
8th preceding taxation year 2003-12-31		N/A		N/A			
9th preceding taxation year 2002-12-31		N/A		N/A			
10th preceding taxation year 2001-12-31		N/A		N/A			*
Total	222,111	N/A	-2,221	N/A			219,890

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

CAPITAL COST ALLOWANCE (CCA)

Name of corporation	Business Number	Tax year end Year Month Day
NIAGARA WEST TRANSFORMATION CORPORATION	87681 9301 RC0001	2011-12-31

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

Is the corporation electing under regulation 1101(5q)? **101** 1 Yes ☐ 2 No ☒

1 Class number (See Note)	Description	2 Undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of last year)	3 Cost of acquisitions during the year (new property must be available for use)*	4 Net adjustments**	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)***	7 Reduced undepreciated capital cost	8 CCA rate % ****	9 Recapture of capital cost allowance (line 107 of Schedule 1)	10 Terminal loss (line 404 of Schedule 1)	11 Capital cost allowance (for declining balance method, column 7 multiplied by column 8, or a lower amount) (line 403 of Schedule 1) *****	12 Undepreciated capital cost at the end of the year (column 6 plus column 7 minus column 11)
200		201	203	205	207	211		212	213	215	217	220
1. 1		5,049,209		219,150	0		5,268,359	4	0	0	210,734	5,057,625
2. 6	Fence		31,764		0	15,882	15,882	10	0	0	1,588	30,176
	Totals	5,049,209	31,764	219,150		15,882	5,284,241				212,322	5,087,801

Note: Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed.

Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).

* Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule, see Regulation 1100(2) and (2.2).

** Include amounts transferred under section 85, or on amalgamation and winding-up of a subsidiary. See the *T2 Corporation Income Tax Guide* for other examples of adjustments to include in column 4.

*** The net cost of acquisitions is the cost of acquisitions (column 3) plus or minus certain adjustments from column 4. For exceptions to the 50% rule, see Interpretation Bulletin IT-285, *Capital Cost Allowance – General Comments*.

**** Enter a rate only, if you are using the declining balance method. For any other method (for example the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 11.

***** If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the *T2 Corporation Income Tax Guide* for more information.

Fixed Assets Reconciliation

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

Tax return			
Additions for tax purposes – Schedule 8 regular classes		31,764	
Additions for tax purposes – Schedule 8 leasehold improvements	+		
Operating leases capitalized for book purposes	+		
Capital gain deferred	+		
Recapture deferred	+		
Deductible expenses capitalized for book purposes – Schedule 1	+		
	+		
Total additions per books	=	31,764	31,764
Proceeds up to original cost – Schedule 8 regular classes			
Proceeds up to original cost – Schedule 8 leasehold improvements	+		
Proceeds in excess of original cost – capital gain	+		
Recapture deferred – as above	+		
Capital gain deferred – as above	+		
Pre V-day appreciation	+		
	+		
Total proceeds per books	=		
Depreciation and amortization per accounts – Schedule 1	-		180,891
Loss on disposal of fixed assets per accounts	-		
Gain on disposal of fixed assets per accounts	+		
Net change per tax return	=		-149,127

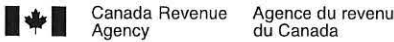
Financial statements			
Fixed assets (excluding land) per financial statements			
Closing net book value			6,038,604
Opening net book value	-		6,187,730
Net change per financial statements	=		-149,126
If the amounts from the tax return and the financial statements differ, explain why below.			

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
NIAGARA WEST TRANSFORMATION CORPORATION	87681 9301 RC0001	2011-12-31

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

		Provide only one number per shareholder				
Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)		Business Number (If a corporation is not registered, enter "NR")	Social insurance number	Trust number	Percentage common shares	Percentage preferred shares
100		200	300	350	400	500
1	NIAGARA POWER INC	NR			50.000	
2	PENINSULA WEST POWER INC	89108 9419 RC0001			50.000	
3						
4						
5						
6						
7						
8						
9						
10						



SCHEDULE 546

CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
NIAGARA WEST TRANSFORMATION CORPORATION	87681 9301 RC0001	2011-12-31

- This schedule should be completed by a corporation that is incorporated, continued, or amalgamated in Ontario and subject to the Ontario *Business Corporations Act* (BCA) or Ontario *Corporations Act* (CA), except for registered charities under the federal *Income Tax Act*. This completed schedule serves as a *Corporations Information Act* Annual Return under the *Ontario Corporations Information Act*.
- Complete parts 1 to 4. Complete parts 5 to 7 only to report change(s) in the information recorded on the Ontario Ministry of Government Services (MGS) public record.
- This schedule must set out the required information for the corporation as of the date of delivery of this schedule.
- A completed Ontario *Corporations Information Act* Annual Return must be delivered within six months after the end of the corporation's tax year-end. The MGS considers this return to be delivered on the date that it is filed with the Canada Revenue Agency (CRA) together with the corporation's income tax return.
- It is the corporation's responsibility to ensure that the information shown on the MGS public record is accurate and up-to-date. To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. Visit www.ServiceOntario.ca for more information.
- This schedule contains non-tax information collected under the authority of the Ontario *Corporations Information Act*. This information will be sent to the MGS for the purposes of recording the information on the public record maintained by the MGS.

Part 1 – Identification

100 Corporation's name (exactly as shown on the MGS public record) NIAGARA WEST TRANSFORMATION CORPORATION			
Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent Ontario	110 Date of incorporation or amalgamation, whichever is the most recent Year Month Day 2003-09-05	120 Ontario Corporation No. 1586499	

Part 2 – Head or registered office address (P.O. box not acceptable as stand-alone address)

200 Care of (if applicable)			
210 Street number 231	220 Street name/Rural route/Lot and Concession number ROBERTS ROAD	230 Suite number	
240 Additional address information if applicable (line 220 must be completed first)			
250 Municipality (e.g., city, town) GRIMSBY	260 Province/state ON	270 Country CA	280 Postal/zip code L3M 4E8

Part 3 – Change identifier

Have there been any changes in any of the information most recently filed for the public record maintained by the MGS for the corporation with respect to names, addresses for service, and the date elected/appointed and, if applicable, the date the election/appointment ceased of the directors and five most senior officers, or with respect to the corporation's mailing address or language of preference? To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. For more information, visit www.ServiceOntario.ca.

- 300** ☒ 1 If there have been no changes, enter 1 in this box and then go to "Part 4 – Certification."
If there are changes, enter 2 in this box and complete the applicable parts on the next page, and then go to "Part 4 – Certification."

Part 4 – Certification

I certify that all information given in this *Corporations Information Act* Annual Return is true, correct, and complete.

450 BACCHUS	451 SHAFEE
Last name	First name
454 _____ Middle name(s)	

- 460** ☒ 1 Please enter one of the following numbers in this box for the above-named person: 1 for director, 2 for officer, or 3 for other individual having knowledge of the affairs of the corporation. If you are a director and officer, enter 1 or 2.

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

Complete the applicable parts to report changes in the information recorded on the MGS public record.

Part 5 – Mailing address

500	☐	Please enter one of the following numbers in this box:	1 - Show no mailing address on the MGS public record. 2 - The corporation's mailing address is the same as the head or registered office address in Part 2 of this schedule. 3 - The corporation's complete mailing address is as follows:
510	Care of (if applicable)		
520	Street number	530	Street name/Rural route/Lot and Concession number
		540	Suite number
550	Additional address information if applicable (line 530 must be completed first)		
560	Municipality (e.g., city, town)	570	Province/state
		580	Country
		590	Postal/zip code

Part 6 – Language of preference

600	☐	Indicate your language of preference by entering 1 for English or 2 for French. This is the language of preference recorded on the MGS public record for communications with the corporation. It may be different from line 990 on the T2 return.
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Corporate Taxpayer Summary

Corporate information

Corporation's name NIAGARA WEST TRANSFORMATION CORPORATION															
Taxation Year 2011-01-01 to 2011-12-31															
Jurisdiction Ontario															
BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC
☐	☐	☐	☐	☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Corporation is associated N															
Corporation is related N															
Number of associated corporations															
Type of corporation Other Corporation															
Total amount due (refund) federal and provincial*															

* The amounts displayed on lines "Total amount due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensitive help.

Summary of federal information

Net income	-44,137
Taxable income	
Donations	
Calculation of income from an active business carried on in Canada	
Dividends paid	
Dividends paid – Regular	
Dividends paid – Eligible	
Balance of the low rate income pool at the end of the previous year	
Balance of the low rate income pool at the end of the year	
Balance of the general rate income pool at the end of the previous year	
Balance of the general rate income pool at the end of the year	
Part I tax (base amount)	

Summary of federal carryforward/carryback information

Carryforward balances	
Non-capital losses that can be carried forward over 10 years	219,890
Non-capital losses that can be carried forward over 20 years	450,194

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	-44,137		
Taxable income			
% Allocation	100.00		
Attributed taxable income			
Surtax		N/A	N/A
Tax payable before deduction*			
Deductions and credits			
Net tax payable			
Attributed taxable capital			N/A
Capital tax payable**			N/A
Total tax payable***			
Instalments and refundable credits			
Balance due/Refund (-)			

* For Québec, this includes special taxes and logging operations.

** For Québec, this includes compensation tax and registration fee.

*** For Ontario, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations. The Balance due/Refund is included in the federal Balance due/refund.

Summary of provincial carryforward amounts

Other carryforward amounts

Ontario	
Corporate minimum tax loss that can be carried forward over 20 years – Schedule 510	530,816
Corporate minimum tax loss that can be carried forward over 10 years – Schedule 510	313,602

Summary – taxable capital

Federal

Corporate name	Taxable capital used to calculate the business limit reduction (T2, line 415)	Taxable capital used to calculate the SR&ED expenditure limit for a CCPC (Schedules 31 and 49)	Taxable capital used to calculate line 233 of the T2 return	Taxable capital used to calculate line 234 of the T2 return
NIAGARA WEST TRANSFORMATION CORPORATION			5,350,020	5,350,020
Total			5,350,020	5,350,020

Québec

Corporate name	Paid-up capital used to calculate the deduction relating to income-averaging for forest producers (CO-726.30)	Paid-up capital used to calculate the exemption for small and medium-sized manufacturing businesses (CO-737.18.18)	Paid-up capital used to calculate the Québec business limit reduction (CO-771 and CO-771.1.3)	Paid-up capital used to calculate the tax credit for investment (CO-1029.8.36.IN)	Paid-up capital used to calculate the 1 million deduction (CO-1137.A and CO-1137.E)
Total					

Ontario

Corporate name	Taxable capital used to calculate the capital deduction – Ontario capital tax on financial institutions (Schedule 514)	Taxable capital used to calculate the capital deduction – Ontario capital tax on other than financial institutions (Schedule 515)	Specified capital used to calculate the expenditure limit – Ontario innovation tax credit (Schedule 566)
Total			

Other provinces

Corporate name	Capital used to calculate the Newfoundland and Labrador capital deduction on financial institutions (Schedule 306)	Taxable capital used to calculate the Nova Scotia capital deduction on large corporations (Schedule 343)	Net paid up capital – BC capital tax on financial institutions (FIN 689)	BC paid up capital – BC capital tax on financial institutions (FIN 689)
Total				

Five-Year Comparative Summary

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Federal information (T2)					
Taxation year end	2011-12-31	2010-12-31	2009-12-31	2008-12-31	2007-12-31
Net income	-44,137	-118,425	170,417	-128,090	
Taxable income					
Active business income			170,417		
Dividends paid					
Dividends paid – Regular					
Dividends paid – Eligible					
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year					
GRIP – end of the year					
Donations					
Balance due/refund (-)					

Federal taxes					
Part I before surtax					
Surtax					
Part I.3					
Part IV					
Part I & Surtax					
Part III.1					
Other*					
* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.					

Credits against part I tax					
Small business deduction					
M&P deduction					
Foreign tax credit					
Political contribution					
Investment tax credit					
Abatement/other*					
* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.					

Refunds/credits					
ITC refund					
Dividend refund					
Instalments					
Surtax credit					
Other*					
* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.					

Ontario

<u>Taxation year end</u>	<u>2011-12-31</u>	<u>2010-12-31</u>	<u>2009-12-31</u>	<u>2008-12-31</u>	<u>2007-12-31</u>
Net income	-44,137	-118,425	170,417	-128,090	
Taxable income					
% Allocation	100.00	100.00	100.00	100.00	
Attributed taxable income					
Surtax					
Income tax payable before deduction					
Income tax deductions /credits					
Net income tax payable					
Taxable capital			6,641,752	6,496,979	
Capital tax payable					
Total tax payable*					
Instalments and refundable credits					
Balance due/refund**					

* For taxation years ending before January 1, 2009, this includes the corporate minimum tax and the premium tax. For taxation years ending after December 31, 2008, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations.

** For taxation years ending after December 31, 2008, the Balance due/Refund is included in the federal Balance due/refund.

