

January 10, 2011

ABC Inc.

Subject: T2 Corporate Tax Return - Year End: 2010/08/31

Attention: Jim Hamilton

We have submitted the tax return for ABC Inc. electronically to the Canada Revenue Agency (CRA) by Corporation Internet Filing. The enclosed copy of the T2 return is for your records. Your return has been prepared based on the information you provided. Please review it carefully to ensure that it is both accurate and complete.

The following balances are shown on your return:

Federal Refund: \$ 4,262

Filing and signatures required:

T183 Corp: Please keep a signed copy.

To avoid late filing penalties or interest charges, the return should be filed by Feb 28, 2011 and any tax payable should be paid by Nov 30, 2010.

Should you require any further information, please don't hesitate to contact us.

Yours sincerely,

Balance Sheet

Corporation's name	Business Number	Tax year-end YYYY/MM/DD
ABC Inc.	799109954RC0001	2010/08/31

Assets		
Cash and deposits		153,347
Accounts Receivable		419,242
Allowance for doubtful accounts		-84,461
Inventories		377,917
Work in progress		154,477
Due from shareholder(s)/director(s)		2,032,710
Buildings		997,232
Accumulated amortization of buildings		-575,306
Machinery, equipment, furniture and fixtures		3,420,896
Accumulated amortization of machinery, equipment, furniture and fixtures		-2,684,816
Computer equipment / software		671,220
Accumulated amortization of computer equipment / software		-589,573
Furniture and fixtures		121,776
Accumulated amortization of furniture and fixtures		-113,629
Total Assets		4,301,032
Liabilities and Shareholder Equity		
Amounts payable and accrued liabilities		559,540
Taxes payable		131,367
Due to shareholder(s) / director(s)		373,393
Current portion of long term liability		458,798
Long term debt		1,400,548
Mortgages		999,540
Total liabilities		3,923,186
Shareholder Equity		
Common shares		33,090
Retained earnings/deficit		344,756
Retained earnings/deficit - start		-1,106,811
Net income/loss		1,451,567
Total Liabilities and Shareholder Equity		4,301,032

Income Statement

Corporation's name	Business Number	Tax year-end YYYY/MM/DD
ABC Inc.	799109954RC0001	2010/08/31

Revenue	
Real estate rental revenue	118,800
Trade sales of goods and services	15,061,045
Total Revenue	15,179,845
Expenses	
Amortization of tangible assets	530,822
Insurance	57,029
Interest on mortgages	7,304
Other repairs and maintenance	32,955
Salaries and wages	6,483,054
Property taxes	14,781
Purchases / cost of materials	5,195,872
Trades and sub-contracts	195,494
Advertising and promotion	76,695
Bad debt expense	8,600
Interest and bank charges	30,541
Office expenses	45,746
Equipment rental	209,175
Repairs and maintenance	227,086
Utilities	228,438
Telephone and telecommunications	52,021
Other expenses	43,290
Total Expenses	13,438,903
Net Income	1,740,942

T2 CORPORATION INCOME TAX RETURN (2010 and later tax years)

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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, and paragraphs 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 799109954 RC 0001	
<p>Corporation's name 002 ABC Inc.</p> <hr/> <p>Address of head office Has this address changed since the last time you filed your T2 return? (If yes, complete lines 011 to 018)</p> <p>010 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/></p> <p>011 _____ 012 _____</p> <p>City _____ Province, territory, or state _____ 015 _____ 016 _____</p> <p>Country (other than Canada) _____ Postal code/Zip code _____ 017 _____ 018 _____</p> <p>Mailing address (if different from head office address) Has this address changed since the last time you filed your T2 return? (If yes, complete lines 021 to 028)</p> <p>021 c/o 022 _____ 023 _____</p> <p>City _____ Province, territory, or state _____ 025 _____ 026 _____</p> <p>Country (other than Canada) _____ Postal code/Zip code _____ 027 _____ 028 _____</p> <p>Location of books and records Has the location of books and records changed since the last time you filed your T2 return? (If yes, complete lines 031 to 038)</p> <p>031 _____ 032 _____</p> <p>City _____ Province, territory, or state _____ 035 _____ 036 _____</p> <p>Country (other than Canada) _____ Postal code/Zip code _____ 037 _____ 038 _____</p> <p>040 Type of corporation at the end of the tax year</p> <p>1 <input checked="" type="checkbox"/> Canadian-controlled private corporation (CCPC) 4 <input type="checkbox"/> Corporation controlled by a public corporation</p> <p>2 <input type="checkbox"/> Other private corporation 5 <input type="checkbox"/> Other corporation (specify, below)</p> <p>3 <input type="checkbox"/> Public corporation</p> <p>If the type of corporation changed during the tax year, provide the effective date of the change. 043 _____ yyyy/mm/dd</p>	<p>To which tax year does this return apply?</p> <p>Tax year start 060 2009/09/01 Tax year-end 061 2010/08/31 yyyy/mm/dd yyyy/mm/dd</p> <p>Has there been an acquisition of control to which subsection 249(4) applies since the previous tax year? 063 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/></p> <p>If yes, provide the date control was acquired 065 _____ yyyy/mm/dd</p> <p>Is the date on line 061 a deemed tax year-end in accordance with subsection 249(3.1)? 066 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/></p> <p>Is the corporation a professional corporation that is a member of a partnership? 067 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/></p> <p>Is this the first year of filing after: Incorporation? 070 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> Amalgamation? 071 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/></p> <p>If yes, complete lines 030 to 038 and attach Schedule 24.</p> <p>Has there been a wind-up of a subsidiary under section 88 during the current tax year? 072 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/></p> <p>If yes, complete and attach Schedule 24.</p> <p>Is this the final tax year before amalgamation? 076 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/></p> <p>Is this the final return up to dissolution? 078 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/></p> <p>If an election was made under section 261, state the functional currency used 079 _____</p> <p>Is the corporation a resident of Canada? 080 1 Yes <input checked="" type="checkbox"/> 2 No <input type="checkbox"/> If no, give the country of residence on line 081 and complete and attach Schedule 97.</p> <p>081 _____</p> <p>Is the non-resident corporation claiming an exemption under an income tax treaty? 082 1 Yes <input type="checkbox"/> 2 No <input type="checkbox"/></p> <p>If yes, complete and attach Schedule 91.</p> <p>If the corporation is exempt from tax under section 149, tick one of the following boxes:</p> <p>085 1 <input type="checkbox"/> Exempt under paragraph 149(1)(e) or (l) 2 <input type="checkbox"/> Exempt under paragraph 149(1)(j) 3 <input type="checkbox"/> Exempt under paragraph 149(1)(t) 4 <input type="checkbox"/> Exempt under other paragraphs of section 149</p>
Do not use this area	
091	092
100	093
	094
	095
	096

Attachments

Financial statement information: Use GIFL schedules 100, 125, and 141.			
Schedules – Answer the following questions. For each Yesresponse, attach to the T2 return the schedule that applies.		Yes	Schedule
Is the corporation related to any other corporations?	150	<input type="checkbox"/>	9
Is the corporation an associated CCPC?	160	<input type="checkbox"/>	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161	<input type="checkbox"/>	49
Does the corporation have any non-resident shareholders?	151	<input type="checkbox"/>	19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents.	162	<input type="checkbox"/>	11
If you answered yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163	<input type="checkbox"/>	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164	<input type="checkbox"/>	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165	<input type="checkbox"/>	15
Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166	<input type="checkbox"/>	T5004
Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167	<input type="checkbox"/>	T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168	<input type="checkbox"/>	22
Did the corporation have any foreign affiliates during the year?	169	<input type="checkbox"/>	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal Income Tax Regulations?	170	<input type="checkbox"/>	29
Has the corporation had any non-arm's length transactions with a non-resident?	171	<input type="checkbox"/>	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	<input checked="" type="checkbox"/>	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172	<input type="checkbox"/>	-----
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	<input checked="" type="checkbox"/>	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; gifts of cultural or ecological property; or gifts of medicine?	202	<input type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203	<input type="checkbox"/>	3
Is the corporation claiming any type of losses?	204	<input type="checkbox"/>	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205	<input checked="" type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206	<input type="checkbox"/>	6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207	<input checked="" type="checkbox"/>	7
Does the corporation have any property that is eligible for capital cost allowance?	208	<input checked="" type="checkbox"/>	8
Does the corporation have any property that is eligible capital property?	210	<input type="checkbox"/>	10
Does the corporation have any resource-related deductions?	212	<input type="checkbox"/>	12
Is the corporation claiming deductible reserves?	213	<input type="checkbox"/>	13
Is the corporation claiming a patronage dividend deduction?	216	<input type="checkbox"/>	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217	<input type="checkbox"/>	17
Is the corporation an investment corporation or a mutual fund corporation?	218	<input type="checkbox"/>	18
Is the corporation carrying on business in Canada as a non-resident corporation?	220	<input type="checkbox"/>	20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221	<input type="checkbox"/>	21
Does the corporation have any Canadian manufacturing and processing profits?	227	<input checked="" type="checkbox"/>	27
Is the corporation claiming an investment tax credit?	231	<input type="checkbox"/>	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232	<input type="checkbox"/>	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	233	<input type="checkbox"/>	----
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	234	<input type="checkbox"/>	----
Is the corporation claiming a surtax credit?	237	<input type="checkbox"/>	37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238	<input type="checkbox"/>	38
Is the corporation claiming a Part I tax credit?	242	<input type="checkbox"/>	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243	<input type="checkbox"/>	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244	<input type="checkbox"/>	45
Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	249	<input type="checkbox"/>	46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250	<input type="checkbox"/>	39
Is the corporation claiming a Canadian film or video production tax credit refund?	253	<input type="checkbox"/>	T1131
Is the corporation claiming a film or video production services tax credit refund?	254	<input type="checkbox"/>	T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255	<input type="checkbox"/>	92

Attachments – continued from page 2

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

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Is the corporation inactive?	280	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Has the major business activity changed since the last return was filed? (enter yes for first-time filers)	281	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
What is the corporation's major business activity? (only complete if yes was entered at line 281)	282		
If the major business activity involves the resale of goods, show whether it is wholesale or retail	283	1 Wholesale <input checked="" type="checkbox"/>	2 Retail <input type="checkbox"/>
Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents	284	Manufacture of furniture	285 85. %
	286	Rental	287 15. %
	288		289 %
Did the corporation immigrate to Canada during the tax year?	291	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the tax year?	292	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293	1 Yes <input type="checkbox"/>	2 No <input type="checkbox"/>
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 <input type="checkbox"/>	2 No <input type="checkbox"/>

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI	300	1,978,682	A
Deduct: Charitable donations from Schedule 2	311	0	
Gifts to Canada, a province, or a territory from Schedule 2	312	0	
Cultural gifts from Schedule 2	313	0	
Ecological gifts from Schedule 2	314	0	
Gifts of medicine from Schedule 2	315	0	
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320	0	
Part VI.1 tax deduction *	325	0	
Non-capital losses of previous tax years from Schedule 4	331	0	
Net capital losses of previous tax years from Schedule 4	332	0	
Restricted farm losses of previous tax years from Schedule 4	333	0	
Farm losses of previous tax years from Schedule 4	334	0	
Limited partnership losses of previous tax years from Schedule 4	335	0	
Taxable capital gains or taxable dividends allocated from a central credit union	340		
Prospector's and grubstaker's shares	350		
Subtotal		0	B
Subtotal (amount A minus amount B) (if negative, enter "0")		1,978,682	C
Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		D
Taxable income (amount C plus amount D)	360	1,978,682	
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)		0	Z

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

Small business deduction

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

Income from active business carried on in Canada from Schedule 7	400	1,970,842	A
Taxable income from line 360 on page 3, minus 10/3 of the amount on line 632* on page 7, minus 3 times the amount on line 636** on page 7, and minus any amount that, because of federal law, is exempt from Part I tax	405	1,978,682	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	0	=	0	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	<u>500,000</u>			4

Business limit (see notes 1 and 2 below)	410	500,000	C
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- 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	500,000	X	415 ***	0	D =	0	E
				11,250			

Reduced business limit (amount C minus amount E) (if negative, enter "0")	425	500,000	F
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Small business deduction

Amount A, B, C, or F whichever is the least	500,000 X	Number of days in the tax year before January 1, 2008	0	X	16% =	0	5
		Number of days in the tax year	365				

Amount A, B, C, or F whichever is the least	500,000 X	Number of days in the tax year after December 31, 2007	365	X	17% =	85,000	6
		Number of days in the tax year	365				

Total of amounts 5 and 6 - Enter on line 9 of page 7	430	85,000	G
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- * 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 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 on page 3					1,978,682 A
Lesser of amounts V and Y from Part 9 of Schedule 27		1,461,849	B		
Amount QQ from Part 13 of Schedule 27		0	C		
Amount used to calculate the credit union deduction from Schedule 17			D		
Amount from line 400, 405, 410, or 425 on page 4, whichever is the least		500,000	E		
Aggregate investment income from line 440 of page 6		7,840	F		
Total of amounts B to F		1,969,689	=>	1,969,689	G
Amount A minus amount G (if negative, enter "0")				8,993	H
Amount H	8,993 X	Number of days in the tax year before January 1, 2008	0 X	7% =	0 I
		Number of days in the tax year	365		
Amount H	8,993 X	Number of days in the tax year after December 31, 2007, and before January 1, 2009	0 X	8.5% =	0 J
		Number of days in the tax year	365		
Amount H	8,993 X	Number of days in the tax year after December 31, 2008 and before January 1, 2010	122 X	9% =	271 K
		Number of days in the tax year	365		
Amount H	8,993 X	Number of days in the tax year after December 31, 2009 and before January 1, 2011	243 X	10% =	599 L
		Number of days in the tax year	365		
General tax reduction for Canadian-controlled private corporations – Total of amounts I to L					870 M
Enter amount M on line 638 of page 7.					

General tax reduction

Do not complete this area if you are a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, or a mutual fund corporation, and for tax years starting after May 1, 2006, or any corporation with taxable income that is not subject to the corporation tax rate of 38%.

Taxable income from line 360 on page 3 (line 360 or amount Z, whichever applies)					0 N
Lesser of amounts V and Y 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, P, Q, and R		0	=>	0	R
Amount N minus amount S (if negative, enter "0")					0 S
Amount S	0 X	Number of days in the tax year before January 1, 2008	0 X	7% =	0 T
		Number of days in the tax year	365		
Amount S	0 X	Number of days in the tax year after December 31, 2007, and before January 1, 2009	0 X	8.5% =	0 U
		Number of days in the tax year	365		
Amount S	0 X	Number of days in the tax year after December 31, 2008 and before January 1, 2010	122 X	9% =	0 V
		Number of days in the tax year	365		
Amount S	0 X	Number of days in the tax year after December 31, 2009 and before January 1, 2011	243 X	10% =	0 W
		Number of days in the tax year	365		
General tax reduction – Total of amounts T to W					0 X
Enter amount X on line 639 of page 7.					

Refundable portion of Part I tax			
Canadian-controlled private corporations throughout the tax year			
Aggregate investment income from Schedule 7	440	7,840 X 26 2/3 %=	2,091 A
Foreign non-business income tax credit from line 632 on page 7		0	
Deduct:			
Foreign investment income from Schedule 7	445	0 X 9 1/3 %=	0
		(if negative, enter "0")	0 =>
Amount A minus amount B (if negative, enter "0")			0 B
			<u>2,091 C</u>
Taxable income from line 360 on page 3		1,978,682	
Deduct:			
Amount from line 400, 405, 410, or 425 on page 4, whichever is the least		500,000	
Foreign non-business income tax credit from line 632 of page 7		0 X 25/9 =	0
Foreign business income tax credit from line 636 of page 7		0 X 3 =	0
		500,000 =>	500,000
		1,478,682 X	26 2/3 %=
			<u>394,315 D</u>
Part I tax payable minus investment tax credit refund (line 700 minus line 780 from page 8)		327,385	
Deduct: Corporate surtax from line 600 of page 7		0	
Net amount		327,385 =>	<u>327,385 E</u>
Refundable portion of Part I tax – Amount C, D, or E, whichever is the least			450 2,091 F

Refundable dividend tax on hand			
Refundable dividend tax on hand at the end of the previous tax year	460	16,277	
Deduct: Dividend refund for the previous tax year	465		
		16,277 =>	<u>16,277 G</u>
Add the total of:			
Refundable portion of Part I tax from line 450 above		2,091	
Total Part IV tax payable from Schedule 3		0	
Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation	480		
		2,091 =>	<u>2,091 H</u>
Refundable dividend tax on hand at the end of the tax year – Amount G plus amount H			485 18,368

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		0 X 1/3	0 I
Refundable dividend tax on hand at the end of the tax year from line 485 above			<u>18,368 J</u>
Dividend refund – Amount I or J, whichever is less (enter this amount on line 784 of page 8)			<u>0</u>

Part I tax			
Base amount Part I tax	--Taxable income from page 3 (line 360 or amount Z, whichever applies) multiplied by 38%	550	751,899 A
Recapture of investment tax credit from Schedule 31		602	0 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 on page 6			7,840 i
Taxable income from line 360 on page 3	1,978,682		
Deduct:			
Amount from line 400, 405, 410, or 425 of page 4, whichever is the least	500,000		
Net amount	1,478,682 =>		1,478,682 ii
Refundable tax on CCPC's investment income –	6 2/3 % of whichever is less: amount i or ii	604	523 D
	Subtotal (add lines A, B, C, and D)		752,422 E
Deduct:			
Small business deduction from line 430 of page 4		85,000	1
Federal tax abatement	608	197,868	
Manufacturing and processing profits deduction from Schedule 27	616	141,299	
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	0	
Federal foreign business income tax credit from Schedule 21	636	0	
General tax reduction for CCPCs from amount M on page 5	638	870	
General tax reduction from amount X on page 5	639	0	
Federal logging tax credit from Schedule 21	640	0	
Federal qualifying environmental trust tax credit	648		
Investment tax credit from Schedule 31	652	0	
	Subtotal	425,037 =>	425,037 F
Part I tax payable –	Line E minus line F		327,385 G
Enter amount G on line 700 of page 8.			

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	327,385
Part II surtax payable from Schedule 46	708	0
Part III.1 tax payable from Schedule 55	710	0
Part IV tax payable from Schedule 3	712	0
Part IV.1 tax payable from Schedule 43	716	0
Part VI tax payable from Schedule 38	720	0
Part VI.1 tax payable from Schedule 43	724	0
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	0
Total federal tax		327,385

Add provincial or territorial tax:

Provincial or territorial jurisdiction	750 NL	
(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	98,353
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	0
		98,353 =>
Total tax payable		770 425,738 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	0
Dividend refund from page 6	784	0
Federal capital gains refund from Schedule 18	788	0
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit refund (Form T1131)	796	0
Film or video production services tax credit refund (Form T1177)	797	0
Tax withheld at source	800	
Total payments on which tax has been withheld	801	
Provincial and territorial capital gains refund from Schedule 18	808	0
Provincial and territorial refundable tax credits from Schedule 5	812	0
Tax instalments paid	840	430,000
Total credits		890 430,000 =>
		430,000 B

Refund code **1 894** Overpayment 4,262 Balance (line A minus line B) -4,262

Direct deposit request

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

Start Change information

910 _____ Branch number

914 _____ **918** _____

Institution number Account number

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

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

Balance unpaid _____ 0

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

Certification

I, **950** Hamilton **951** Jim **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 tax year except as specifically disclosed in a statement attached to this return.

955 2011/02/26 **956** 709-772-9560

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 _____ **959** _____

Name in block letters Telephone number

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering 1 for English or 2 for French. **990** 1

Indiquez votre langue de correspondance en inscrivant 1 pour anglais ou 2 pour français.

NET INCOME (LOSS) FOR INCOME TAX PURPOSES
(2008 and later tax years)

SCHEDULE 1
Code 0801

Corporation's name	Business Number	Tax year-end YYYY/MM/DD
ABC Inc.	799109954RC0001	2010/08/31

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.

Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box.

You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).

Sections, subsections, and paragraphs referred to on this schedule are from the Income Tax Act.

Net income (loss) after taxes and extraordinary items per financial statements		1,451,567 A
Add:		
Provision for income taxes – current	101	289,375
Provision for income taxes – deferred	102	0
Interest and penalties on taxes	103	4,319
Amortization of tangible assets	104	530,822
Amortization of natural resource assets	105	0
Amortization of intangible assets	106	0
Recapture of capital cost allowance from Schedule 8	107	0
Gain on sale of eligible capital property from Schedule 10	108	0
Income or loss for tax purposes – joint ventures or partnerships	109	0
Loss in equity of subsidiaries and affiliates	110	0
Loss on disposal of assets	111	0
Charitable donations and gifts from Schedule 2	112	0
Taxable capital gains from Schedule 6	113	0
Political donations	114	
Holdbacks	115	
Deferred and prepaid expenses	116	
Depreciation in inventory – end of year	117	
Scientific research expenditures deducted per financial statements	118	0
Capitalized interest	119	
Non-deductible club dues and fees	120	
Non-deductible meals and entertainment expenses	121	0
Non-deductible automobile expenses	122	0
Non-deductible life insurance premiums	123	5,750
Non-deductible company pension plans	124	
Tax reserves claimed in current year from Schedule 13	125	0
Reserves from financial statements – balance at the end of the year	126	
Soft costs on construction and renovation of buildings	127	
Non-deductible fines and penalties under section 67.6	128	
Total of fields 201 to 294 on page 2	199	0
Total of fields 101 to 199	500	830,266 =>
Deduct:		
Gain on disposal of assets per financial statements	401	0
Dividends not taxable under section 83 from Schedule 3	402	0
Capital cost allowance from Schedule 8	403	303,151
Terminal loss from Schedule 8	404	0
Cumulative eligible capital deduction from Schedule 10	405	0
Allowable business investment loss – Schedule 6	406	0
Foreign non-business tax deduction under subsection 20(12)	407	0
Holdbacks	408	
Deferred and prepaid expenses	409	
Depreciation in inventory – end of prior year	410	
Scientific research expenses claimed in year from Form T661	411	0
Tax reserves claimed in current year from Schedule 13	413	0
Reserves from financial statements – balance at the beginning of the year	414	
Patronage dividends from Schedule 16	416	0
Contributions to deferred income plans from Schedule 15	417	0
Total of fields 300 to 394 on page 3	499	0
Total of fields 401 to 499	510	303,151 =>
Net income (loss) for income tax purposes - enter on line 300 on page 3 of the T2 return		1,978,682
Net farming income (loss) included above		
If amount is a loss, is it a restricted farm loss? Yes <input type="checkbox"/>		

Add:		
Accounts payable and accruals for cash basis – closing	201	
Accounts receivable and prepaid for cash basis – opening	202	
Accrual inventory – opening	203	
Accrued dividends – prior year	204	
Book loss on joint ventures or partnerships	205	0
Capital items expensed	206	
All crown charges, royalties, rentals, etc	207	
Debt issue expense	208	
Deemed dividend income	209	
Deemed interest on loans to non-residents	210	
Deemed interest received	211	
Development expenses claimed in current year	212	
Dividend stop-loss adjustment	213	
Dividends credited to the investment account	214	
Exploration expenses claimed in current year	215	
Financing fees deducted in books	216	
Foreign accrual property income	217	
Foreign affiliate property income	218	
Foreign exchange included in retained earnings	219	
Gain on settlement of debt	220	
Interest paid on income debentures	221	
Limited partnership losses from Schedule 4	222	0
Loss from international banking centres	223	
Mandatory inventory adjustment – included in current year	224	
Mining royalties (provincial mining taxes)	225	
Non-deductible advertising	226	
Non-deductible interest	227	
Non-deductible legal and accounting fees	228	
Optional value of inventory – included in current year	229	
Other expenses from financial statements	230	
Recapture of SR&ED expenditures – Form T661	231	0
Resource amounts deducted	232	
Restricted farm losses – current year – Schedule 4	233	0
Sales tax assessments	234	
Share issue expense	235	
Write-down of capital property	236	
Amounts received in respect of qualifying environmental trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	
Contractors' completion method adjustment: revenue net of costs on contracts under 2 years – previous year	238	
Taxable/non-deductible other comprehensive income items	239	
Other additions:		
600	290	
601	291	
602	292	
603	293	
604	294	
Total of fields 201 to 294 (enter this amount at line 199 on page 1)		0

Deduct:		
Accounts payable and accruals for cash basis – opening	300	
Accounts receivable and prepaid for cash basis – closing	301	
Accrual inventory – closing	302	
Accrued dividends – current year	303	
Bad debt	304	
Book income of joint venture or partnership	305	0
Equity in income from subsidiaries or affiliates	306	0
Exempt income under section 81	307	
Income from international banking centres	308	
Mandatory inventory adjustment – included in prior year	309	
Contributions to a qualifying environmental trust	310	
Non-Canadian advertising expenses – broadcasting	311	
Non-Canadian advertising expenses – printed materials	312	
Optional value of inventory – included in prior year	313	
Other income from financial statements	314	
Payments made for allocations in proportion to borrowing and bonus interest payment from Schedule 17	315	0
Contractors' completion method adjustment: revenue net of costs on contracts under 2 years – current year	316	
Non-taxable/deductible other comprehensive income items	347	
Resource deductions:		
Canadian development expenses from Schedule 12	340	0
Canadian exploration expenses from Schedule 12	341	0
Canadian oil and gas property expenses from Schedule 12	342	0
Deductible crown charges	343	
Depletion from Schedule 12	344	0
Foreign exploration and development expenses from Schedule 12	345	0
Other deductions:		
700	390	
701	391	
702	392	
703	393	
704	394	
Total of fields 300 to 394 (enter this amount at line 499 on page 1)		0

GIFI Notes

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