

The Energy Behind Brantford

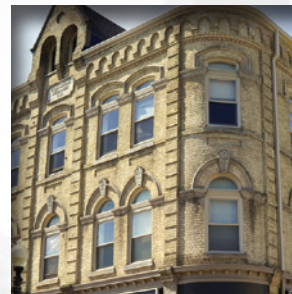
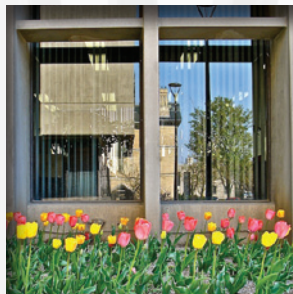
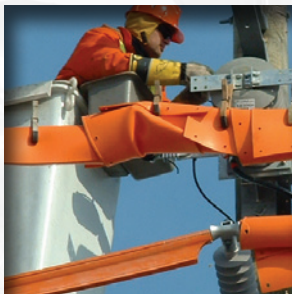
Brantford Energy Corporation 2011 Annual Report





Brantford Energy Corporation

We provide leadership, guidance and communication links to the corporate family to assist them in developing and fulfilling their mandates pursuant to the Shareholder's Declaration and we facilitate liaison with other corporate stakeholders.



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Brantford Energy Corp.



James F. Ryan, Chair
Timothy B. Curtis, CA
(to March 2011)
Regional Controller, TransUnion

Leo Renzella
(to March 2011)
Retired

Ron Stewart
(from April 2011)
Retired

Gerald T. Smits
(from April 2011)
Gerry Smits Law Firm

Mayor Chris Friel
City of Brantford

Councillor Vince Bucci
Ward 2, City of Brantford

Councillor John Utley
Ward 2, City of Brantford
(from December 2011)

Councillor Larry Kings
Ward 1, City of Brantford

Councillor Debi Dignan-Rumble
Ward 3, City of Brantford
(from December 2011)

Councillor Dave Wrobel,
(to November 2011)
Ward 2, City of Brantford

Councillor Jan Vanderstelt
(to November 2011)
Ward 1, City of Brantford

Brantford Power Inc.



Ron Stewart, Chair
(from April 1, 2011)
Retired

Timothy B. Curtis, CA, Chair
(to March 2011)
Regional Controller, TransUnion

Scott Saint
CEO, Electrical Safety Authority

Paul Kwasnik
Principal
PJK Advisory Group

Councillor Dave Wrobel
(to November, 2011)
Ward 3, City of Brantford

Councillor John Utley
(from December 2011)
Ward 2, City of Brantford

Brantford Hydro Inc.



Gerald T. Smits, Chair
(from April 2011)
Gerry Smits Law Firm

Leo Renzella, Chair
(to March 2011)
Retired

Rob Kinnaird
(to February 2011)
Director of Business Development
Aecon Infrastructure Group

Craig Mann
(to February 2011)
Owner/Operator
Blue Dog Coffee Roasters Ltd.

Rick Sterne
(from March 2011)
Retired

Drew Hill
(from March 2011)
The Abor Group

Councillor Larry Kings
Ward 1, City of Brantford

Brantford Generation Inc.



Gerald T. Smits, Chair
(from April 2011)
Gerry Smits Law Firm

Leo Renzella, Chair
(to March 2011)
Retired

Rob Kinnaird
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(from March 2011)
The Abor Group

Councillor Larry Kings
Ward 1, City of Brantford

Executive Team

Ted Salisbury
CAO, City of Brantford
CEO, Brantford Energy Corporation

George Mychailenko
CEO, Brantford Power Inc.

Brian D'Amboise
CEO, Brantford Hydro Inc.
CEO, Brantford Generation Inc.

Officers

Brian D'Amboise
Treasurer, CFO – Utilities

James Nagle
COO, Brantford Hydro Inc.
COO, Brantford Generation Inc.

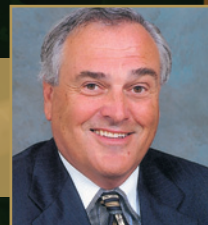
Heather Wyatt
Board Secretary

Auditor

Deloitte & Touche LLP
Chartered Accountants
Licensed Public Accountants

Brantford Energy

An eventful year



Jim Ryan
Chair,
Brantford Energy Corp.

An eventful year for the Brantford Energy family of companies called on the resources of all our employees—who came through with flying colours. We acknowledge their contribution at the outset.

Brantford Power

The largest items for change at Brantford Power were the rollout of time-of-use billing and the restructuring activity to meet Ontario Energy Board expectations and turn the utility into a truly stand-alone operation.

Implementing time-of-use billing required a tremendous amount of effort by staff to get the system operational, plus the actual physical effort to deliver the new meters to customers.

Some residual implications remain, including OEB approval for cost recovery, both for the actual implementation and the cost of our “stranded” meters. There are also implications for customers whose costs, in my opinion, will go up despite how they use electricity. I continue to be concerned about low income customers despite the programs put in place to assist them. These programs also place a greater burden on the rest of us because they are subsidized out of the costs of supply.

The restructuring activity, which required a significant amount of effort by staff at both the City of Brantford and Brantford Power, had many implications for our employees. I know I speak for all Board members when I express our appreciation for their continued outstanding performance during a period of change. Despite some uncertainty, I think the process was handled very fairly and we can now move forward from here.

The Ontario Government’s Green Energy Act also called for a significant effort on the part of Brantford Power as we geared up to connect green energy producers to our grid. That is not an insignificant effort in terms of time, effort and cost.

Throughout this period, our focus has been to continue to provide reliable cost-effective service to customers. Brantford Power, I am proud to say, rates 10th lowest of all utilities in Ontario in terms of residential customer rates. This demonstrates that bigger is not better in terms of delivering low cost power.

Brantford Hydro

The two major items for the retail company were the continued expansion of the NetOptiks fibre network, with 6-per cent sales growth, and our entry into the gas water heater rental business, which had been in the planning stage for some time. Gas water heaters constitute some 80 to 90 per cent of the market, so our participation, with our experience, was a sound business decision.

The addition of staff at both the fibre and retail business negatively affected the expense line. Notwithstanding this fact, BHI’s financial performance for 2011 exceeded those of 2010. We continue to play for the long term, looking to build value for our shareholder.

Brantford Generation

The good news: we basically broke even as production at the Mohawk Street facility geared up. The bad news: we only broke even. But this was not a bad outcome at this stage of the Company’s development.

We continue to be well below our business plan projections despite the best efforts of staff. The fundamental issue is installing the clay cap that seals the site and gives us year-round production. The cap is scheduled for completion in 2012.

Unfortunately delays in reaching full production means we have been prevented from maximizing the higher contract price for production during that time period. But it was still a sound business investment.

Financial results

Consolidated net income of \$3,000,000 compares to \$2,216,000 level reported in 2010 and represents a \$790,000 or 35.7% improvement over the expected 2011 budget target. Interestingly, the financial gains for both Brantford Power and Brantford Hydro were tax driven.

The pre-tax net income for Brantford Power was actually down 12.1 per cent. But net income after tax was up 22 per cent. This is a part of a complex accounting system in how you handle regulatory assets and their tax implications as the Ontario Energy Board provided more clarity.

Similarly, Brantford Hydro’s pre-tax income was 4.9 per cent below last year, but net income was up 7.5 per cent.

Analysis of 2011 Net Income Contribution

Company	2011	2010	2009
Brantford Energy Corporation	Nil	Nil	Nil
Brantford Power Inc.	2,290,000	1,873,000	2,219,000
Brantford Hydro Inc.	710,000	660,000	535,000
Brantford Generation Inc.	Nil	(317,000)	(217,000)
Total	\$3,000,000	\$2,216,000	\$2,537,000

Brantford Power

Focus on service and quality



Ron Stewart
Chair
Brantford Power Inc.
(March 2011— March 2012)

Brantford Power Inc. (BPI) continued its strong operating performance and investment in Brantford's electricity infrastructure to ensure that service quality and reliability are maintained and the City's future needs are met.

Affiliate relationship

On April 1, 2012, Brantford Power Inc. successfully restructured its corporate relationship with the City of Brantford to ensure compliance with the Ontario Energy Board's Affiliate Relationship Code and more effectively align our operations.

The transition affected the Shared Services Agreement between the City and BPI, under which BPI purchased services, including employment services, from the City. The Board fully supports this development and feel that it is very positive for everyone concerned. We are particularly gratified with the continued high performance of our staff during a period of some uncertainty.

Time-of-use billing

Brantford Power customers began to see the impact of time-of-use (TOU) pricing on bills received after December 15, the culmination of a three-year transition process.

BPI began collecting the data needed to implement TOU pricing from residential and most small commercial customers on November 1. A communication package sent out in October helped prepare customers for the transition.

Preparations for TOU pricing, part of a provincial plan to create a culture of conservation in Ontario, began in 2008. TOU provides an incentive for customers to shift and/or reduce electricity consumption at times of peak demand.

Conservation and Demand Management

Two additions to staff in 2011 helped launch BPI's 2011-2014 suite of Conservation and Demand Management (CDM) programs. During 2011:

- 588 appliances were retired.
- 524 energy efficient residential HVAC systems were installed.
- 194 peaksaver devices were installed.
- 79 small businesses replacements of inefficient lighting with energy efficient lighting.
- 47 incentive applications were processed and \$351,416.68 in incentives were paid for 28 completed applications.

Capital improvements

Total investment in property, plant and equipment during the year was \$4.9 million, compared to \$5.9 million in 2010, bringing total property plant and equipment to \$59.9 million, up from \$58.3 million in 2010. The investments included:

- Completion of the Brantwood Park and Dundson Street Rebuild Project, including the installation of about 10 kilometres of new primary cable, two primary padmount switches and the upgrade of 17 transformers from below grade vaults to above ground padmounts in order to improve reliability, safety and customer service.
- Completion of the 2011 phase of the Powerline Feeder Rebuild Project, including a rebuild of about 1.5 kilometres of Powerline Overhead Feeder with three circuits on 70-foot poles to increase load transfer capabilities and to meet system contingencies.

Financial Results

The Company achieved a net income of \$2,290,000 compared to \$1,874,000 level in 2010. Pre-tax net income was actually down 12.1 per cent but was up 22 per cent after tax, part of a complex accounting system for regulatory assets and their tax implications.

The year's performance reflects a 6.7% return on average equity, compared to 5.7% in 2010, and a 2011 return on assets of 2.3% compared to 1.8% in 2010.

The Company's long-term debt has increased by \$639,000 resulting from \$550,000 borrowed from the Ontario Infrastructure and Lands Corporation in 2011 for smart meters and a reduction of existing Royal Bank debt that came due and was renewed in 2011. The planned borrowing of \$4,000,000 for 2011 General Capital Expenditures has been deferred to 2012.

BRANTFORD POWER INC.
COMPARISON OF NET INCOME
2007 - 2011



Appreciation

The Board appreciates the contributions of former Councillor Dave Wrobel, who left the Board in 2010, and who has been replaced by Councillor John Utley.

It has been a pleasure working with everyone on the Board. It is an excellent team and I am proud to be part of it. I now have the pleasure of working with Scott Saint, who was appointed Chair in April 2012.

Brantford Hydro

Expanding the business



Gerry Smits
Chair
Brantford Hydro Inc.
(April 2011 – April 2012)

Brantford Hydro Inc. (BHI) has made a promising start in achieving its strategic goal to offer new products and services under a new home-based marketing banner.

The expanded product line in the equipment rental business now includes natural gas water heaters, tankless water heaters and water conditioners, complementing the existing line of electric water heaters. The new business primarily came from new residential customers through relationships developed with new home builders and service providers.



NetOptiks

The fibre division continues to implement its wholesale business strategy through expanding its customer base and providing additional value-added products and services, including the development of a VOIP (Voice Over Internet Protocol) telephone service.



As a result of growth in recent years, NetOptiks now has 280 kilometers of fibre installed in Brantford, providing the needed bandwidth to the city's business and institutional community.

Financial results

BHI's net income of \$709,000 represents an increase of \$49,000 over 2010. The increase was recorded while hiring two new full time positions during the year to focus on increased NetOptiks' sales and to expand the equipment rental business unit. Both individuals made significant contributions in the growth of the respective business units. The 2011 performance translates to a return on average equity of 30.4% (2010 – 33.5%) and a return on assets of 15.8% (2010 – 16.0%). The chart below illustrates the multi-year trend of returns for BHI. Capital expenditures totaled \$467,000 or 1.4 times the \$341,000 expended in 2010.

Thanks to solid financial performance, BHI has provided generous dividend payments to its shareholder, Brantford Energy Corporation that were subsequently passed onto the City of Brantford to the benefit of City taxpayers. The Company increased its 2011 dividend to \$350,000, up from \$300,000 in 2010 and its first dividend payment of \$50,000 in 2009.

Appreciation

I would like to express my appreciation for the opportunity to serve as Chair of the Brantford Hydro and Brantford Generation Boards during the year. I look forward to another successful year under the leadership of Leo Renzella, who was appointed Chair in April, 2012.

BRANTFORD HYDRO INC.
COMPARISON OF NET INCOME
2000 - 2011



Brantford Generation

Prospects remain positive



Gerry Smits
Chair
Brantford Generation Inc.
(April 2011 – April 2012)

Thanks to a significant increase in electricity generation during 2011, Brantford Generation Inc. (BGI) ended the year with a virtual break even position and the Company's prospects remain positive.

The Company reported a \$150 loss compared to a \$317,000 operating loss the previous year. Total generation revenues of \$1.6 million compared to \$243,000 in 2010. The break even plateau was achieved despite a significant increase in operating costs, which are based on generation engine operating hours.

The Company has not yet been able to achieve the production levels anticipated in the original business plan due to the lack of cap at the Mohawk Street Landfill Gas Collection and Utilization site. With the planned installation of the cap in the second and third quarters of 2012, BGI anticipates improving the production levels by the end of the year.

BGI has been generating operating losses since incorporation in 2007 while the Company designed, built and commissioned the facilities. Despite the operating loss, the cash flows from operations totaled almost \$1,000,000 during 2011, a significant improvement over the \$1.4 million operating cash flow deficit in 2010.

Most of this positive cash flow was used to finance capital expenditures during the year. While the Ontario Infrastructure and Lands Corporation has suspended construction advances pending an evaluation of the long term outlook of the Company, Management expects to secure the financing for any unfunded capital expenditures, which will provide funds to begin repaying the arrears in charges from affiliates.

BGI ended the year with \$580,000 in cash but with \$802,000 in negative working capital. This is consistent with the financing plan which provided for the borrowing in the form of construction advances from the Ontario Infrastructure Projects Corporation.

Environmental benefits

During 2011, BGI operations collected and destroyed 12,260,000 cubic metres of landfill gas, or 77,312 tonnes of carbon dioxide equivalents. This represents the same greenhouse gas reductions achieved by removing 15,159 passenger vehicles from the roadways.

BRANTFORD GENERATION INC. 2007 - 2011 Net Loss





Financial Statements

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the Shareholder of Brantford Energy Corporation,
Brantford Power Inc., Brantford Hydro Inc.
and Brantford Generation Inc.

The accompanying summary consolidated financial statements, which comprise the summary consolidated balance sheet as at December 31, 2011, the summary consolidated income statement and retained earnings, and summary consolidated statement of flows for the year then ended, and related notes, are derived from the audited financial statements of Brantford Energy Corporation. The accompanying summary financial statements, which comprise the summary balance sheet as at December 31, 2011, the summary income statement and retained earnings, and summary statement of cash flows for the year then ended, and related notes, are derived from the audited financial statements of Brantford Power Inc., Brantford Hydro Inc. and Brantford Generation Inc. (the "Companies") for the year ended December 31, 2011. We expressed unmodified audit opinions on those (consolidated) financial statements in our reports dated April 12, 2012, March 29, 2012, April 12, 2012, and April 12, 2012; respectively. Those (consolidated) financial statements, and the summary (consolidated) financial statements, do not reflect the effects of events that occurred subsequent to the dates of our report on those (consolidated) financial statements.

The summary (consolidated) financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles applied in the preparation of the audited (consolidated) financial statements of the Companies. Reading the summary (consolidated) financial statements, therefore, is not a substitute for reading the audited (consolidated) financial statements of the Companies.

Management's Responsibility for the Summary (Consolidated) Financial Statements

Management is responsible for the preparation of a summary of the audited (consolidated) financial statements in accordance with Canadian generally accepted accounting principles.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary (consolidated) financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of Brantford Energy Corporation and the summary financial statements derived from the audited financial statements of Brantford Power Inc., Brantford Hydro Inc. and Brantford Generation Inc. for the year ended December 31, 2011 are a fair summary of those (consolidated) financial statements, in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP
Chartered Accountants
Licensed Public Accountants
Burlington, Ontario

Brantford Energy Corporation

SUMMARIZED CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31

	2011 (\$)	2010 (\$)
ASSETS		
Current assets	30,957,118	33,080,449
Property, plant and equipment	74,905,342	73,214,556
Regulatory assets	4,147,328	5,046,561
Other assets	7,120,351	9,510,415
TOTAL ASSETS	117,130,139	120,851,981
LIABILITIES		
Current liabilities	15,581,543	17,231,434
Regulatory liabilities	7,329,824	11,009,791
Long term debt	55,174,469	54,435,718
Other liabilities	2,790,568	2,977,373
TOTAL LIABILITIES	80,876,404	85,654,316
SHAREHOLDER'S EQUITY		
Capital stock	23,895,512	23,895,512
Retained earnings	12,876,502	11,676,811
Accumulated other comprehensive loss	(518,279)	(374,658)
TOTAL EQUITY	36,253,735	35,197,665
TOTAL LIABILITIES & EQUITY	117,130,139	120,851,981

SUMMARIZED CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDING DECEMBER 31

	2011 (\$)	2010 (\$)
Revenue		
Distribution and service revenue	17,676,070	17,710,501
Other revenue	3,425,076	2,397,891
	21,101,146	20,108,392
Expenses		
Operations, maintenance and administration	9,737,914	9,908,121
Other expenses	7,437,376	6,331,264
	17,175,290	16,239,385
Income Before Income Taxes	3,925,856	3,869,007
Current and Future Income Taxes	926,165	1,653,489
Net Income	2,999,691	2,215,518
Retained Earnings - Beginning of Year	11,676,811	10,511,293
Dividends	(1,800,000)	(1,050,000)
Retained Earnings - End of Year	12,876,502	11,676,811

SUMMARIZED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDING DECEMBER 31

	2011 (\$)	2010 (\$)
Cash Flows from Operating Activities		
Net income	2,999,691	2,215,518
Changes to income not involving cash	6,165,905	4,921,096
Net change in non-cash working capital balances related to operations	(482,484)	(862,234)
	8,683,112	6,274,380
Cash Flows from Investing Activities		
Purchase of property, plant and equipment and special deposits	(5,537,800)	(7,480,872)
Change in regulatory assets and liabilities	(2,780,734)	(1,526,024)
	(8,318,534)	(9,006,896)
Cash Flows from Financing Activities		
Proceeds of issuance of long-term debt	550,000	8,714,999
Repayment of long-term debt	(567,012)	(499,546)
Capital contribution, customer deposits and deferred revenues	(62,192)	155,010
Dividends	(1,800,000)	(1,050,000)
	(1,879,204)	7,320,463
Net Increase (Decrease) in Cash and Cash Equivalents	(1,514,626)	4,587,947
Cash and Cash Equivalents, Beginning of Year	12,792,478	8,204,531
Cash and Cash Equivalents, End of Year	11,277,852	12,792,478

Brantford Power Inc.

SUMMARIZED BALANCE SHEET AS AT DECEMBER 31

	2011 (\$)	2010 (\$)
ASSETS		
Current assets	28,634,115	31,439,231
Property, plant and equipment	59,873,172	58,307,002
Regulatory assets	4,147,328	5,046,561
Other assets	6,784,956	9,337,502
TOTAL ASSETS	99,439,571	104,130,296
LIABILITIES		
Current liabilities	14,303,812	16,386,487
Regulatory liabilities	7,329,824	11,009,791
Long term debt	40,919,451	40,280,376
Other liabilities	2,608,352	2,871,501
TOTAL LIABILITIES	65,161,439	70,548,155
SHAREHOLDER'S EQUITY		
Capital stock	22,437,505	22,437,505
Retained earnings	12,358,906	11,519,294
Accumulated other comprehensive loss	(518,279)	(374,658)
TOTAL EQUITY	34,278,132	33,582,141
TOTAL LIABILITIES & EQUITY	99,439,571	104,130,296

SUMMARIZED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDING DECEMBER 31

	2011 (\$)	2010 (\$)
Revenue		
Distribution revenue	15,158,434	15,293,962
OPA Conservation programs revenue	723,014	1,130,495
Other revenue	1,080,134	1,051,030
	16,961,582	17,475,487
Expenses		
Operations, maintenance and administration	7,706,172	8,475,942
Other expenses	6,195,764	5,519,161
	13,901,936	13,995,103
Income Before Income Taxes	3,059,646	3,480,384
Current and Future Income Taxes	770,034	1,606,928
Net Income	2,289,612	1,873,456
Retained Earnings - Beginning of Year	11,519,294	10,395,838
Dividends	(1,450,000)	(750,000)
Retained Earnings - End of Year	12,358,906	11,519,294

SUMMARIZED STATEMENT OF CASH FLOWS FOR THE YEAR ENDING DECEMBER 31

	2011 (\$)	2010 (\$)
Cash Flows from Operating Activities		
Net income	2,289,612	1,873,456
Changes to income not involving cash	5,170,194	4,296,971
Net change in non-cash working capital balances related to operations	(599,969)	534,028
	6,859,837	6,704,455
Cash Flows from Investing Activities		
Purchase of property, plant and equipment, and special deposits	(4,423,211)	(5,687,891)
Change in regulatory assets and liabilities	(2,780,734)	(1,526,024)
	(7,203,945)	(7,213,915)
Cash Flows from Financing Activities		
Proceeds of issuance of long-term debt	550,000	5,700,000
Repayment of long-term debt	(567,012)	(499,546)
Capital contributions and customer deposits	(169,348)	126,283
Dividends	(1,450,000)	(750,000)
	(1,636,360)	4,576,737
Net Increase (Decrease) in Cash and Cash Equivalents	(1,980,468)	4,067,277
Cash and Cash Equivalents, Beginning of Year	11,180,750	7,113,473
Cash and Cash Equivalents, End of Year	9,200,282	11,180,750

Brantford Hydro Inc.

SUMMARIZED BALANCE SHEET

AS AT DECEMBER 31	2011 (\$)	2010 (\$)
ASSETS		
Current assets	2,214,326	1,997,313
Property, plant and equipment	2,274,111	2,126,474
Other assets	15,290	10,353
TOTAL ASSETS	4,503,727	4,134,140
LIABILITIES		
Current liabilities	447,447	522,874
Long term debt	1,303,335	1,303,335
Other liabilities	240,871	155,337
TOTAL LIABILITIES	1,991,653	1,981,546
SHAREHOLDER'S EQUITY		
Capital stock	1,338,006	1,338,006
Retained earnings (Deficit)	1,174,068	814,588
TOTAL EQUITY	2,512,074	2,152,594
TOTAL LIABILITIES & EQUITY	4,503,727	4,134,140

SUMMARIZED STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDING DECEMBER 31	2011 (\$)	2010 (\$)
Revenue		
Service revenue	2,529,576	2,419,524
Other revenue	25,321	19,250
	2,554,897	2,438,774
Expenses		
Operations, maintenance and administration	1,245,771	1,041,254
Other expenses	371,066	411,043
	1,616,837	1,452,297
Income Before Income Taxes	938,060	986,477
Current and Future Income Taxes	228,580	326,321
Net Income	709,480	660,156
Retained Earnings (Deficit) - Beginning of Year	814,588	454,432
Dividends	(350,000)	(300,000)
Retained Earnings (Deficit) - End of Year	1,174,068	814,588

SUMMARIZED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDING DECEMBER 31	2011 (\$)	2010 (\$)
Cash Flows from Operating Activities		
Net income	709,480	660,156
Changes to income not involving cash	295,770	313,141
Net change in non-cash working capital balances related to operations	(172,825)	(21,379)
	832,425	951,918
Cash Flows from Investing Activity		
Purchase of property, plant and equipment	(466,900)	(340,895)
Cash Flows from Financing Activities		
Capital contributions, customer deposits and deferred revenues	106,446	36,391
Dividends	(350,000)	(300,000)
	(243,554)	(263,609)
Net Increase in Cash and Cash Equivalents	121,971	347,414
Cash and Cash Equivalents, Beginning of Year	1,329,364	981,950
Cash and Cash Equivalents, End of Year	1,451,335	1,329,364

Brantford Generation Inc.

SUMMARIZED BALANCE SHEET

AS AT DECEMBER 31	2011 (\$)	2010 (\$)
ASSETS		
Current assets	594,142	398,383
Property, plant and equipment	12,761,433	12,785,205
Other assets	375,200	207,348
TOTAL ASSETS	13,730,775	13,390,936
LIABILITIES		
Current liabilities	1,382,187	1,141,874
Long term debt	12,951,683	12,852,007
TOTAL LIABILITIES	14,333,870	13,993,881
CAPITAL DEFICIENCY		
Capital stock	50,000	50,000
Deficit	(653,095)	(652,945)
TOTAL CAPITAL DEFICIENCY	(603,095)	(602,945)
TOTAL LIABILITIES & EQUITY	13,730,775	13,390,936

SUMMARIZED STATEMENT OF LOSS AND RETAINED EARNINGS

FOR THE YEAR ENDING DECEMBER 31	2011 (\$)	2010 (\$)
Revenue		
Generation revenue	1,641,833	243,060
Other revenue	10,984	1,496
	1,652,817	244,556
Expenses		
Operations, maintenance and administration	854,184	441,490
Other expenses	871,232	399,794
	1,725,416	841,284
Loss Before Income Taxes	(72,599)	(596,728)
Current and Future Income Taxes	(72,449)	(279,760)
Net Loss	(150)	(316,968)
Deficit - Beginning of Year	(652,945)	(335,977)
Deficit - End of Year	(653,095)	(652,945)

SUMMARIZED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDING DECEMBER 31	2011 (\$)	2010 (\$)
Cash Flows from Operating Activities		
Net loss	(150)	(316,968)
Changes to income not involving cash	700,285	322,883
Net change in non-cash working capital balances related to operations	278,872	(1,394,224)
	979,007	(1,388,309)
Cash Flows from Investing Activity		
Purchase of property, plant and equipment	(647,689)	(1,452,086)
Cash Flows from Financing Activity		
Proceeds of issuance of long-term debt	-	3,014,999
Net Increase in Cash and Cash Equivalents	331,318	174,604
Cash and Cash Equivalents, Beginning of Year	248,767	74,163
Cash and Cash Equivalents, End of Year	580,085	248,767



Brantford Energy Corporation

Brantford Hydro Inc.

Mission

As a growth company, Brantford Hydro Inc. delivers environmentally sustainable telecommunications and energy related services that enhance the competitiveness of businesses and the quality of life for customers.

Vision

The vision of Brantford Hydro Inc. is to become a leader in Brantford and surrounding areas by growing our business lines through strategic investments and partnerships enhancing the value of the company to both our customers and shareholder.

Values

- We value open and honest communication with internal and external stakeholders as we strive for success in a competitive business environment.
- We seek to ensure maximum customer satisfaction by delivering exceptional value through the provision of efficient and dependable products and services.
- We value our customers, business partners and other stakeholders and will treat them with fairness, respect and integrity as they are integral components to our success.
- We value innovation in services, thinking and actions.
- We anticipate and adapt quickly and effectively to the ever changing business landscape.

Brantford Power Inc.

Mission

Brantford Power provides safe, reliable and competitively priced services to our customers while ensuring excellent shareholder returns.

Vision

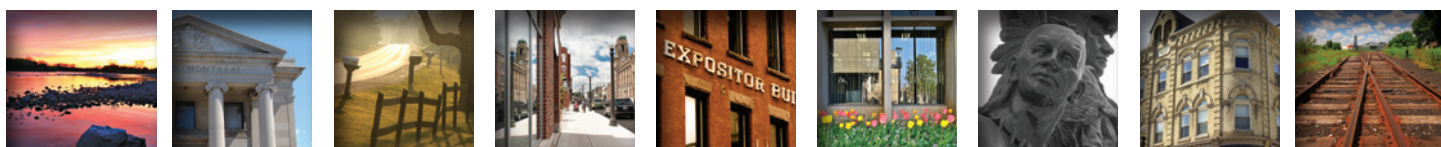
Brantford Power is driven to be a leading electricity distribution company.

Values

- Safety
- Openness and integrity in all relationships
- Innovation and creativity
- A customer focus
- Employee engagement



Thank you to our contributing photographers.



(L to R): Brian Ronald, Sunset on the Rocks – www.flickr.com/people/30100117@N07

Joan Richards, My Bank – www.flickr.com/photos/31527225@N05

Brian Ronald, Please Mr. Postman – www.flickr.com/people/30100117@N07

Carol Rawlings Brantford Reflection – www.flickr.com/photos/callieian/

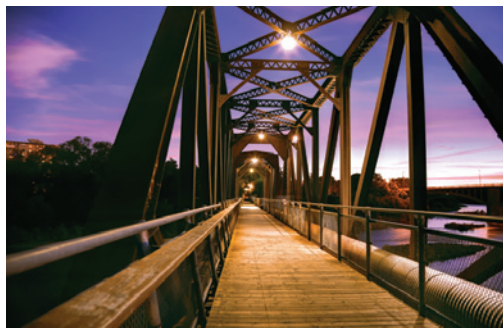
Jordon Slaght, Expositor Building – www.flickr.com/photos/ruralrooted

Joan Richards, Tulips At City Hall – www.flickr.com/photos/31527225@N05

Asmaa-Deanna Budgell, Brant Monument – www.flickr.com/photos/deannabeth

Randi Scott, Photo Walk Brantford – randiscottphotography.blogspot.ca

Randi Scott, Red Green Blue – randiscottphotography.blogspot.ca



Cover photo courtesy of

Randi Scott

randiscottphotography.blogspot.ca

Randi is a freelance photographer that calls Brantford home. He picked up his first DSLR in 2008 and has been shooting ever since. This photo was taken with a Canon 5D II just as the bridge lights were coming on. He encourages everyone to go out and discover the beauty of Brantford.



Brantford Energy Corporation

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