

# CAPITAL POWER CORPORATION

Notes to the Consolidated Financial Statements

(Tabular amounts in millions of Canadian dollars, except share and per share amounts)

## 25. Other reserves:

Components of other comprehensive income and other reserves are established as follows:

### Cash flow hedging

The cash flow hedging reserve represents the cumulative portion of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is reclassified to income or loss only when the hedged transaction affects the income or loss, or is included as a basis adjustment to the non-financial hedged item, consistent with the relevant accounting policy.

### Cumulative translation reserve

The cumulative translation reserve for foreign operations represents the cumulative portion of gains and losses on retranslation of foreign operations that have a functional currency other than Canadian dollars. The cumulative deferred gain or loss on the foreign operation is reclassified to income or loss only on disposal of the foreign operation.

### Defined benefit plan actuarial gains and losses

The defined benefit plan actuarial gains and losses represent the cumulative differences between actual and expected experience and from changes in actuarial assumptions used to determine the accrued benefit obligation.

### Equity settled employee benefits

The equity-settled employee benefits reserve reflects share options granted to employees under the employee share option plan. Information about share-based payments to employees is in note 28.

## 26. Change in non-cash working capital:

	2012	2011
Trade and other receivables	\$ (105)	\$ 74
Inventories	(14)	3
Trade and other payables	(12)	(50)
Deferred revenue and other liabilities	-	4
Provisions	(9)	11
	<u>\$ (140)</u>	<u>\$ 42</u>