

**ALBERTA SECURITIES COMMISSION**

**STAFF NOTICE 52-101**

**Interim Financial Statements -- GAAP Revisions**

Issuers and their advisers are reminded that the Canadian Institute of Chartered Accountants recently released Handbook Section 1751, "Interim Financial Statements" covering the requirements to be followed in the preparation and disclosure of interim financial statements. This is effective for public enterprises with fiscal years beginning on or after January 1, 2001. Staff of the Alberta Securities Commission suggests that issuers and their advisers carefully review the new Handbook provisions and ensure that they fully comply when they are preparing their interim financial statements.

Among other things, the Handbook now requires a balance sheet and a statement of retained earnings as at the last day of the current interim period with comparative statements for the immediately preceding fiscal year and additional disclosure in notes to the interim financial statements. Additionally, income statements and cash flow statements are required for the current interim period and cumulatively for the fiscal year to date along with comparative statements for the comparable interim periods of the immediately preceding fiscal year. The new Handbook section also includes specific recognition and measurement requirements. Issuers are also reminded of the new earnings per share rules which are set out in Handbook Section 3500 which are also applicable to interim financial statements.

Pursuant to section 144 of the Alberta Securities Commission Rules, financial statements permitted or required by the *Securities Act* (Alberta) or the Commission Rules must be prepared in accordance with generally accepted accounting principles ("GAAP") and applicable provisions of the Act or Commission Rules.

Accordingly, modifications to GAAP effected by amendments to the Handbook, including those discussed above, apply to interim financial statements filed, or required to be filed, with the Commission.

For further information, contact:

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