There are two parts to this requirement set out in Annex 1 item 12 of PR Appendix 3. The first requires backward-looking disclosures from the date of the document to the date of the last period end, explaining relevant activities that have occurred. The second requires forward-looking disclosures explaining relevant activities that are expected to occur from the date of the document to the end of the current financial year. An initial submission often lacks one of these parts.

It is usual for any significant change disclosed pursuant to Annex 1 item 20.9 to be explained in the section on the issuer’s current trading. Often such significant changes are only disclosed in fairly late drafts, and advisers should consider whether consequent updates should be made to the issuer’s disclosures under Annex 1 item 12.

Where issuers disclose their expectations for the current year they should be wary of making an unintentional profit forecast, as this will be subject to Annex 1 item 13. Occasionally, such profit forecasts will have been made in public statements before the publication of the prospectus, and issuers and their advisers should be aware that such statements still constitute a profit forecast, despite the fact that the statement was made unintentionally.

The type of activity that requires disclosure will differ according to the sector, industry and country an issuer operates within and the Prospectus Directive requires issuers to strive to make informative disclosures. However, only those activities that are likely to have a material impact on the issuer’s current prospects are required by this item. If there are no such factors, issuers should consider making a statement to this effect.

This article applies equally to all those annexes of PR Appendix 3 where the equivalent disclosure requirements are necessary: Annex 10; Annex 23; Annex 25; and Annex 28.