

# Primary Market Technical Note

## Current trading and trend information

The information in this note is designed to help issuers and practitioners interpret our Listing Rules, Prospectus Regulation Rules, Disclosure Guidance and Transparency Rules, and related legislation. The guidance notes provide answers to the most common queries we receive and represent FCA guidance as defined in section 139A FSMA.

PR Regulation  
Disclosure  
Annexes,  
Annex 1  
Section 10,  
Section 11 and  
item 18.7

There are three parts to this requirement set out in Annex 1 Section 10 of the PR Regulation. The first (item 10.1.a) 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 (item 10.1(b) requires backward-looking disclosures from the date of the last financial period end for which financial information has been published, in relation to the financial performance of the group. The third (item 10.2) 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 common for the significant change disclosures required in Annex 1 item 10.1(b) to be disclosed together with any significant change disclosed pursuant to Annex 1 item 18.7. These significant changes are usually 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 Section 10.

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 Section 11. 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 Regulation 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 the PR Regulation where the equivalent disclosure requirements are necessary.