
COURSE NOTES / SEPTEMBER 2026

Corporate Transactions, M&A & Private Capital

Specialist study in ownership, diligence, transaction terms, funding and controlled completion.

Careful reading. Applied work.
Accountable professional judgment.

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A note on this edition

These materials support an editorial learning pilot. Exercises use fictional matters and are not legal advice. No accredited award or practising qualification is offered. Read the stated scope and assessment conditions before you begin.

B07 | Corporate records, ownership and governance

Learning focus

Prerequisite: C01–C06. Reconcile issued and diluted ownership without treating an options spreadsheet as legal authority. Open Meridian M01–M04 before the independent task.

First pass: retrieve C03's percentage calculation and reconcile M02's issued shares before opening the conflicting option records. Separate the numerical sitting from the approval-reading sitting. Move on when both denominators are labelled, discrepancies remain visible, and each proposed corporate step has its own evidence question rather than a single approval tick.

Study notes

Start a corporate matter by reconciling the legal entity, constitutional documents, ownership records, decision-makers and relevant agreements. A pitch-deck ownership chart is not a substitute for the register and supporting instruments. Record document date, status, signature and what it actually proves. A filed record, internal ledger and executed agreement can answer different questions.

Separate issued shares, options, convertible rights and an unallocated option pool. They do not all represent present voting shares. A “fully diluted” percentage depends on an expressly defined denominator; it may include rights not yet exercised. Build both issued and stated fully diluted views, with assumptions and reconciliation. Do not conceal a mismatch by adjusting a founder's balance until percentages total 100.

Company decisions require legal and documentary analysis. The articles, shareholder agreement, board approvals and statutory rules may impose distinct requirements. A commercial majority does not automatically answer class consent, pre-emption, conflicts or authority. Sections 172, 175 and 177 help structure directors' duty/conflict questions; section 994 provides a separate statutory minority-remedy context, not a replacement for negotiated rights. [Companies Act 2006, section 172](#) [Companies Act 2006, section 175](#) [Companies Act 2006, section 177](#) [Companies Act 2006, section 994](#)

Distinguish power to allot from pre-emption. Sections 549–551 address directors' allotment authority in their respective circumstances; section 561 addresses statutory pre-emption in its scope, with related exceptions/disapplication requiring separate review. Neither “the board approved” nor “existing holders agreed the price” is a complete issuance checklist. [Companies Act 2006, section 549](#) [Companies Act 2006, section 550](#) [Companies Act 2006, section 551](#) [Companies Act 2006, section 561](#)

Prepare an approval pack that links each proposed step to the decision required, source, quorum/conflict issue, evidence and owner. Record unresolved items before presenting documents as ready for signature. Do not manufacture missing resolutions or backdate a record to make the file appear complete.

Worked example

A fictional company has 800 issued ordinary shares, options over 100 shares and a proposed unallocated reserve of 100. Its founder owns 400 issued shares. For this numerical example only, all issued shares have equal voting rights and the agreed fully diluted view includes both options and reserve.

Interest	Issued shares	Included in stated diluted model	Evidence limit
Founder	400	400	Register evidence still needs supporting instruments
Other issued holders	400	400	Same stated voting assumption
Options	0	100	Not assumed exercised or voting
Unallocated reserve	0	100	Modelling assumption, not a present holder
Total	800	1,000	Denominators answer different questions

Completed explanation: "Founder holds $400/800 = 50\%$ of issued shares and $400/1,000 = 40\%$ on this diluted basis. The second figure does not reduce today's assumed issued votes. Confirm options, reserve treatment, articles, allotment authority and applicable pre-emption separately." A mathematically balanced model cannot supply a missing approval.

For a separate legal-route illustration, assume an English private company incorporated in 2015, one class of ordinary shares, articles that do not prohibit the directors using section 550, and a proposed cash allotment of more shares of that same class to an outside investor. Assume this allotment falls within section 561 and no exception, exclusion or disapplication applies. These are supplied teaching assumptions, not conclusions about Meridian.

Question	Worked application	What remains
Directors' allotment power	Section 550 provides the route on the stated one-class/same-class and articles assumptions; do not demand section 551 authority automatically for every company	Confirm the actual company, class and articles before using that route elsewhere
Existing holders' pre-emption	Section 561's required offer process is separate; no offer/response evidence is supplied	Do not recommend the outsider allotment as ready merely because directors have power or agree the price; verify the required process

This is not a complete issuance opinion: duties, conflicts, other consents, documentation and records remain distinct workstreams.

Guided practice

An investor proposes excluding the unallocated reserve from the denominator. Recalculate the founder's diluted percentage without changing the source records.

For the separate legal-route illustration, change the proposed allotment to a new preferred class. Can you keep the same section 550 explanation without further review?

Feedback

$400/900 \approx 44.44\%$ under that alternative definition. Label the changed denominator; do not delete the reserve record or present the new figure as proof of the agreed financing terms. Issued ownership remains 50% on the supplied assumptions.

No for the legal variation: section 550's same-class premise no longer supports the proposed new class. Examine the section 551 authority route, the proposed rights and the separate pre-emption and approval requirements. Do not turn an earlier ordinary-share approval into authority for different securities.

Practice assignment

Using Meridian M02–M04, reconcile the ownership schedule, distinguish issued and option interests, and build an approval matrix for the proposed sale and investment. Submit formulas, an exception list and a 450-word governance note. Identify records needed to resolve inconsistencies rather than inventing them.

Participation

Pods conduct a fictional board-paper review. One learner challenges authority, one conflicts, one economics and one record quality; a chair summarises outstanding decisions. Each submits an individual correction or escalation.

Source study

Use three reading passes in the same approval matrix: CA549–CA551 for the allotment route; CA561 and its cross-references for the separate pre-emption question; C03's CA172/CA175/CA177 for duties and conflicts. Read CA994(1) only to locate the distinct minority-remedy context, not to prepare a petition. Explain why one signed approval does not establish that every required corporate step was validly taken. Do not read the whole Companies Act before starting the numerical reconciliation.

Readings for this unit

[Companies Act 2006, section 549](#) — UK company law. Read: Section 549. Check: Identify the starting restriction and exceptions for allotment authority.

[Companies Act 2006, section 550](#) — UK company law. Read: Section 550. Check: When may the one-class private-company route apply and what may the articles change?

[Companies Act 2006, section 551](#) — UK company law. Read: Section 551. Check: What scope and duration does the actual authority permit?

[Companies Act 2006, section 561](#) — UK company law. Read: Section 561 and referenced exceptions/disapplication provisions. Check: Separate new-issue pre-emption from the transaction's transfer restrictions.

[Companies Act 2006, section 175](#) — UK company law. Read: Section 175. Check: Check situational conflicts and possible authorisation.

[Companies Act 2006, section 177](#) — UK company law. Read: Section 177. Check: Check interests in the proposed transaction separately.

[Companies Act 2006, section 994](#) — UK company law. Read: Section 994(1). Check: Distinguish the statutory remedy context from negotiated investor rights.

[Companies Act 2006, section 172](#) — UK company law. Read: Duty to promote success, statutory factors and limits. Check: Relate this source to the cited proposition and state its scope.

B08 | Deal structures and purchase-price mechanics

Learning focus

Prerequisite: C03 and B07. Build a price bridge and show the separate destinations of secondary and primary cash. This is a negotiated model, not an independent valuation.

First pass: rebuild C03's bridge from its inputs, then draw the seller-payment and company-subscription arrows separately. Move on when a changed debt figure updates the price without being mistaken for an actual lender payment, and your model discloses the unresolved definitions and sequencing.

Study notes

An acquisition of shares changes ownership of the target company; an asset transaction transfers selected assets and agreed liabilities through the relevant mechanisms. This distinction affects consents, employees, contracts, tax, continuity and risk allocation. Do not assume every contractual right automatically transfers in an asset sale or that a share sale avoids all change-of-control restrictions.

Build a structure chart showing buyer, seller, target, acquisition vehicle, lender and any retained owners. Then identify what moves: shares, assets, cash, debt, rights or obligations. Distinguish legal completion from economic assumptions. A seller may retain an interest, reinvest proceeds or receive deferred consideration, each requiring specific documentation.

Enterprise value describes a negotiated value of the operating business in a particular model; equity value is what remains after defined adjustments. In a simplified cash-free/debt-free completion-accounts model, equity value equals enterprise value less included debt plus included cash plus/minus an agreed working-capital adjustment. Definitions govern: debt-like items, restricted cash and transaction expenses can be contested. Do not count one liability both in debt and working capital without an agreed basis.

Compare completion accounts with a locked-box approach conceptually. Completion accounts adjust reference figures at completion through a defined process. A locked-box structure uses an earlier reference balance sheet with contractual protection against specified value extraction and agreed economic arrangements. Neither eliminates diligence or disagreement; the drafting determines risk, evidence, deadlines and remedies.

Price mechanisms should specify preparation, access, accounting policies, objection, expert determination and finality. An analyst should reconcile the worksheet to the agreement and make assumptions explicit, rather than declare a single "correct" price independent of the chosen definitions.

Worked example

Fictional Alder's agreed model uses the following £m inputs and no other adjustments:

Price step	Operation	Running value (£m)
Enterprise value	Start	10.0
Included debt	Subtract 2.0	8.0
Included cash	Add 0.5	8.5
Working - capital shortfall	Subtract 0.2	8.3
80% secondary stake	8.3×0.80	6.64

Cash/ownership map: buyer → £6.64m to selling holders → receives existing shares; buyer → a separate £1m subscription to Alder → receives newly issued shares on separately agreed terms. The £1m is not automatically extra seller proceeds. Its pricing, denominator and sequencing are needed to determine the final percentage.

Completed review note: "Reference secondary price £6.64m on the stated definitions. Confirm treatment of restricted cash, interest and working capital. The £2m deduction affects price; it does not transfer £2m to the lender. Identify who funds any required repayment in the separate funds flow." The workbook implements this bridge with changeable inputs.

Guided practice

The £0.2m shortfall includes a liability already included in debt. What must the reviewer do before applying both deductions?

Feedback

Identify the overlapping item and the agreed definitions, then reconcile its treatment. Do not silently deduct it twice or remove it to favour one party. The model's intended allocation, not a generic accounting label, must resolve the overlap.

Practice assignment

Using Meridian M01 and M08, calculate the reference equity bridge and the price for the proposed secondary stake. Distinguish the separate primary investment. Prepare a two-page structure/price note identifying three definition questions, one double-counting risk and conditions that could change the figure. Show formulas and units.

Participation

Assign buyer, seller and finance reviewer. Each explains one disputed price definition and the documents needed to resolve it. Do not negotiate by concealing a known calculation error.

Source study

Use the original Meridian terms as the source for calculations. Consult CA43/CA44 for a separate authority/execution question and TUPE for why an asset/undertaking transfer may need employment-specialist review; the government overview does not decide this transaction.

Readings for this unit

[Companies Act 2006, section 43](#) — UK company law: check extent. Read: Section 43. Check: Which authority question remains independent of the price calculation?

[Companies Act 2006, section 44](#) — England and Wales company execution context. Read: Section 44. Check: Which execution route is being considered?

[UK government: business transfers and employee rights](#) — UK employment overview. Read: Overview: when a business transfers. Check: Use as an employment referral trigger, not a conclusion on this transaction.

B09 | Diligence scope, requests and materiality

Learning focus

Prerequisite: B07–B08. Turn a risk hypothesis into a targeted document request and a prioritised review plan. A completed file count is not the learning outcome.

First pass: choose one B08 structure assumption and ask which document could disprove it. Draft that request before building all eight. Move on when each priority request names the question, evidence and transaction decision it serves, and your plan retains an exception for a low-value but business-critical item.

Study notes

Due diligence informs a decision; it is not a promise to discover every possible issue. Scope the transaction, client objectives, materiality, workstreams, dates, exclusions and intended reliance. An acquisition of a software business may make IP ownership and customer continuity central even if those documents are few. A volume target is a poor substitute for a risk hypothesis.

Prepare a request list connected to questions. "All contracts" may be inefficient and incomplete. Identify categories, periods, thresholds, exceptions and supporting amendments. Ask for evidence of approvals and implementation, not only policies. Track requested, received, missing, superseded, reviewed and escalated states.

A data-room index should distinguish document identity from location. Files move; an evidence reference needs a stable identifier, version/date and relevant passage. Record whether a document is signed, draft, redacted or incomplete. Do not infer an absent schedule's content. A seller's statement that "all consents are in place" is evidence of a statement, not the consents themselves.

Materiality has financial, legal and operational dimensions. A small contract may supply essential infrastructure or carry a non-transferable licence. Categorise issues by consequence, likelihood/uncertainty, timing, remedy and owner. A red/amber/green label must have a reason and next action.

Diligence should lead to responses: further investigation, price adjustment, pre-completion action, contractual protection, post-close integration or a decision not to proceed. Not every issue should become an indemnity. Some cannot sensibly be priced, shifted or cured after completion. Respect scope limits and escalate to specialists where necessary. [SRA: statement of solicitor competence](#)

Worked example

A fictional target's £2,000-a-year supplier hosts its only backup. The standard financial threshold is £10,000. A supplied operations note says the last restore test failed; no subsequent test is supplied.

Completed scope exception: "Include backup supplier despite low spend: recoverability is business-critical and a failed test is recorded." Completed request RQ-03: "Provide the executed service agreement and amendments, latest restore-test results including the failed test and corrective action, data-export/termination terms and the responsible recovery owner."

Hypothesis	Evidence currently available	What the request tests	Decision affected
Recovery may be unreliable	Operations note, not a full technical report	Whether a successful retest and usable rights exist	Pre-completion remediation, contingency cost and continuity decision

Report status: "Open; operational concern supported, legal breach not established. Operations to obtain the test evidence; counsel to examine the contract." The request is narrow enough to answer but broad enough to include amendments and implementation evidence.

Guided practice

The seller provides a clean contract but no successful test. Can this workstream close?

Feedback

No: the contract addresses promised rights, not whether recovery works. Record the received document and the outstanding test separately. Ask for evidence that could resolve the operational hypothesis; do not simply repeat "all documents required."

Practice assignment

Create a diligence plan for Meridian: scope, eight targeted requests, workstream owners, materiality criteria and an evidence index. Identify three documents you would review first and explain why. Submit a 600-word plan and tracker; do not claim the review is complete because every supplied file has been opened.

Participation

Another pod acts as a seller team and answers requests narrowly but honestly. Refine unclear requests and distinguish an incomplete response from proof of an adverse fact. Each learner submits one improved request.

Source study

For optional professional comparison, read SRA B1–B3 and B7. Translate the standards into three verifiable actions in your plan rather than treating the framework as substantive transaction law.

Readings for this unit

SRA: statement of solicitor competence — England and Wales. Read: B1–B3 and B7. Check: Optional benchmark: translate investigation and analysis into verifiable requests and a scoped decision.

B10 | Commercial, people, IP and data diligence

Learning focus

Prerequisite: B09. Write a source-to-consequence issue entry and choose a workstream-specific response. Use Meridian M06–M07 rather than inventing complete agreements from extracts.

First pass: complete the source → consequence → action chain for one customer restriction, using B09's materiality test. Then compare people, IP and data evidence. Move on when your entries distinguish a missing document from proof of breach and update when a conditional consent replaces the earlier gap.

Study notes

Review contracts as sources of cash flow, obligations and dependencies. Identify customer concentration, term, termination, renewal, assignment/change of control, exclusivity, pricing and disputes. Analyse amendments and side letters together with the main agreement. A customer generating substantial revenue can be more material than several large-looking templates never used.

People diligence distinguishes employment, consultancy and other relationships; labels alone do not establish legal status. Request terms, IP/confidentiality arrangements, incentive promises, disputes and proposed changes. Identify transaction-related employment questions for specialists. Do not assume every share acquisition or asset transfer receives identical treatment under TUPE. [UK government: business transfers and employee rights](#)

For IP, trace the business-critical assets to creators and rights documents. Employee and contractor work may have different first-ownership analysis under the relevant law. A missing assignment can affect the buyer's ability to use or commercialise an asset; an invoice is not a universal substitute for signed rights documentation. [Copyright, Designs and Patents Act 1988, section 11](#) [Copyright, Designs and Patents Act 1988, section 90](#)

Data diligence maps activities, roles, notices, vendors, security controls and incident history. A policy document does not prove operating compliance. Ask for implementation evidence and unresolved issues. Scope privacy analysis to the relevant jurisdictions and facts; disclose what a limited review cannot establish. [ICO: what needs to be included in the contract?](#)

Write issues as a chain: source fact → legal/commercial question → transaction consequence → proposed action. Avoid both extremes: “missing document, therefore illegal” and “seller says fine, therefore no issue.” Preserve uncertainty while making a useful recommendation.

Worked example

In a separate fictional acquisition, target revenue is £2m; customer Sable contributes £700,000. Signed extract S-4 requires prior written consent for the proposed control change and permits termination if it occurs without consent. No consent is supplied. A payroll spreadsheet also lists a proposed £20,000 deal bonus, without underlying terms.

Completed commercial finding: "Sable continuity — high priority. S-4 engages on the proposed transaction; $\text{£700,000/£2m} = 35\%$ revenue is exposed to the stated termination mechanism if the change occurs without consent. Absence of consent in the file is not proof it does not exist. Request the complete agreement and consent; consider a completion condition or another authorised continuity solution. Owner: transaction lead/customer workstream."

Completed people entry: "Bonus — evidence unresolved. Spreadsheet supports a recorded proposal, not automatically a binding £20,000 liability. Request employment/bonus terms, approvals and payment triggers. Employment and finance reviewers to assess enforceability and price treatment."

Why the responses differ: a customer continuity condition addresses an operating dependency; a bonus inquiry determines entitlement and economic treatment. Neither is solved by labelling every gap an indemnity.

Guided practice

Sable confirms consent, conditional on a new buyer guarantee. Close or update the finding?

Feedback

Update it. Consent is conditional; the guarantee creates a new obligation requiring scope, financial and authority review. Do not retain "no response received," but do not mark unconditional continuity secured either.

Practice assignment

Review Meridian M06–M07. Produce four issue entries covering commercial continuity, people, IP and data. For each include source ID, fact, uncertainty, consequence and proposed deal response. Rank them and explain why a small financial item may still be material.

Participation

Specialist pods teach each other one issue without presenting themselves as final counsel. Other learners must identify the source and the decision needed. Individually revise the issue least clearly explained.

Source study

Read IP11/IP90, TUPE's scope overview and ICO28. Write three questions these materials prompt; avoid claiming the limited reading proves the target compliant.

Readings for this unit

Copyright, Designs and Patents Act 1988, section 11 — UK copyright. Read: Section 11(1)–(2). Check: Which creator/relationship facts matter?

Copyright, Designs and Patents Act 1988, section 90 — UK copyright. Read: Section 90(3). Check: What assignment evidence is missing?

UK government: business transfers and employee rights — UK employment overview. Read: Overview: when TUPE applies. Check: Frame a transaction-specific employment question rather than assuming identical share/asset treatment.

ICO: what needs to be included in the contract? — UK data protection. Read: Particulars, required terms and current review notice. Check: Identify evidence needed for the processor workstream; a privacy policy alone is not implementation evidence.

B11 | Debt, security, guarantees and consents

Learning focus

Prerequisite: B08–B10. Separate permission for a transaction from repayment and effective release. Produce a documentary checklist and locate the actual statutory timing rule.

First pass: return to B08's cash arrows and identify borrower, lender and security provider before reading the release conditions. Move on when you can distinguish sale consent, payoff, security release and guarantee release, with an owner and evidence for each; no inferred completion from a supportive email.

Study notes

Map obligations by entity. Who borrowed, guaranteed, granted security or agreed a financial covenant? A group's debt summary can hide which company is bound. Identify instrument, borrower, guarantor, secured assets, lender, maturity, repayment triggers and consent requirements. Reconcile balances to the price model without assuming all accounting liabilities are "debt" under the agreement.

Security and guarantees are different protections. Security gives rights over specified assets under the relevant legal mechanism; a guarantee or indemnity creates particular personal obligations. Their enforcement and priorities depend on law and documents. Do not assume a lender's written consent to a share sale releases security or extinguishes a guarantee.

For UK company charges, section 859A supplies a registration framework and a period tied to creation, with related provisions and exceptions. Use the actual creation event and relevant law; the date an analyst receives a document is not the start of every legal clock. Treat defects, extensions, priority and insolvency consequences as matters for qualified review. [Companies Act 2006, section 859A](#)

Section 859A(4)'s stated period is 21 days beginning with the day after creation of the charge, unless an order under section 859F allows a longer period. Identify whether the charge falls within the section and verify the creation event and related rules before calculating a deadline. This is distinct from a contractual obligation to deliver a release at closing; registration is not proof that a debt has been paid or security released.

A closing condition can require a payoff letter, release instruments, evidence of authority and arrangements for discharge/registration. Distinguish signed releases held to order from effective releases, and identify who controls satisfaction. Never mark a lender workstream complete because the parties verbally expect repayment.

Consent analysis is trigger-specific. Assignment, change of control, asset disposal, refinancing and amendments may have separate provisions. A consent to one step may not cover another. Record scope, conditions, timing, authority and evidence; integrate unresolved consents into the timetable and transaction documents.

Worked example

Fictional facility F1 permits a shareholder change after written lender consent. It remains outstanding after that change; repayment is triggered by a later asset disposal. Letter F2 consents only to the shareholder change and expressly retains security and the founder guarantee.

Question	Completed conclusion on F1/F2	Additional evidence/action
Shareholder change permitted?	Consent evidenced for that specified step, subject to letter conditions	Verify transaction and entity match
Debt repaid?	Not established; facility continues	Obtain payoff/funding arrangements if repayment is now proposed
Security released?	No release in F2; expressly retained	Agree effective release instruments and conditions if required
Founder guarantee ended?	Not under supplied consent	Separate release and guarantor/ counsel review

Completed handover: "Do not label this workstream 'all debt matters cleared.' The sale consent is narrower than repayment, security discharge and guarantee release." A company-level debt chart should show borrower, security provider and guarantor separately.

Guided practice

The lender signs a release held to order pending receipt of cleared funds. What status belongs on the checklist?

Feedback

"Signed, held pending payment/release conditions; effectiveness not confirmed." Name who verifies funds and authorises release. Holding a signed document is not proof that the condition has occurred.

Practice assignment

Using Meridian M08–M09, draw the debt/security map and create a consent/release checklist. Reconcile included debt to your price bridge. Identify evidence needed for repayment and release, and prepare three specialist questions about registration, priority or timing. No real filings or payments are authorised.

Participation

Run a closing readiness review with buyer, lender and company-secretarial roles. Each learner must identify one item that cannot be marked complete from the supplied evidence and propose the next action.

Source study

Read CA859A and its cross-references. Distinguish the exercise's contractual closing deadline from statutory registration analysis; do not calculate a real deadline without verifying all facts and rules.

Readings for this unit

[Companies Act 2006, section 859A](#) — UK company charges. Read: Section 859A, especially (4), with section 859F cross-reference. Check: Identify creation, scope and the statutory period; distinguish that clock from a contractual release condition.

B12 | Diligence reporting and disclosure

Learning focus

Prerequisite: B09–B11. Write an evidence-based executive finding and a specific disclosure question.

Rehearse before the separate BT1 specimen.

First pass: turn one B10 issue entry into a decision sentence and check it against the supporting evidence.

Move on when the executive summary and annex describe the same uncertainty and offer a useful next step. Correct the short Q7/Q8 rehearsal before adapting your Meridian work to BT1's replacement figures.

Study notes

A diligence report should help the reader decide what to do. Begin with scope, date, information reviewed, limitations and a concise priority summary. An issue entry needs an evidence reference, analysis, consequence, response and owner. Separate confirmed facts from statements, assumptions and unavailable information.

Disclosure is not merely attaching the diligence report to a purchase agreement. Its effect depends on the transaction's warranties, disclosure standard, general/specific disclosures, knowledge qualifications and agreed documents. A seller may seek broad data-room disclosure; a buyer may require specific, adequately explained exceptions. Neither should be treated as universally correct. Examine the actual wording and governing law.

Tie each finding to possible responses. A missing consent might require a condition; a known liability might inform price or a specific protection; an operational gap might become a post-close action. A warranty is not proof that the underlying fact is true. Nor does insurance automatically replace diligence or cover every known issue.

Avoid false assurance. "No issues" should not mean "no documents supplied." Explain what has been reviewed and what remains. A qualifications section cannot cure a misleading headline that suggests complete certainty. Update the report when material new information arrives and preserve the earlier version and change record.

Use an escalation threshold rather than flooding the decision-maker. Priority is contextual: impact on the deal, deadline, ability to mitigate and quality of evidence. A concise report can remain rigorous when its annex preserves the supporting detail. [SRA: statement of solicitor competence](#)

Worked example

Fictional licence Q7 requires the licensor's written consent to assignment. The proposed asset sale transfers that licence; seller email Q8 says "transfer is fine," but attaches no consent.

Completed executive finding: "Licence transfer is unresolved and may affect operation after completion. Q7 requires consent for this proposed assignment. Q8 records seller assurance, not the licensor's consent. Obtain the full licence and written consent; consider a condition or alternative licence before committing to continuity. The review covers supplied extracts only."

Completed specific disclosure question: "Against draft warranty W6 (transferability), identify Q7's consent restriction, the proposed transfer, whether consent has been sought, any conditions and the supporting document/version. Please do not rely only on the filename Q7."

Completed limitation: "No conclusion on legal sufficiency of disclosure until the agreed warranty, disclosure standard, complete documents and governing law are reviewed." This qualification is consistent with the headline; it is not a hidden caveat beneath a "no issues" summary.

Guided practice

The seller places Q7 somewhere in a 400-file data room. Does that necessarily qualify the warranty?

Feedback

No. Check the agreed disclosure mechanism, specificity, index, cut-off and actual availability. The document's presence is a fact; its contractual effect is a separate analysis. Do not presume either effective disclosure or no effect merely from file count.

Practice assignment

Rehearse on the Q7/Q8 licence example: submit a 400-word report, an evidence entry, a specific disclosure question and two alternative transaction responses with their limitations. A peer should be able to identify the decision changed by your report. After feedback, complete the separate BT1 specimen on Meridian with its changed figures; the published specimen is not an unseen examination.

Participation

Peers act as an investment committee and ask what decision each issue changes. If a finding changes no decision, explain why it remains material or move it to background. Each learner revises one report entry.

Source study

For optional professional comparison, read SRA B3, B4 and B7. Identify how an accurate report can still be unhelpful if it gives no practical options or owner.

Readings for this unit

SRA: statement of solicitor competence — England and Wales. Read: B3, B4 and B7. Check: Optional benchmark: make the decision, source limits and next action visible in the report.

B13 | Acquisition agreements and allocation of transaction risk

Learning focus

Prerequisite: B08–B12. Connect a known risk to an appropriate deal mechanism and calculate two expressly defined basket alternatives. Do not infer the missing mechanism in Meridian's draft.

First pass: recall C02's entitlement/loss distinction; follow one qualifying claim through the stated basket before adding a cap. Move on when your model tests the exact threshold and explains the order of operations, while your deal response addresses continuity as well as possible compensation.

Study notes

An acquisition agreement coordinates price, transfer, promises, conditions, conduct and remedies. Identify the signing-to-completion period, if any, and what risk each party bears during it. A condition determines whether a step must occur before completion; a covenant requires conduct; a warranty is a contractual statement whose breach has consequences under the agreement and law. Labels do not resolve every remedial question.

Analyse warranties together with disclosure, knowledge, materiality, limitations and claim procedures. A broad warranty may be commercially weak if recovery is narrowly capped or time barred. Conversely, an apparently narrow statement may carry a specific remedy. Distinguish operational facts, title/authority and future promises.

Indemnities and price adjustments may address particular identified risks, but neither is automatically the best response. If a critical licence cannot lawfully be used after completion, money may not substitute for continuity. Consider a condition, structural change, consent or abandoning that part of the transaction.

Limitations need coherent interaction: de minimis claims, baskets, caps, periods, notification and conduct of claims. In an original teaching agreement, a deductible basket pays only the amount above the threshold, while a tipping basket pays the qualifying amount once the trigger is met; actual drafting must establish which mechanism applies. Test examples around the threshold and check whether multiple claims aggregate.

Do not copy commercial-service liability language into a share-purchase agreement without analysis. Transaction economics, disclosure, risk knowledge and remedial structures differ. Interpret the whole document and maintain the consistency of definitions and schedules. [Wood v Capita \[2017\] UKSC 24](#)

Worked example

Assume all claims in the table qualify, no claim is excluded by a de minimis, and no cap or time bar applies. Alternative D pays only the excess above £50,000. Alternative T pays all qualifying claims once their aggregate exceeds £50,000; at exactly £50,000 it pays nothing under this wording.

Qualifying aggregate	D: $\max(\text{claims} - £50,000, 0)$	T: claims if greater than £50,000, otherwise 0
£20,000	£0	£0
£50,000	£0	£0
£80,000	£30,000	£80,000

Completed drafting comment: "Specify which mechanism is intended and whether the trigger is 'exceeds' or 'equals or exceeds'. Then test individual-claim thresholds, aggregation, cap, notice and exclusions in the right sequence." Calling something a basket does not supply these mechanics.

For an essential non-transferable licence, the completed issue response is: "Seek consent or replacement rights as a completion dependency; a financial indemnity alone cannot make the software available." Legal sufficiency and commercial alternatives remain for the authorised reviewers.

Guided practice

Apply a £60,000 cap to the £80,000 row after the basket calculations, with no other change.

Feedback

D remains £30,000; T is limited to £60,000. If you first replace the claim amount with the cap and then deduct the basket, you may obtain a different answer. The stated order of operations matters; read the actual agreement rather than choosing an order by convenience.

Practice assignment

Review base-case Meridian M05 alongside your B12 findings; do not silently carry BT1's replacement figures into the base case. Prepare a purchase-agreement issues matrix and draft two alternative responses to a known customer-consent risk. Model a deductible and tipping basket, then identify how notification and caps affect the comparison. State assumptions and approval needs.

Participation

Buyer and seller teams exchange alternatives. Each must explain one fair reason the other side could reject its preferred allocation. Submit an individual note on the strongest unresolved dependency.

Source study

Use Wood's interpretive method to examine one interaction between warranty, disclosure and limitation wording. The original exercise text—not the case alone—determines the modelled financial mechanism.

Readings for this unit

[Wood v Capita \[2017\] UKSC 24](#) — England and Wales. Read: Paragraphs 10–13. Check: Read warranty, disclosure and limitation wording together; the case does not supply the basket's missing formula.

B14 | Negotiating a transaction under changing instructions

Learning focus

Prerequisite: B12–B13. Preserve a negotiated package across documents and respond to a changed financing fact. Rehearse before a separately observed N1 exercise.

First pass: trace one B13 proposed protection into both the negotiation log and the draft it would change. Move on when you can identify a broken conditional package and update the client's options after the funding-expiry event, without quietly expanding your mandate. Use the correction in N1 preparation.

Study notes

Transaction negotiation is constrained by structure, timetable, financing and client authority. Prepare a prioritised issue list, not a sequence of isolated clause preferences. A price concession can change the acceptable risk allocation, but only the authorised client can decide that trade. Document the package and its conditions.

Distinguish factual clarification from negotiation. Whether a consent exists is an evidence question; who bears its absence is a risk-allocation question. Negotiating before clarifying the fact can produce a provision that fails to address the real problem. Conversely, endless requests can conceal an unwillingness to make a commercial decision from adequate evidence.

Protect the distinction between agreement in principle and binding commitment. The exercise's role mandate governs what you may recommend. Record outstanding approvals and conditions. If a new financing fact undermines the timetable, explain the consequence and alternatives rather than pretending that the existing plan still works.

Listen for interests: seller certainty, buyer continuity, lender security, management incentives and minority protection. They may conflict. A good response acknowledges competing objectives and offers a coherent structure. It does not claim that every difficult point is "market standard" without evidence.

After negotiation, reconcile the document set. An agreed cap may require changes to warranty, indemnity and claims provisions; a retained stake may affect governance and exit arrangements. Assign owners and version control so the handover preserves the actual discussion. [SRA: statement of solicitor competence](#)

Worked example

Fictional buyer proposes dropping warranty W8 only if customer consent becomes a completion condition. Seller's recap says both points are agreed in principle, subject to instructions. Its next draft removes W8 but requires only post-close efforts to obtain consent.

Item	Negotiated proposal	Draft	Completed action
Warranty W8	Waiver conditional on consent condition	Removed	Mark as linked, not independently approved
Customer consent	Required before completion	Post-close efforts only	Restore proposed condition or return whole package for instructions
Authority	Subject to client instructions	No approval supplied	Hold release; confirm mandate

Completed response: "The draft does not implement the conditional package. Our proposed W8 waiver depended on pre-completion consent, not a later efforts covenant. Please restore the linked proposal for review; neither element is released as a final commitment." This identifies the factual drafting mismatch before arguing about commercial acceptability.

Guided practice

The buyer's finance team now says delayed consent would cause its funding offer to expire. What changes in the handover?

Feedback

Add the funding dependency, deadline and authorised decision required. Explore an extension or another coherent structure; do not quietly waive the consent condition or pretend financing remains available. Preserve the previous proposal and explain why it needs reconsideration.

Practice assignment

Rehearse the W8/consent exchange for ten minutes or in writing. Buyer may recommend but not waive the condition; seller may propose but cannot promise third-party consent. Introduce the public funding-expiry change and submit a 300-word individual handover distinguishing facts, options and authority. For a solo rehearsal, write and label both roles. Complete the separate N1 simulation only when a facilitator allocates private mandates and observes individual performance.

Participation

Observers score listening, factual clarity, coherent proposals and authority discipline. Each participant addresses one observer challenge and proposes a specific improvement. Written negotiations are an available equivalent.

Source study

For optional professional comparison, review SRA B6 and C1–C3. Explain why ending a negotiation to obtain instructions may demonstrate competence rather than poor performance.

Readings for this unit

SRA: statement of solicitor competence — England and Wales. Read: B6 and C1–C3. Check: Optional benchmark: track linked proposals and authority when facts change.

B15 | Venture investment rights and economic choices

Learning focus

Prerequisite: C03 and B07–B08. Model simplified preference economics across exit values and distinguish economic ownership from governance rights. These examples are not investment advice.

First pass: calculate post-money ownership with no options, then model the low exit before comparing higher exits. Add governance rights in a separate sitting. Move on when investor and other-holder distributions sum to available proceeds in every scenario and you can explain one consent right that a percentage alone does not reveal.

Study notes

A venture term sheet combines economics, control, information and exit. Separate pre-money value, investment, post-money value, share price and ownership. In a simplified all-primary investment with no options or other changes, post-money equals pre-money plus new cash; investor ownership equals investment divided by post-money. Actual documents may define the denominator and adjustments differently.

For example, £6m pre-money plus £2m new company cash gives £8m post-money and $2/8 = 25\%$ for the investor on that simple basis. “As converted” below means treating the preferred holding as ordinary participation under the assumed conversion terms. In the non-participating model the investor chooses that participation instead of, not in addition to, its preference. First solve this choice for one exit; only then compare the participating alternative.

A liquidation preference determines specified distribution priority; it is not necessarily a guaranteed return. For a simplified 1x non-participating preferred investment, the holder compares the preference with its as-converted participation under the assumed terms. Participating structures, caps, seniority, accrued amounts and multiple classes change the analysis. Model low, medium and high exits rather than quoting a headline multiple.

Control does not equal percentage ownership. Board appointment, reserved matters, class votes, information rights and consent rights may give a minority investor influence over specified decisions. Distinguish a veto over extraordinary action from control of ordinary operations. Read rights together with thresholds, duration, permitted transfers and termination.

Transfer/exit provisions also interact. A right of first refusal offers a specified opportunity before a proposed transfer; co-sale can permit another holder to join a sale; a drag-along can require participation in a qualifying sale under its terms. New-issue pre-emption concerns a different event from transfer rights. Define who can trigger each right, what transaction is covered and the protections for affected holders. A label such as "standard drag" is not operative wording. Detailed drafting and multi-class interactions are further study, not additional calculations required here.

US financing documents provide a comparative architecture, not an English-law precedent to transplant. B19 develops that comparison; for now, read Delaware section 151 as a statutory context for class rights, not as the source of Meridian's negotiated economics. The actual charter and relevant documents remain essential. NVCA's collection is optional context, subject to access, permissions and current versions; you do not need to read a model financing suite to complete this unit. [Delaware General Corporation Law, subchapter V NVCA model legal documents](#)

Worked example

Assume £2m investment for 25% as converted, one preferred class, 1x non-participating preference, optional conversion, and no debt, costs or accrued dividends. The exit amount is distributable equity proceeds, not enterprise value. Preference cannot distribute more cash than is available.

Equity proceeds	Available preference: min (£2m, proceeds)	As-converted: 25% × proceeds	Investor chooses	Other holders receive
£1m	£1m	£0.25m	£1m	£0
£4m	£2m	£1m	£2m	£2m
£12m	£2m	£3m	£3m	£9m

Completed founder explanation: "A 1x preference is priority under these assumed terms, not a guaranteed £2m return. At low proceeds, available cash limits payment. At the high exit the investor converts for 25%; it does not also take the £2m preference." The workbook models this and a separately labelled participating alternative.

Guided practice

Replace the rights with uncapped 1x participating preference plus 25% of residual proceeds, retaining the £4m exit and other assumptions.

Feedback

Investor receives $\text{£}2\text{m} + 25\% \times (\text{£}4\text{m} - \text{£}2\text{m}) = \text{£}2.5\text{m}$; others receive $\text{£}1.5\text{m}$. Do not calculate $\text{£}2\text{m} + 25\%$ of the full $\text{£}4\text{m}$, which counts the preferred distribution again. Different classes, seniority or participation caps require a different model.

Practice assignment

Compare the two original term sheets in Meridian M10. Model three exit values, identify control rights that do not track ownership percentage, and prepare a founder-facing explanation under 700 words. Explain how one additional preferred class or option pool could change the model.

Participation

Founders and investors negotiate one economic and one governance issue. A neutral reviewer tests whether the final explanation hides an important downside. Each learner submits their own scenario table.

Source study

Read DGCL section 151(a)–(c) for how rights relate to governing documents; record why it does not establish Meridian's terms. NVCA's document descriptions are optional external comparison, not an assigned suite of agreements. If access is unavailable, use the original function map in B19 and record the reading gap rather than guessing what a model says. No NVCA endorsement is implied.

Readings for this unit

[Delaware General Corporation Law, subchapter V](#) — Delaware. Read: Section 151(a)–(c). Check: Locate the statutory context for classes/preferences without treating it as the investor's actual rights.

[NVCA model legal documents](#) — US venture financing; document-specific law. Read: Model Certificate of Incorporation and financing document descriptions. Check: Optional comparison: map functions, not clauses to transplant; the original B19 map supports the required exercise if authorised access is unavailable.

B16 | Capitalisation tables, dilution and model discipline

Learning focus

Prerequisite: B07 and B15. Build a formula-bearing cap table and distinguish issued from fully diluted percentages. Pool expansion, convertibles and anti-dilution require additional instrument-specific modelling; do not claim mastery of them from this simple round.

First pass: reconstruct B07's issued/diluted distinction, then follow price per share → new shares → new denominator in the worked round. Move on when a changed investment updates every dependent percentage without changing existing holdings or pretending unexercised options are issued voting shares.

Study notes

A cap table is an explanation of rights and quantities under defined assumptions. Begin with issued shares by class, options granted, unallocated pool, convertible instruments and any committed issuances. Reconcile each to a source. Voting, economic and fully diluted percentages can differ; a single column cannot represent all of them accurately.

In a simple priced round, divide pre-money value by the agreed pre-money fully diluted share count to obtain the price per share. Divide investment by that price to obtain new shares. Recalculate the post-money denominator. Fractional-share treatment, option-pool expansion, convertibles, fees and rounding may complicate this; label exclusions explicitly.

A pre-money pool increase generally dilutes existing holders in a different way from a post-money increase under a stated model. Solve the denominator rather than adding a percentage casually. If an investor will hold 20% post-money and a pool must be 10%, the remaining holders collectively have 70% under those assumptions; the share count required depends on what already exists.

Anti-dilution provisions are contractual mechanisms with definitions and exceptions. Do not apply a remembered formula without reading the agreement. Similarly, a convertible instrument's cap or discount can interact with the financing definition and pool. This founding unit teaches transparent modelling and referral, not every instrument variant.

Build checks: total shares, percentage sum, cash received, source agreement reconciliation and scenario sensitivity. Keep inputs separate from formulas, show units and preserve a version log. A polished spreadsheet with hard-coded outputs cannot be independently reviewed. Document rounding and do not conceal a missing option approval by rebalancing the founder's shares.

Worked example

Assume 900,000 issued shares and 100,000 unexercised options included in the agreed pre-money denominator; no new pool, convertibles, fees or other changes. Pre-money value is £4m; new cash is £1m.

Price/share = £4,000,000 / 1,000,000 = £4. New issued shares = £1,000,000 / £4 = 250,000. The post-money fully diluted denominator is 1,250,000, but issued shares total 1,150,000 while the options remain unexercised.

Holder/category	Before, diluted count	Before, diluted %	After, diluted count	After, diluted %
Founder	450,000	45%	450,000	36%
Other issued holders	450,000	45%	450,000	36%
Unexercised options	100,000	10%	100,000	8%
New investor	0	0%	250,000	20%
Total	1,000,000	100%	1,250,000	100%

Completed explanation: "The founder's count is unchanged; the denominator increases. Investor is 20% fully diluted, but 250,000/1,150,000 $\approx$ 21.74% of issued shares under these assumptions. Voting depends on actual class rights, not this percentage alone." The workbook exposes every formula and checks the percentage total. It does not resolve Meridian's disputed options.

Guided practice

Keep the pre-money denominator and value, but increase investment to £2m. Recalculate new shares, post-money diluted total and founder percentage.

Feedback

Price remains £4; new shares 500,000; diluted total 1,500,000; founder 30%, investor 33.33% approximately. If your model leaves investor at 20%, it contains a fixed percentage instead of the stated formula. Reassess approvals separately from these calculations.

Practice assignment

Build Meridian's issued and stated fully diluted tables without resolving its deliberate option inconsistency by assumption. Add a separate clearly labelled £1m/£4m teaching financing using the worked-example mechanics but your own alternative founder holdings. Submit formulas, source references, a reconciliation log and a 350-word explanation for a non-financial reader.

Participation

Exchange spreadsheets with formulas visible. A peer changes one input and checks whether every dependent output updates. Each learner records one failure test and correction.

Source study

Read CA549–CA551 and CA561 for legal questions a financially balanced model cannot answer. Distinguish a mathematical scenario from valid authority to issue the securities.

Readings for this unit

[Companies Act 2006, section 549](#) — UK company law. Read: Section 549. Check: Why does a correct share count not establish allotment authority?

[Companies Act 2006, section 550](#) — UK company law. Read: Section 550. Check: Check whether the actual company fits this route.

[Companies Act 2006, section 551](#) — UK company law. Read: Section 551. Check: Check any required authority's scope/duration.

[Companies Act 2006, section 561](#) — UK company law. Read: Section 561 and related exceptions. Check: What pre-emption questions remain outside the numerical model?

B17 | Private-equity, acquisition finance and funds fundamentals

Learning focus

Prerequisite: B08, B11 and B16. Reconcile cash sources and uses, identify entity-level obligations and distinguish a fund commitment from funded cash. Fund regulation, fund formation, tax structuring and return forecasting are outside this foundation unit.

First pass: use B08's price and B11's payoff conditions to trace one actual cash use and its proposed funder. Only then add the fund/vehicle relationships. Move on when each scenario balances or exposes an explained gap, without converting a non-cash interest or uncalled commitment into available money.

Study notes

Separate the fund, its manager/adviser, acquisition vehicle, target, lenders and investors. Draw the ownership and cash-flow relationships. A fund commitment is not necessarily cash already held; capital may be called under the governing arrangements. Fees, expenses, carried interest, preferred returns and distributions depend on the documents and applicable law, not one universal "2 and 20" rule.

At acquisition level, model sources and uses. Sources might include sponsor equity, lender debt and rollover equity; uses might include seller consideration, debt repayment, fees and cash retained. If they do not balance, investigate the assumptions rather than adding an unexplained plug. Rollover may change ownership without producing cash available to pay other uses.

Leverage can amplify equity outcomes and financial constraints. A simple enterprise value increase benefits equity differently when debt is repaid, increased or unchanged. Covenants may constrain distributions, disposals, new debt or acquisitions. Distinguish maintenance tests from transaction-based conditions under the actual wording. A numerical covenant is useless without definitions and measurement dates.

For funds, distinguish investment decisions from administration and investor/legal support. Subscription documentation, investor eligibility, disclosures, conflicts, side letters, reporting and regulatory status require specialist treatment. This unit does not authorise securities advice, fund marketing or investment recommendations. Use primary guidance only after confirming jurisdiction and currency.

Private-equity deal work also involves governance after completion: board rights, management incentives, reporting, refinancing and exit. Identify who must implement obligations and what information is needed. A transaction is not complete in an operational sense when signatures are collected if the new structure cannot function.

Worked example

The following independent acquisition model is in £m. It expressly requires both seller consideration and debt repayment as cash uses; no target cash or rollover funds those uses.

Sources	£m	Uses	£m
New lender cash	6.0	Cash paid to sellers	8.0
Sponsor cash	4.5	Existing lender payoff	2.0
		Fees	0.5
Total	10.5	Total	10.5

Completed funding note: "Balances on supplied cash assumptions; availability, draw conditions, company powers and effective releases are not proved by the arithmetic. Obtain evidence for each." Fund investors → fund → acquisition vehicle is a capital route; lender → borrower is a debt route. A £4.5m undrawn fund commitment is not evidence that £4.5m has reached the vehicle.

If an additional £1m target-cash source is proposed, first show the legal entity, permitted use, price treatment and timing. Do not insert it as an unexplained balancing number. Non-cash rollover must be shown as non-cash sources/uses and cannot pay cash fees.

Guided practice

New lender funding falls to £5.5m, with other inputs unchanged. Calculate and report the gap.

Feedback

Sources become £10.0m against £10.5m uses: £0.5m shortfall. Report a funding decision and owner. Do not reduce debt repayment merely because financing is short or use unavailable target cash without authority.

Practice assignment

Prepare Meridian's two separately labelled M09 sources-and-uses scenarios and group structure from the supplied financing assumptions. Identify three questions for lender counsel, two for fund/tax specialists and two post-close governance actions. Add a qualitative downside note: if operating cash generation falls, which payment, covenant or funding assumptions need review and what cash-flow

evidence would you request? No operating forecast is supplied; do not invent earnings, a return forecast or a covenant calculation. A separately labelled numerical sensitivity is optional and must disclose its invented input.

Participation

Simulate a financing committee: each role explains a source, use, condition or residual risk. The recorder checks that a commercial assumption is not presented as a confirmed legal entitlement.

Source study

Read the fictional financing term sheet carefully and revisit CA172/CA859A for company-duty and security questions. The optional SEC resource may be access-restricted; obtain a current official copy through faculty before relying on it for any US regulatory proposition.

Readings for this unit

Companies Act 2006, section 172 — UK company law. Read: Section 172(1)–(3). Check: Frame a company-duty question about the proposed funding arrangement.

Companies Act 2006, section 859A — UK company charges. Read: Section 859A. Check: Identify a security-registration workstream distinct from the cash model.

SEC: private funds — US federal securities overview. Read: Private-funds overview, if authorised access is available. Check: Optional US context only: distinguish a fund from its manager and portfolio companies; no regulatory proposition is required from an inaccessible page.

B18 | Specialist triggers, conditions and transaction timing

Learning focus

Prerequisite: B08–B11. Prepare a targeted regulatory referral and dependency timetable. The assessed skill here is issue recognition and referral, not a merger-clearance, tax or securities opinion.

First pass: take the actual structure from B08 and distinguish one contractual consent from a possible statutory condition. Read only the routed introductory passages before extending the research for your identified issue. Move on when a specialist can see the transaction, missing fact, decision and timing question without reconstructing your whole file.

Study notes

A competent transaction analyst recognises questions requiring specialist input early enough to influence structure and timetable. Potential areas include competition, investment screening, tax, employment, securities, sector regulation and financial assistance/capital maintenance. Identify the facts needed for applicability; do not answer from the industry label alone.

For UK merger control, use the current CMA jurisdiction/procedure guidance rather than a memorised threshold. Turnover, control, share-of-supply and other statutory tests require their own analysis. Investment screening is a separate regime; competition analysis does not determine whether national-security notification or other restrictions apply. Read the relevant NSI guidance and escalate specific activities, entities and control changes. [CMA: mergers guidance on jurisdiction and procedure UK government: National Security and Investment Act guidance](#)

The CMA publication page identifies the December 2025 jurisdiction/procedure guidance and when its procedural changes apply. Record the relevant version for the transaction; do not rely on an older summary. Under the NSI Act, section 13 addresses a notifiable acquisition completed without approval; determining whether the acquisition is notifiable requires the separate statutory tests and activity definitions. A negotiated waiver cannot itself supply statutory approval. This is why factual scoping must precede a completion commitment. [National Security and Investment Act 2021, section 13](#)

A conditions checklist should show legal basis or contractual source, responsible adviser, required information, filing/consent action, sequencing, evidence of satisfaction and waiver authority. Some conditions are negotiated protections; others reflect legal prohibitions that parties cannot simply waive. Do not label all conditions “waivable by buyer.”

Build a dependency timetable backwards from the proposed completion, but do not allow the commercial date to manufacture a legal answer. Identify which steps can run concurrently and which require an earlier decision. Keep current guidance dates and review owners because procedural rules and practice change.

Communicate uncertainty without paralysis. "Specialist review required" should be accompanied by the factual question, potential consequence, deadline and next action. A referral that merely forwards hundreds of documents shifts rather than performs the analytical work.

Worked example

A fictional buyer proposes acquiring 60% of a small technology company. The product description mentions security-related components but does not explain their function or customers. The commercial team wants to complete in two weeks.

Completed referral: "Please assess investment-screening applicability before we confirm completion. Proposed step: 60% share acquisition; exact voting/control rights and activities need confirmation. Attached: structure, product description and draft timetable. Please identify information needed, relevant route, any standstill/approval implications and earliest defensible sequencing. No clearance conclusion is made."

Dependency	Evidence needed	Parallel work allowed in exercise
Activity/control scoping	Detailed products, rights, entities and specialist view	Assemble diligence and commercial drafts
Any required approval	Applicable decision/process and conditions	Prepare a conditional timetable; do not mark completion authorised
Contractual waiver	Actual clause, beneficiary and delegated authority	Separate decision from any non-waivable legal constraint

Why it works: the referral identifies a concrete transaction and decision rather than asking a specialist to "approve everything." Small size is not treated as a universal exemption.

Guided practice

The seller says the buyer can waive "all conditions" under the draft. Does that close the statutory workstream?

Feedback

No. Distinguish the contractual waiver power from any applicable prohibition or approval requirement. Confirm which conditions are contractual, which reflect law, who may decide and what evidence is needed. Do not conclude the transaction actually requires a filing without the missing analysis.

Practice assignment

Create a specialist-referral pack for Meridian: facts, proposed structure, three potential approval questions, missing information and a dependency timetable. Do not conclude that any filing is or is not legally required from the course alone. Distinguish contractual consents, corporate approvals and regulatory conditions.

Participation

Pods assess a last-minute proposed completion date. Each must name one dependency and explain what evidence could remove it. Submit a concise board-facing status note rather than a generic risk disclaimer.

Source study

Open current CMA and NSI guidance pages, record the version/date and identify the section relevant to a supplied question. Avoid importing outdated thresholds into your report. Use TUPE to frame an employment referral, not to decide every transaction's effect.

Readings for this unit

[CMA: mergers guidance on jurisdiction and procedure](#) — UK merger control. Read: Publication update; December 2025 CMA2 paragraphs 1.2–1.5 and 4.1–4.2. Check: Identify the guidance's scope and why the actual transaction matters; follow further provisions only for your specific referral. The full 199-page guide is not assigned.

[UK government: National Security and Investment Act guidance](#) — UK investment screening. Read: Collection introduction and Legislation subsection; locate the linked notifiable-acquisition rules. Check: Frame the activity/control facts for specialist review; a consultation response or a collection-page update is not itself an in-force amendment.

[National Security and Investment Act 2021, section 13](#) — UK investment screening. Read: Section 13. Check: Why can a contractual waiver not itself remove the statutory consequence?

UK government: business transfers and employee rights — UK employment overview. Read: Business-transfer overview. Check: Frame the employment referral without deciding scope from an industry label.

B19 | Investor documents and US comparison

Learning focus

Prerequisite: B07, B15 and B16. Map investment rights to their possible implementing documents and beneficiaries. Compare functions without importing Delaware law into the English transaction.

First pass: trace B15's preference and one governance right to the original function map below; do not start by reading a complete US model suite. Move on when you can identify beneficiary, trigger and termination across the two teaching assumptions and state which source or instrument would settle a remaining jurisdiction-specific question.

Study notes

Map document function before comparing terminology. A financing package may include constitutional rights, subscription/purchase obligations, information rights, voting arrangements and transfer restrictions. The same economic bargain can require several coordinated documents. Updating a term sheet without updating the operative instruments leaves a gap.

In Delaware, section 151 provides a framework for classes/series and their rights as expressed through the relevant authorised documents. The point for this unit is that preferred-stock rights are not established by the label "preferred" alone. Identify the certificate provisions, board authority where applicable, contract rights and other governing law. Do not presume a US model form fits an English company. [Delaware General Corporation Law, subchapter V](#)

Use the NVCA collection to identify functions and commentary, subject to its terms. A model is a starting point, not advice for an arbitrary transaction. Record the version; examples can change. Our exercise documents are original simplified teaching instruments, not a reissued model-document library. [NVCA model legal documents](#)

For comparison, separate statutory rights, constitutional rights and contractual rights. Ask who is bound, how rights are amended, when they terminate, and what happens on transfer or exit. A shareholder contract may create remedies between parties without changing every constitutional mechanism in the way a learner assumes.

Build a translation-of-function table rather than translating clause names literally. "Investor veto" might require examination of class voting and contractual consent. "Pre-emption" can concern new issues or transfers depending on context; state which. Preserve jurisdiction-specific terminology and refer unresolved interaction questions to suitable counsel.

Worked example

Use two expressly fictional assumptions: English-company package E gives quarterly information to an investor while it holds at least 10%; Delaware-company package U allows that information right to continue after a defined permitted affiliate transfer. Neither is described as mandatory or “market standard.”

Bargain/function	Possible implementing location to investigate	Completed comparison question
Preference on equity exit	English articles/share rights; Delaware certificate provisions and authorised class/series terms	Do the operative constitutional rights match the economic model?
Cash subscription and closing promises	Subscription/stock - purchase agreement	Who pays whom, for which securities, subject to which conditions?
Quarterly information	Shareholder/investor - rights arrangements	E's threshold and U's transfer survival change who can demand reports
Voting/board commitments	Constitutional provisions and relevant voting/shareholder arrangements	Who is bound, how are appointments implemented and when do rights end?
Transfer/exit	Applicable articles/certificate and transfer/co - sale/voting contracts	Which transfers trigger rights and what consent/amendment rules apply?

Completed note: “Document headings do not establish equivalent rights. Trace beneficiary, trigger, termination and amendment through each actual package, with jurisdiction-specific review. DGCL section 151 is a statutory starting point for class rights, not proof of this investor's terms.”

Guided practice

The investor transfers to an affiliate and falls below 10% directly. Can it demand reports under both assumptions?

Feedback

Not from the heading “information rights” alone. E requires analysis of its holding definition and threshold; U requires that the transfer satisfy its defined permitted-transfer conditions. Check the actual beneficiary and aggregation provisions. Do not infer continued rights simply because the entities are affiliated.

Practice assignment

Use Meridian M10, the original function map and the English/US teaching assumptions above. Produce a function map for investment, governance, information, transfer and exit rights, and identify five questions requiring jurisdiction-specific review. The NVCA document list is optional comparison, not a prerequisite for completing the original exercise; record unavailable access rather than claiming to have read it. Do not copy clauses from restricted sources or claim equivalence of the systems.

Participation

Each learner explains one document's function to a peer unfamiliar with venture financing. The peer must identify what the document does not establish. Submit a corrected explanation of 200 words.

Source study

Read DGCL section 151(a)–(c), then trace one economic right and one governance right through the supplied function map. Identify who must be bound and what a term sheet alone leaves unfinished. Optionally compare the NVCA descriptions for certificate, stock purchase, investor rights and voting functions if authorised access is available. Use models as external readings, not copied course content.

Readings for this unit

[Delaware General Corporation Law, subchapter V](#) — Delaware. Read: Section 151(a)–(c). Check: Where are the relevant class/series rights expressed?

[NVCA model legal documents](#) — US venture financing; document-specific law. Read: Certificate, stock purchase, investor rights and voting document descriptions. Check: Optional comparison with the original B19 function map: trace a right, its bound parties and termination trigger; record unavailable access rather than inventing a model term.

B20 | Signing, completion and controlled deal delivery

Learning focus

Prerequisite: B11 and B17–B19. Produce a version-bound completion checklist with an accurately blocked item. Distinguish execution, release, effectiveness and post-close records.

First pass: bring forward B17's funds flow and B18's dependency timetable, then test one document through signed → held → released. Move on when you can close a genuinely satisfied dependency, permit the specified authorised step and retain any other blocker. Complete Junco's shorter transfer exercise after feedback, before final readiness.

Study notes

Signing and completion may occur together or separately. Identify when obligations arise, when ownership transfers and when money moves under the actual documents. An executed purchase agreement does not necessarily prove that every condition is satisfied or that completion has happened.

A closing checklist is a controlled decision record. Each item needs the document/action, responsible person, required form, dependency, status, evidence and release authority. Distinguish draft, agreed, signed, held to order, released and filed. Avoid a single green tick for all states. The checklist should reconcile with conditions, funds flow and approvals.

Execution requires the applicable formalities and authority. CA44 is a reading anchor for relevant company execution routes, not a complete global e-signature or deed opinion. Check entity type, jurisdiction, document, signatories, witnessing and delivery where relevant. Never paste a signature image or fabricate an approval to close an administrative gap. [Companies Act 2006, section 44](#)

Funds-flow controls are critical even in an academic simulation. Separate verification of instructions, authorisation, release and reconciliation. Changed payment details require independent confirmation through the approved procedure. The academy exercises make no real payments and contain no live bank details.

Post-close actions include records, filings, notifications, ownership updates, operational handovers and unresolved undertakings. Assign deadlines based on verified legal/documentary rules, not a template date. Preserve the final agreed set and evidence of completion so a later reviewer can reconstruct what happened.

AI can organise documents or flag missing items, but must not invent satisfaction or release instructions. Bind decisions to versions, test access, preserve human sign-off and handle uncertainty explicitly. A visually complete checklist built from assumed facts is worse than an honest list of blockers. [NIST AI Risk Management Framework: Generative AI Profile](#)

Worked example

A fictional consent C9 is signed “subject to receipt of the agreed release payment.” Version 3 of the transfer document is approved, but the closing folder contains version 4. No payment evidence is supplied.

Item	Completed status	Evidence/owner/next action
C9 consent	Signed, conditional; not treated as effective	Closing lead verifies the payment condition and release instructions
Transfer document	v4 present; approval covers v3 only	Document owner compares changes and obtains appropriate v4 approval
Funds release	Blocked	Authorised release owner checks funding, verified instructions and all applicable conditions
Post-close register update	Not yet due for execution	Prepare draft record; do not represent ownership transfer as completed

Completed supervisor note: “Do not release this set. Resolve C9's condition and the approved-version mismatch; confirm the required completion sequence. Signed documents alone do not establish readiness.” A workflow passes the negative test when it refuses release on this evidence.

Guided practice

Payment evidence arrives, but v4's approval remains absent. Is the pack ready?

Now take a separate permitted-step variation. C9's payment condition and its release are verified in the exercise record. The designated reviewers approve the exact v4 fingerprint; the closing lead records all other applicable conditions satisfied and authorises the release officer to release that version. No document has since changed. What should the release recommendation say, and which later facts must not be invented?

Feedback

Close only the verified payment dependency, subject to its actual condition. Keep the version/approval blocker. One satisfied condition is not a substitute for the others, and a green overall status must not hide the open item.

In the second variation, recommend that the authorised release officer release the identified v4 under the recorded instruction, retaining the supporting evidence. Do not carry forward the now-resolved approval blocker. Record actual release and completion evidence when it occurs; readiness is not proof it has already occurred, and post-close filings remain separate. This is a fictional recommendation, not authority for a learner to sign, file or move money.

Practice assignment

Rehearse on C9/v3/v4: submit a four-item checklist, a version-bound release rule and tests for missing payment evidence and a changed approved document. Give a 300-word handover explaining each next action. Then complete the separate BT2 specimen with its financing figures and Meridian workstream; do not treat the rehearsal as an observed closing or make any real transfer, signature or filing.

Participation

Run a simulated closing call. Each participant reports one ready item and one blocker with a named next action. The chair may postpone completion; that is a valid result if the evidence requires it. Every learner submits an individual final status report.

Source study

Read CA44, CA859A and SRA B7/D2. Distinguish formal execution, legal effectiveness, filing and record maintenance rather than treating “signed” as the end of every workstream.

Readings for this unit

[Companies Act 2006, section 44](#) — England and Wales company execution context. Read: Section 44. Check: Separate execution formality from release and internal authority.

[Companies Act 2006, section 859A](#) — UK company charges. Read: Section 859A. Check: Which post-execution workstream is not completed by signature alone?

NIST AI Risk Management Framework: Generative AI Profile — Technical risk-management reference, not law. Read: Section 3 action GV-3.2-003. Check: For an AI-assisted checklist, specify what the system may organise and what it must not authorise; use the same permission tests for a manual route.