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COURSE READER / SEPTEMBER 2026

# Corporate Transactions, M&A & Private Capital

The complete study reader: shared professional core, specialist units,  
Project Meridian and practice resources.



AI-generated editorial image

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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.

# Start here

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Editorial study preview. Fictional matters; not legal advice, bar preparation, practising authority or an accredited award. Jurisdiction-qualified sign-off and assessment calibration have not been completed. Assessed awards are not active.

Start with the [learning route](#) for the practical starting check and study sequence, then the [learner handbook](#) and [study map](#). Follow each unit's first pass and move-on check; attempt guided practice before reading feedback. Submit your own work through the corresponding academy lesson. Formative quizzes run inside the LMS; the offline pack does not contain quiz or summative answer keys. Open [reader.pdf](#) for the complete course reader, or the individual PDFs for a particular resource. Each PDF includes searchable text and document bookmarks. Use the CSVs and formula workbook in a spreadsheet application and preserve an untouched original. The HTML reader is an accessible, reflowable alternative. These are original teaching extracts, not complete executable transaction documents. No paid AI subscription is required. Linked primary readings may require internet access; they are not reproduced in the pack. Facilitated assessments require a qualified assessor and agreed conditions.

[Formula workbook](#) · [Every formula and result in text](#) · [Workbook instructions](#) · [Extraction records](#)

# Your learning route

Use this once before C01, then return at the checkpoints below. The aim is increasingly independent, usable work within a defined scope—not memorising a model or becoming qualified to advise in every jurisdiction. This is a study aid, not a validated admissions test or the proposed longer foundation bridge.

If you are new to this specialism but already comfortable with legal reading, attempt the starting check and use it to identify gaps. If you are new to legal study, work through the check and core with support and a slower pace. The six core units do not supply the full foundation of a law degree. Persistent difficulty with source interpretation or basic contract/entity concepts calls for further foundation study before a specialist pathway, not more speed.

## Starting check — try before reading the feedback

Use fictional material only. Try these four stations without generative AI so you can see what you already understand. A calculator and labelled text calculations are fine. Keep one short working note; there is no separate graded submission or numerical pass mark. Count this work inside your C01 study time. Take a break or seek an accessible format when needed; speed is not the criterion.

### 1. Read a clause, then read the evidence

Original exercise clause: "The project owner shall give written acceptance only after all four named report tests pass. Pilot use is not acceptance." A test log records three passes and one duplicate-row failure. The supplier's email says "delivery complete." The owner says "start the pilot; please fix the failed report."

Write two supported facts, one conclusion not established, and one next action. Do not decide an entire dispute from this extract.

### 2. Check what a real source supports

Open Companies Act 2006 section 43, including subsection (2), from the reading index. A draft note claims: "The statute means any manager can sign for the company, regardless of authority." Identify the subsection relevant to a person acting for the company. Record source, jurisdiction/scope, pinpoint, a correction and one fact the statute cannot supply. If you cannot access the source, record that access problem and seek an authorised copy; do not pretend to have read it. [Companies Act 2006, section 43](#)

### 3. Follow the units and the recipient

All figures here are GBP, not £000. A service costs £800 per month for twelve months plus £1,200 implementation. The approved commitment budget is £11,000. Calculate the commitment and budget headroom. Then use a separate express price formula: enterprise value £100,000 – included debt £20,000 + included cash £5,000, with no other adjustment. What is a 60% secondary payment? Who receives a separate £10,000 primary subscription? Show formulas, not just results.

#### 4. Make a usable decision note and preserve the record

Your exercise mandate permits recommendations only. Version 2 of a draft contains a twelve-month term; version 3 changes it to twenty-four months. Finance approved version 2 only. In at most 80 words, tell the supervisor what changed, what can continue, what decision is needed and who should act. Keep v2, label v3 and record the change. Use a text note if document comparison software is unfamiliar.

#### Starting-check feedback and repair route

1. Evidence: three tests passed and one failed; the owner's message permits a pilot. Written acceptance under the supplied procedure is not established. Request correction and a retest, preserving the messages. "Everything delivered" ignores the failed test; "nothing useful happened" ignores the three passes. If difficult, revisit C01's fact/assumption method and C04's chronology before expanding the exercise.
2. Source: section 43(1)(b) concerns a person acting with express or implied authority; it does not grant authority to every manager. Subsection (2) also matters to applicable formalities. A completed record might say: "England and Wales company-contract context; CA 2006 s43(1)(b) and (2); manager's actual authority and contract-specific formalities still require evidence." C01 develops this distinction. Finding a real link without reading it is not source verification.
3. Numbers:  $800 \times 12 + 1,200 = \text{£}10,800$ ; headroom =  $11,000 - 10,800 = \text{£}200$ . Price-model equity =  $100,000 - 20,000 + 5,000 = \text{£}85,000$ ; secondary payment =  $85,000 \times 0.60 = \text{£}51,000$  to selling holders. The separate  $\text{£}10,000$  subscription goes to the company. None of those calculations establishes approval or actual payment. If percentages are difficult, write  $60\% = 60/100 = 0.60$  and repeat with 50% before C03. If the recipients are unclear, draw two separate arrows.
4. Communication: "Version 3 extends the commitment to twenty-four months; finance approval covers v2 only. I can compare the changed terms and update the exposure model, but cannot approve or communicate acceptance. Please ask the designated finance approver and sponsor to review v3's full commitment before release. I have retained both versions and recorded the change." C05 develops this decision-first approach; A18/B20 later test the release rules.

Use the results to choose support, not to label yourself "ready" from four answers. Correct a weak station, then try a different figure or changed fact without its feedback. Take the original and corrected note to your reviewer. If studying alone, label that evidence self-review; it is useful but not independent assessment.

#### The sequence and the evidence to carry forward

Do the core once, then choose one specialist pathway. Topic IDs identify teaching units, not competency awards. The "First pass" and "Move on" guidance at each unit identifies a smaller start and an observable check; it does not lock the platform or confer a pass.

The sequence and the evidence to carry forward — table 1

| Stage                          | What changes in the learning                                                  | Keep and improve                                                              |
|--------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| C01–C04: foundation            | Read one source or record; follow a completed example; attempt a changed fact | Scope note, chronology, source table and labelled calculation                 |
| C05–C06: connect               | Turn analysis into a decision and test a tool/manual process                  | Corrected memo, bounded clause and error/control record                       |
| A07–A12 / B07–B12: apply       | Use the core on a connected matter, initially one issue at a time             | One versioned Lantern or Meridian matter file, with source/decision links     |
| A13–A20 / B13–B20: integrate   | Negotiate, model and test interactions; reduce dependence on examples         | Updated documents, calculations, decisions, operational tests and handover    |
| A21–A24 / B21–B24: demonstrate | Recheck the full file, respond to an event and explain the work unaided       | One final indexed pack plus accurately labelled transfer and defence evidence |

Before reading a worked answer, attempt the guided change. After feedback, correct your own work and explain why. At the next relevant unit, retrieve the earlier distinction or calculation from memory, then check the source. Re-reading alone can feel fluent while leaving application gaps.

### Three readiness checkpoints

Before specialist study: without a model answer, explain one C01 authority distinction, apply C02 to a changed email, rebuild a C03 calculation with a different input, preserve C04's fact/inference distinction, improve a C05 clause and explain C06's two metric denominators. Use your actual core work, not six new essays. A reviewer should be able to identify the decision and reconstruct your reasoning. If a material error remains, revisit that unit and repeat a variation. K1/M1 specimens supply further practice; a two-question quiz does not replace this evidence.

Before the capstone: explain one connected issue across your documents, numbers and operating controls. Complete the shorter Northfield or Junco transfer exercise without opening its feedback, then record the correction. These are disclosed exercises, not unseen tests. Check both directions: block unsupported action and close a resolved issue or recommend a permitted step when the supplied evidence supports it. A18 and B20 include permitted-step variations.

Before claiming proficiency: locate the sources, reconstruct the calculations, justify a commercial choice, respond to an unfamiliar fact and correct a material inconsistency without someone supplying the answer. Independent observed work, appropriate legal review and moderated assessment are needed to

substantiate that claim. Self-study can produce evidence worth reviewing; consuming all pages cannot guarantee readiness for a role. The intended main target is usable routine transaction-support work with ordinary professional review, not senior expertise or practising authority.

### Keep case boundaries clear

Work in one folder per matter and a separate folder per assessment attempt. Named worked examples are not additional facts for Lantern or Meridian. A technical brief's replacement figures apply to that attempt only; they do not amend the base case. Save the brief and a short "what changes" note with each attempt. A proposed clause is not an agreed term merely because you drafted it.

Within the same base matter, reuse and improve your own prior work with its version history. Point to unchanged work in an index; do not repeatedly rewrite it. Incorporate source cards, participation corrections and assumptions into that same working record unless a brief expressly requires a separate output. Keep the final pack self-contained: a reviewer must not have to find your old submissions. Public practice does not authorise importing a disclosed answer into a controlled assessment; its permitted-material rules govern separately.

### Time: a planning budget, not a race

The proposed ten hours per unit and 240 per pathway include the starting check, guided practice, source work, assessment preparation/attempts and corrections. They are unvalidated planning estimates, not a guarantee or an extra workload allowance. Word/page limits are ceilings, not targets.

Time: a planning budget, not a race — table 2

| Weeks/units | How to avoid a second workload                                                                                                                                                                                                          |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Core 1–6    | Start M1 preparation from C02/C05 learning, using Cedar's actual brief. Spread preparation across the core. In week 6 reserve K1's 90-minute attempt inside the budget; do not add it after a full ten-hour C06 task.                   |
| 12 and 14   | Use the short technical/negotiation rehearsal for feedback, then the separate specimen. Reuse your own method and corrected preparatory work where allowed; apply the specimen's changed facts.                                         |
| 17–20       | Build the data/model/workflow incrementally. T2 brings those components together; it is not an instruction to rebuild an unchanged prototype. Reserve fresh evaluation records before testing if the brief requires holdouts.           |
| 21–24       | Treat four weeks as a shared 40-hour planning envelope. Develop P1 through the checkpoints; use week 24 mainly for consistency, correction and defence, not the first full draft. P1/O1 and transfer practice sit inside that envelope. |

Log actual time and the point of difficulty. Pause between reading, calculation and drafting when helpful. If the budget is insufficient, extend the calendar and request support or an agreed assessment date; do not omit essential source checks or invent attendance. A supported slower route must meet the same evidence standard. A timed assessment's conditions may change only through the agreed adjustment process, not by silently altering your attempt record.

# The learner handbook

## What you are studying

Choose a six-unit professional core followed by one of two specialist/capstone sequences. Each pathway uses a proposed 24-week, 240-hour budget for study, source reading, practice, assessment and feedback—not 240 hours of video or booked teaching. These estimates need a representative learner trial.

The main legal baseline is England and Wales. US comparisons and the Kenyan data lab are separately scoped. Jurisdiction-qualified sign-off, appointed assessors, calibration and assessed public delivery are not complete. Completion is not bar admission, a degree, accredited CPD/CLE, permission to practise or an employment promise. Automatic certificates remain disabled.

## Readiness and route

Begin with the [learning route and practical starting check](#), then C01–C06, followed by A07–A24 for contracts or B07–B24 for transactions. Each unit names its prerequisites, a smaller first pass and a move-on check. Before specialist work, you should be able to distinguish fact from inference, read a clause and a source, explain a conditional recommendation and calculate percentages. Use the route's core checkpoint and seek feedback on your actual work; a quick quiz pass is not readiness evidence. These study checks are not the proposed admissions diagnostic or a validated placement decision.

This core does not replace a first law degree or comprehensively teach tort, property, constitutional, criminal or procedural law. The specialist units develop bounded transaction-support skills. Tax, fund formation/regulation, merger clearance, complex convertibles and anti-dilution require further study and qualified input.

For each unit: identify the question; study the concept and specified source passages; inspect the completed example; attempt the guided variation before reading feedback; produce independent work; review, correct and test again. If a required source cannot be inspected, record the gap and seek an authorised copy or alternative. Do not fabricate a quotation or treat a search snippet as the reading.

## Study time and participation

A suggested ordinary ten-hour unit budget is three hours of notes/sources, four of applied work, two of facilitated or equivalent peer practice, and one of correction/reflection. Assessment preparation, attempts, the starting check and transfer practice are included, not additional hours. Reallocate that budget in assessment weeks using the learning route; K1's 90-minute attempt and P1/O1 must not simply be added to a full ordinary workload. Log actual time and difficulty in the first two units and again at technical/final checkpoints. These are planning estimates: extend the study calendar and request support if needed, rather than skip essential work or invent hours.

Within a matter, progressively improve your own source table, draft, model and decision log. Source-study responses and participation corrections may sit in that same record; they are not extra essays unless a brief says otherwise. Keep assessment variants separate and apply their actual conditions. Word/page limits are ceilings, not writing targets. Take the guided attempt before feedback, then test a changed fact without copying the model. The aim is less scaffolding as your work becomes more reliable, not merely more documents.

In pods, rotate analyst, business role, counterparty, reviewer and chair/recorder. A two-hour practice session can use 10 minutes of retrieval, 15 of source discussion, 35 of simulation, 25 of challenge, 20 of revision and 15 of reflection. Combine roles in smaller groups.

Participation evidence is a useful contribution, a reasoned response and an individual correction—not call duration or posting volume. Written exchanges and equivalent feedback opportunities must be available for accessibility, connectivity and scheduling needs. Accent or presentation dominance is not competence. Actual arrangements must be agreed before an assessed cohort.

Solo equivalent: draft your response, then return as reviewer and apply the unit's changed fact and feedback. Record one unsupported inference, one practical consequence and one correction. For negotiation, write both sides and label it a rehearsal. A23/B23 supplies a public event; the transfer exercises test adaptation. None of this substitutes for independently observed N1/O1.

Peers review work, not the person. State the issue, evidence and useful next step. Do not disclose private role instructions, another learner's work, final summative answers or real workplace information. Record your response to feedback, including a justified rejection. The assessor, not the peer group, determines an academic result under approved rules.

## Files and submission

Complete and submit your work in the assignment section of the corresponding course lesson. The current assignments use a text editor. Keep your working documents locally and use the structured-text equivalents below when your work includes a spreadsheet, redline, diagram or multiple documents. Earlier lesson submissions and grades remain unchanged.

Study materials are supplied as branded PDFs, with spreadsheet workbooks and CSV datasets where an editable format is needed. Use fictional study material only. Do not include confidential client information, executable files or public-sharing links in your work. Do not enable unexpected macros or external content when opening a document.

Use a stable unit/learner/version identifier. Include scope, sources, assumptions, assistance and unresolved issues. Keep original inputs and make changes traceable. Every practice output has a text equivalent; no paid software or public document-sharing account is required.

Files and submission — table 1

| Requested output              | Text equivalent                                                                                                           |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| Memo/report                   | Headings, recommendation, analysis, alternatives, sources and actions                                                     |
| Clean clause/redline          | Clause ID; original text; proposed clean text; change and reason—do not rely on colour alone                              |
| Spreadsheet/cap table         | Cell, label, input or formula, evaluated result, units and source; include all material workings and a changed-input test |
| Data-flow/structure chart     | One row per relationship: from, to, data/rights/cash, purpose, status and source                                          |
| Workflow/prototype            | States, transitions, actors and guards, plus expected/actual test results; a diagram alone is insufficient                |
| Multi-document pack           | Numbered section index followed by the sections, with stable cross-references                                             |
| Negotiation/defence rehearsal | Speaker-labelled transcript or individual answers; state whether observation actually occurred                            |

Before submitting, check your response, any document index and your authorship/tool declaration. Keep a dated local copy. Follow the assignment's own resubmission controls and your instructor's guidance when correcting an attempt; do not assume that a new attempt replaces earlier feedback.

If a brief sets pages but no word cap, use at most 500 narrative words per page as a text-submission convention, excluding genuine evidence tables and calculation workings. A specific word cap takes priority. Do not evade it by placing narrative essays in tables. A five-page report therefore permits 2,500 narrative words plus the stated evidence annex.

The six-sheet finance workbook and its guide contain completed teaching examples, not assessment answers. Formulas need a spreadsheet calculation engine; the unit tables and guide provide a text alternative. Preserve inputs, show formulas and label amounts/fractions. The extraction dataset supplies development and holdout records. The migration source extracts distinguish supplied documents from unverified imported assertions.

The embedded assignment owns the full brief; it is not repeated above the component. Submit rehearsals to the unit and final specimens to the assessment centre. A12/A14/A20/A24 and B12/B14/B20/B24 do not require a second copy of the final pack. Use Community only for permitted discussion.

The course assignment workflow is available in the local preview. Production security, privacy/retention, recovery and accessible delivery arrangements require separate approval before a real assessed cohort.

## Tool rules

Use fictional data and approved tools only. If none is approved, use the manual/rules-based equivalent. A paid AI account earns no advantage. If used, declare task, tool/version where available, input scope, outputs used, checks and actual corrections/rejected suggestions. If unused, state manual method and your checks. There is no suggestion quota: do not invent tool use, collect private chats or expose hidden model reasoning.

Generative AI is prohibited during K1 and unaided O1. Preparation follows the particular brief. Collaboration means permitted discussion and feedback, not exchanging final answers. No AI-content detector alone establishes misconduct; learners must be able to respond to evidence and challenge an adverse decision.

## Feedback and support

Use the guided feedback in the study notes and any feedback released through your course assignment. Ask for comments that identify the criterion, evidence and a concrete correction. The published assessment weights are planning guidance; the LMS progress bar and assignment status are not a weighted professional transcript or an award decision. Capstones need an independent second review before consequential assessment. Differing marks require moderation, not an automatic average. Negotiations and orals without a recorded observation remain solo practice.

Keep a personal study log of actual time and what caused difficulty; this is self-reporting, not attendance. Use course discussion for non-sensitive learning questions. For an accessibility need, technical problem, content correction or feedback concern, contact your instructor through your existing academy arrangements. Give the unit, passage or attempt and the help needed; do not include medical or client records in public discussion. A feedback appeal needs an independent reviewer. Email notifications and response-time commitments are not active in this local preview; ask for a follow-up if your concern remains unresolved.

## Assessment and reassessment

Proposed full-pathway weighting: K1 15%; M1 15%; T1 10%; N1 15%; T2 10%; P1 25%; O1 10%. The shared core is counted once. Weekly quizzes are formative. Proposed thresholds are 70% overall, K1 70%, P1 75% and O1 70%, plus required competency evidence and no unresolved critical failure. These are draft thresholds requiring academic calibration, not a validated award standard.

Published K1/M1/T1/T2/P1 briefs are disclosed practice specimens, not unseen papers. Private negotiation/oral events still need controlled allocation, trained observation and reviewed parallel forms. A self-study mark establishes neither independence nor attendance. The LMS progress bar and binary assignment status do not calculate the proposed professional transcript.

Teaching IDs such as C01 and A07 differ from similarly numbered competency IDs in the study map. That map is a proposed planning cross-reference, not proof that every competency has been assessed. The main intended target is usable routine work within a defined scope and ordinary professional review;

advanced, unfamiliar complexity requires further evidence and experience. Before awards, a programme lead must map observable task evidence, check coverage and validate the standards. Page completion, a self-review checklist or a polished portfolio does not establish that every learner has reached proficiency.

Ask for feedback identifying criterion, evidence, consequence and a concrete correction. Reassessment needs a reviewed different fact pattern, not a memorised disclosed answer. Complete draft parallel papers and connected matters are held privately for independent approval and calibration; they are not yet authorised examination papers. Appeals require an independent decision-maker and communicated procedure before consequential assessment. Alleged critical failures require proportionate review and an opportunity to respond; a defensible commercial disagreement is not misconduct.

## Career portfolio

Select two or three original fictional work products. Explain task, role, jurisdiction, tool conditions, feedback and what the work does not prove. Publish only by choice and with appropriate rights. Remove instructor-only materials, another learner's work and confidential records. Describe self-study, peer-reviewed practice and independently moderated assessment accurately.

## Sources and corrections

Use the unit reading routes and pathway-specific source index. Read scope, relevant version, amendments, commencement and contrary material. Access checking is not a comprehensive current-law review. The Kenya Law Act reading is pinned to its version dated 31 December 2022; check subsequent changes, subsidiary legislation, decisions and sector guidance separately. ICO guidance carries a Data (Use and Access) Act review notice. Optional professional frameworks are not legislation or endorsement.

Report suspected errors with unit, passage, source/pinpoint, consequence and proposed correction. Until a material point is resolved, label the affected conclusion unverified and ask the appropriate reviewer. Keep a correction log; do not silently claim the earlier answer was always correct.

# The working glossary

Use this as a lookup alongside the unit, not as a substitute for the governing source or documents.

Definitions below explain the teaching context; remedies and rights depend on the jurisdiction and actual wording.

Working glossary — table 1

| Term                              | Meaning in these exercises                                                                                            | Common mistake to avoid                                                  |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Authority                         | Permission or legal power to act for a person/entity; identify its source and scope                                   | A job title or upload permission proves power to accept terms            |
| Delegation                        | A bounded instruction allocating a decision to a role/person                                                          | Legal review automatically includes spending approval                    |
| Statute / judgment / guidance     | Legislation; a court's decision and reasoning; an explanatory or professional resource                                | Treating all three as the same kind of authority                         |
| Pinpoint                          | The exact section, paragraph, clause or record supporting the proposition                                             | A document title proves a particular conclusion                          |
| Formalities                       | Legal requirements for making or executing the particular contract/document, depending on its kind and applicable law | One signature rule applies to every document or jurisdiction             |
| Formation                         | Whether and on what terms legal agreement was reached                                                                 | No signature always means no contract, or performance accepts every term |
| Consideration                     | The exchange supporting a simple contract in the English-law analysis                                                 | The price must be commercially fair to count                             |
| Representation / contractual term | A statement and an agreed promise can raise different legal questions                                                 | Treating every sales statement as the same kind of obligation            |
| Interpretation                    | Reading actual contractual language in its legal and commercial context                                               | Rewriting an inconvenient bargain to seem fair                           |
| Damages                           | A monetary remedy requiring the applicable entitlement and loss analysis                                              | Turnover, an invoice or a cap automatically fixes recovery               |

| Term                                  | Meaning in these exercises                                                                                                                                 | Common mistake to avoid                                                                           |
|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| Causation / remoteness / mitigation   | Separate questions about the breach's connection to loss, legal limits on responsibility for that type of loss, and reasonable steps to avoid or reduce it | Proof of expenditure answers all three questions; these descriptions replace the full legal tests |
| Indemnity                             | A contractual allocation whose scope and effect depend on wording and law                                                                                  | Its heading necessarily bypasses all other limits or creates insurance cover                      |
| Liability cap                         | An agreed limit with a defined base, period, aggregation and exceptions                                                                                    | The cap is automatically owed, or per-claim means aggregate                                       |
| Acceptance / change                   | Testing agreed performance versus agreeing a different baseline                                                                                            | All developer work is paid additional scope                                                       |
| MSA / order / statement of work (SOW) | General contract framework; transaction-specific order; description of deliverables and performance—subject to the actual agreed document set              | The heading alone establishes incorporation or precedence                                         |
| Condition / covenant / warranty       | A dependency for a step; an undertaking to act; a contractual statement with consequences                                                                  | A warranty physically supplies a missing consent                                                  |
| Disclosure                            | In litigation, identifying document existence; in a transaction, an agreed mechanism for qualifying statements                                             | Using the two meanings interchangeably                                                            |
| Confidentiality / privilege           | Restrictions on information handling versus a distinct legal protection requiring its own basis                                                            | Copying a lawyer creates privilege for every business record                                      |
| Assignment / licence                  | Transfer of specified rights versus permission for specified use                                                                                           | Paying an invoice transfers all IP                                                                |
| Controller / processor                | Activity-specific roles concerning decisions about processing and processing on another's behalf                                                           | A contract label settles the role for every purpose                                               |
| Cash / revenue / profit               | Available money; recognised sales under the accounting treatment; income less relevant costs                                                               | Equity funding is customer revenue, or profit equals distributable cash                           |

| Term                            | Meaning in these exercises                                                                                                        | Common mistake to avoid                                                                   |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| Book equity / equity price      | Assets less liabilities in the simplified balance sheet; a negotiated valuation/ price - model output                             | The same number must appear in both                                                       |
| Enterprise - to - equity bridge | A stated value less included debt plus included cash and defined adjustments                                                      | The debt deduction itself repays the lender                                               |
| Primary / secondary             | New securities issued for company funding; existing securities transferred between holders                                        | All investment cash goes to selling shareholders                                          |
| Pre - money / post - money      | In the simplified all - primary round, value before the new company cash and value after adding it                                | Ignoring option, instrument or definition changes in a real financing                     |
| Issued / fully diluted          | Actual issued interests; an expressly defined model including specified potential interests                                       | Unexercised options necessarily have current votes                                        |
| Preference / participation      | Specified distribution priority; sharing in residual proceeds under stated terms                                                  | A headline multiple guarantees cash irrespective of exit proceeds                         |
| As converted                    | A calculation treating preferred holdings as converted into ordinary/ common participation under the stated terms                 | In the non - participating example, adding the preference to the conversion return        |
| Reserved matter                 | A specified decision requiring an additional consent under the supplied governance arrangement                                    | A minority percentage alone proves either control or absence of influence                 |
| Pre - emption                   | A context - specific priority opportunity, for example on certain new issues or transfers                                         | New - issue statutory rights and contractual transfer rights are interchangeable          |
| De minimis / basket             | An individual - claim threshold; an aggregate - claims mechanism whose trigger and deductible/tipping treatment depend on wording | Applying an aggregate threshold to each claim, or assuming the label supplies the formula |
| Sources and uses                | Where funded value comes from and where it goes, with cash/non - cash distinguished                                               | An uncalled commitment or rollover is cash available for fees                             |

| Term                           | Meaning in these exercises                                                            | Common mistake to avoid                                                    |
|--------------------------------|---------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| Security / guarantee           | Rights over assets under a legal mechanism; a particular personal obligation          | Consent to a sale releases both automatically                              |
| Signing / completion / release | Execution; the transaction step under its terms; authority to release documents/funds | A signed document held to order proves completion                          |
| Precision / recall             | True flags divided by all flags; detected true issues divided by all actual issues    | Swapping denominators or ignoring severity                                 |
| Holdout                        | An evaluation record not used to tune the process                                     | Calling a familiar development example unseen                              |
| Review status                  | What evidence and decisions actually exist for an item                                | A green tick, model confidence or filename called final proves correctness |

If these distinctions are unfamiliar, complete the core slowly and use the guided exercises before a specialist path. The programme does not replace the wider legal doctrine or jurisdiction training required for independent practice.

# What good work looks like

This is the proposed public assessment rubric for the editorial courseware edition. It is not an approved qualification standard. The specific candidate brief controls the task, permitted tools, word limit and criterion weights. Different well-supported conclusions can receive equal credit.

## Work-product criteria

Work-product criteria — table 1

| Criterion                        | Strong evidence                                                                                                                                          | Developing evidence                                                             | Evidence needing substantial correction                                                        |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| Substantive analysis             | Identifies the material legal question, applies the relevant rule in its jurisdiction, handles a credible alternative and explains remaining uncertainty | Identifies the main issue but application or alternative analysis is incomplete | Gives a categorical conclusion without relevant authority or ignores a material issue          |
| Document and numerical accuracy  | Reconciles sources and definitions, shows assumptions/formulas, tests boundaries and preserves conflicting evidence                                      | Mostly correct output with a traceable but unresolved inconsistency             | Invents missing terms, silently repairs disputed evidence or produces materially wrong numbers |
| Commercial judgment              | Connects issues to consequences and offers coherent, authorised options                                                                                  | Suggests plausible changes without explaining trade-offs or decision authority  | Lists risks without consequences or accepts a commitment outside the mandate                   |
| Communication and handover       | Clear recommendation, audience-appropriate explanation, indexed evidence, responsible owner and next action                                              | Understandable but diffuse; some decisions or owners remain unclear             | An approver cannot identify what to decide or what the output establishes                      |
| Process and accountable tool use | Preserves originals, records permitted assistance, tests results and demonstrates personal understanding                                                 | Declares tools but provides limited evidence of review or reproducibility       | Presents unverified output as established fact or cannot explain material choices              |

For the capstone, weights are 30/25/15/15/15 respectively. Assessors score each criterion using the evidence and approved anchors, then explain the aggregate judgment. These descriptors are not an automatic points-to-level conversion. The weekly practice assignments use the same dimensions for feedback without awarding a qualification grade.

## Negotiation evidence

Preparation means a ranked issue list, alternatives, linked concessions and authority. Listening means testing an assumption and responding to what the other person actually said. A coherent proposal connects scope, price, timetable and risk where relevant. Professional conduct means recording a position honestly and seeking instructions when required. Handover means that the next person can distinguish proposed, provisionally agreed, approved and unresolved terms.

You do not earn credit merely for reaching agreement, winning a concession or speaking most. A justified pause can demonstrate stronger competence than an unauthorised agreement. The published N1 criteria are preparation 20%, listening/clarification 20%, proposals 25%, authority/conduct 20% and handover 15%.

## Oral defence evidence

Explain your own reasoning, reconstruct a material calculation or source trail, adapt to a changed fact, and identify the boundary of your conclusion. You may say that a question requires additional research or specialist review, but should explain what must be checked and why. The assessor examines reasoning, not accent, confidence or resemblance to a memorised script.

O1 weights are ownership/reasoning 35%, response to variation 30%, evidence/control awareness 20% and clarity/professional boundaries 15%. Reasonable adjustments may change the communication method while preserving individual reasoning and response to a new fact.

## Critical failures and fair process

Examples requiring a separate integrity/safety review include fabricated sources or approvals, deliberate undisclosed copying, exposure of prohibited real data, and knowingly presenting an unapproved commitment as authorised. A disagreement about a defensible commercial position is not a critical failure. Neither a single typo nor an AI detector result automatically establishes misconduct.

The assessor records the conduct, evidence, applicable rule and learner response. The learner can explain, correct a genuine misunderstanding and challenge an adverse finding through the approved process. No automatic numerical average can cancel an unresolved critical failure, but the allegation itself is not a final decision.

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## Feedback and next attempt

Feedback should identify: criterion; specific evidence; consequence; a concrete correction; and what would demonstrate improvement. "Be more commercial" is inadequate. "Your memo requests a longer term without calculating the total commitment or identifying the approver; add those before recommending acceptance" is useful.

Reassessment uses a reviewed parallel task, not an answer you have already memorised. The draft instructor materials contain change specifications; a complete and comparable variant must be approved before a formal reassessment. Academic thresholds and service standards must be approved and communicated before a live cohort starts.

# Your study & evidence map

Week IDs below identify units, not the similarly numbered competency codes. The planned 10 hours per flagship week includes reading, practice, assessment preparation/attempts, feedback and correction; it is an unvalidated budget, not a fixed pace. Use the [learning route](#) for the starting check, readiness checkpoints and assessment-week planning. No live sessions have been scheduled by this installation.

Study and evidence map — table 1

| Unit | Learning stage | Focus                                                   | Competency evidence |
|------|----------------|---------------------------------------------------------|---------------------|
| C01  | Foundation     | Legal systems, instructions and professional authority  | C01 C02 C08         |
| C02  | Foundation     | Contract formation, interpretation and remedies         | C03 C06 C08         |
| C03  | Foundation     | Companies, authority and the financial language of work | C04 C05 C11         |
| C04  | Foundation     | Investigation, evidence and dispute - aware judgment    | C02 C06 C08         |
| C05  | Connect        | Professional drafting, communication and delivery       | C07 C09 C11 C12     |
| C06  | Connect        | AI literacy through legal workflow evaluation           | C02 C10 C11         |
| B07  | Apply          | Corporate records, ownership and governance             | B02 C04 C11         |
| B08  | Apply          | Deal structures and purchase - price mechanics          | B01 C05 C08         |
| B09  | Apply          | Diligence scope, requests and materiality               | B01 C08 C09         |
| B10  | Apply          | Commercial, people, IP and data diligence               | B01 B02 C02 C08     |
| B11  | Apply          | Debt, security, guarantees and consents                 | B01 B05 C04 C05     |

| Unit | Learning stage | Focus                                                         | Competency evidence             |
|------|----------------|---------------------------------------------------------------|---------------------------------|
| B12  | Apply          | Diligence reporting and disclosure                            | B01 B02 C03 C07                 |
| B13  | Integrate      | Acquisition agreements and allocation of transaction risk     | B03 C03 C06                     |
| B14  | Integrate      | Negotiating a transaction under changing instructions         | B03 C07 C09 C12                 |
| B15  | Integrate      | Venture investment rights and economic choices                | B04 C04 C05                     |
| B16  | Integrate      | Capitalisation tables, dilution and model discipline          | B04 C05 C11                     |
| B17  | Integrate      | Private-equity, acquisition finance and funds fundamentals    | B04 B05 C04 C05                 |
| B18  | Integrate      | Specialist triggers, conditions and transaction timing        | B05 C01 C02 C09                 |
| B19  | Integrate      | Investor documents and US comparison                          | B02 B04 C01 C08                 |
| B20  | Integrate      | Signing, completion and controlled deal delivery              | B02 B04 B05 B06 C10 C11         |
| B21  | Demonstrate    | Meridian capstone: structure and diligence plan               | B01 B02 C08 C09                 |
| B22  | Demonstrate    | Meridian capstone: findings and transaction responses         | B01 B02 B03 B04 C05 C07         |
| B23  | Demonstrate    | Meridian capstone: financing changes and completion readiness | B03 B05 B06 C02 C09 C10 C11     |
| B24  | Demonstrate    | Meridian capstone: defence and professional evidence          | B01 B02 B03 B04 B05 B06 C07 C12 |

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Submit individual work even when you collaborate. Keep an evidence log: unit, output, version, feedback, correction and demonstrated criterion. Consult the handbook for tool conditions, asynchronous participation, assessment weights and student safeguards.

# C01 | Legal systems, instructions and professional authority

## Learning focus

Produce a conditional instruction note that separates the client entity, your mandate and the company's ability to be bound. No previous unit is required. Start with the handbook's scope and the glossary; this is supervised transaction-support training, not permission to advise a client independently.

First pass: complete the starting check in the learning-route resource, then identify just the entity, requested decision and permitted action in Northbank. Move on when your Harbour note distinguishes a known internal-limit breach from an unresolved external legal effect and gives a named next decision.

## Study notes

### Start with the decision and the legal system

A legal assignment contains at least three layers: the client's commercial objective, the legally relevant facts, and the authority of the person doing the work. "Review this deal" does not identify any of them. Establish the contracting entities, transaction, governing-law proposal, countries of performance, relevant date, decision deadline and intended audience. A governing-law clause is not a universal answer to regulation, procedure, tax or employment questions.

In common-law analysis, distinguish legislation from judicial interpretation and professional guidance. A statute may supply a mandatory constraint; a judgment may explain its application or a contractual principle; guidance may describe expected conduct without itself being legislation. Check court, issue and reasoning before treating a judgment as binding. A factually similar decision may be distinguishable because the clause, remedy or procedural posture differs. Record that distinction rather than collecting favourable quotations.

For legislation, examine the relevant provision, definitions, scope, commencement and amendment annotations. The date of publication is not necessarily the date a rule became applicable. For a judgment, separate findings, a party's submissions and the court's conclusion. The source is evidence for a proposition, not a substitute for applying it to the facts.

### Scope and authority are separate

A junior can be instructed to prepare recommendations without being authorised to communicate a final position to the counterparty. A company's internal approval policy, an employee's authority and an external counterparty's legal protections are related but distinct. Companies Act sections 40 and 43

illustrate why an internal breach does not automatically determine whether a company is bound externally. Do not give a definitive authority conclusion from a job title alone. [Companies Act 2006, section 40](#)  
[Companies Act 2006, section 43](#)

Section 40 concerns the directors' power to bind the company, or authorise others, and constitutional limitations in favour of a person dealing in good faith. It does not confer authority on every employee. Section 43(1)(b) addresses a person acting with express or implied authority. First identify the actor and the asserted authority; only then ask which statutory or agency analysis is relevant. Do not treat an internal spending limit as necessarily a constitutional restriction.

Prepare an engagement map with five columns: task, responsible person, source of authority, reviewer, and escalation condition. Add what you are not doing. The SRA competence statement treats recognising limits and seeking appropriate assistance as part of competent practice, not as failure. Use that professional discipline without implying this course confers solicitor status. [SRA: statement of solicitor competence](#)

Record an answer that can be acted on

A useful scoping note ends with a decision request. "Please confirm whether the sponsor may accept a 24-month commitment; I can then assess the supplier's proposed renewal mechanism" is more actionable than "further information required." Separate questions that block analysis from those that can wait. Never invent missing facts to make a memo look complete.

## Worked example

Fictional Northbank Training asks an analyst to approve a two-year, £36,000 software order. The order names Northbank Holdings; Training will pay. The sales lead's stated internal limit is £25,000. No acceptance has been communicated.

Worked example — table 1

| Question                  | Evidence                                             | Completed instruction record                                                                                                                |
|---------------------------|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Who contracts?            | Order names Holdings; payment request names Training | Entity unresolved. Sponsor to confirm intended customer and authority to act for it. Payment does not alone identify the contracting party. |
| What can the analyst do?  | Request to review; no signing delegation supplied    | Prepare issues and proposed wording; do not send acceptance or sign.                                                                        |
| What approval is missing? | £36,000 commitment exceeds the stated £25,000 limit  | Request delegated approval for the full term, not merely the first invoice.                                                                 |

Completed supervisor note: "Please confirm the customer entity and full-term approval before release. I can review the service terms now using Holdings as an expressly provisional assumption. The internal limit is exceeded; that does not by itself establish that any eventual agreement would be void. No external acceptance has been sent."

Why it works: it gives the supervisor a decision, preserves useful parallel work and distinguishes a known process problem from an unresolved legal conclusion.

### Guided practice

Change one fact: the sales lead sent "accepted" yesterday. Identify the immediate change to the note without deciding enforceability.

### Feedback

Remove "no external acceptance has been sent." Preserve the message and surrounding communications; escalate the possible existing commitment and ask counsel to examine authority and formation. An internal approval obtained today must not be backdated or described as proof of yesterday's authority. If your answer only seeks approval, it misses the changed legal question.

### Practice assignment

You support fictional Harbour Learning Ltd. A manager requests approval of a £48,000, three-year subscription. The purchase request names its subsidiary Harbour Services Ltd; the supplier order names Harbour Learning Ltd. The manager can authorise £20,000. A draft email says "we accept all terms," but has not been sent. Write a 450–600-word scope memo, an entity/authority table and five prioritised questions. Identify work you can do now, decisions requiring approval, and legal questions for a qualified reviewer. Do not send anything externally. AI may help organise your questions, but all factual assumptions and any assistance must be declared.

### Participation

In a group of three, rotate analyst, business sponsor and reviewer. The sponsor has five minutes to describe the commercial deadline; the analyst must clarify the entity and commitment without delivering an intimidating legal lecture. The reviewer identifies two unanswered questions. Submit your own revised scope paragraph. Asynchronous equivalent: exchange written briefs and record a three-minute explanation.

### Source study

Read CA43 on contracts through an authorised person, then CA40's distinct protection and limits. In up to 200 words within your scope memo, explain why "outside internal policy" and "not binding on the company" are not identical claims. Identify one issue these readings alone cannot decide. SRA A3 and B7 are optional professional comparison, not the source of the company-law rule.

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## Readings for this unit

Companies Act 2006, section 43 — UK company law: check extent. Read: Section 43(1)–(2). Check: What authority question remains for an employee signing a simple contract?

Companies Act 2006, section 40 — UK company law. Read: Section 40(1)–(6). Check: Whose powers and which limitations does the protection address?

SRA: statement of solicitor competence — England and Wales. Read: A3 and B7. Check: Optional professional benchmark: how are limits and an appropriate next step made visible?

# C02 | Contract formation, interpretation and remedies

## Learning focus

Use C01's fact/assumption distinction to separate whether a contract exists, what it requires and what remedy may follow. Your output is a two-sided analysis, not a confident verdict from an incomplete email chain.

First pass: work in three sittings—agreement and RTS; obligations and Wood; loss and Morris-Garner, then the narrow Cavendish warning. Add one row to the same Cedar analysis at each sitting. Move on when you can explain why agreement, breach and recoverable loss need different evidence; do not try to master every remedy here.

## Study notes

### Analyse agreement before arguing breach

For an English-law commercial problem, build a formation chronology: proposal, counterproposal, acceptance, performance and any stated reservation. Ask whether an agreement was reached, which terms formed part of it, and whether consideration, intention, certainty or formalities present an issue. The practical evidence may include emails, purchase orders and conduct rather than a single signed document. In RTS, the Supreme Court examined communications and performance to determine the contractual position; the lesson is contextual analysis, not that unsigned contracts are always binding. [RTS Flexible Systems v Molkerei Alois Müller \[2010\] UKSC 14](#)

An offer proposes a bargain capable of acceptance; an apparent acceptance that changes it may instead be a counteroffer. Consideration is the exchange supporting a simple contract, not a test that the price is commercially fair. Intention asks whether the parties objectively meant legal commitment; certainty asks whether their obligations are sufficiently ascertainable. These are different questions. Performance can be evidence of agreement without proving that every disputed term was accepted. An express "subject to contract" reservation requires particular attention; do not assume starting work necessarily removes it. This unit does not teach the separate doctrines of misrepresentation, duress or illegality in full.

Distinguish a representation made before agreement from a contractual promise. A misleading sales statement and breach of an agreed specification can raise different issues and remedies. Do not collapse mistake, misrepresentation, duress or illegality into a generic claim that an "unfair" contract is invalid. Identify the alleged defect, required legal elements and missing evidence.

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## Read the document as a system

Begin with the words, their defined meanings and the contract as a whole. Commercial context matters, but an analyst cannot replace an inconvenient bargain with the agreement they think reasonable parties should have made. Wood is a useful study in how text and context interact. Compare an indemnity with its surrounding provisions, not just its heading. [Wood v Capita \[2017\] UKSC 24](#)

Ask whether an obligation is absolute, qualified by reasonable endeavours, dependent on cooperation, or conditional on an event. "Delivery by 1 June provided the buyer supplies test data by 1 May" cannot be analysed like an unconditional delivery date. Identify dependencies and evidence of compliance.

## Separate entitlement, loss and recovery

Keep three terms distinct. Causation asks whether the breach caused the claimed loss; remoteness concerns the legal limits on responsibility for that type of loss; mitigation concerns reasonable steps to avoid or reduce loss. Use them as separate questions in this introductory review, not as a substitute for the full legal tests. Take the supported replacement expense first; investigate the unsupported reputation claim separately.

An allegation of breach is only the beginning. Explain the obligation, the relevant conduct, the causal link to loss, any remoteness issue, mitigation and contractual/statutory limits. A £100,000 liability cap is not an automatic £100,000 debt: the claimant must still establish an entitlement and quantify recovery under the applicable rules. Termination, damages, repayment and injunctions address different needs. Determine whether rights are cumulative or restricted, and whether a valid termination process was followed.

For ordinary compensatory analysis, compare the claimant's position if the contract had been performed with the position following non-performance. Morris-Garner paragraph 95(6)–(9) explains that purpose and the need to establish and measure loss; its separate discussion of negotiating damages should not be converted into a universal substitute for proof. An invoice can evidence a replacement expense, but check refunds, credits, costs avoided and other relevant offsets so the same loss is not recovered twice.

Difficulty in exact measurement is not permission to invent a number. [Morris-Garner v One Step \(Support\) Ltd \[2018\] UKSC 20](#)

For stipulated consequences of breach, the penalty doctrine is not a universal rule that any large payment is invalid. Cavendish requires close attention to the obligation and the interest protected. Read the case before relying on a shorthand such as "genuine pre-estimate." The course does not decide enforceability from a percentage alone. [Cavendish / ParkingEye \[2015\] UKSC 67](#)

## Worked example

Fictional Aster pays £12,000 for a reporting tool. The signed scope promises four exports; an earlier sales email mentions six. Two of the four specified exports fail. Aster claims its £900,000 annual turnover. The remaining terms and loss evidence are not supplied.

Worked example — table 2

| Issue                                 | Completed provisional analysis                                                                                                        | Evidence/action                                                                                |
|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| Two missing promised exports          | Non-delivery appears inconsistent with the supplied four-export promise, subject to dependencies and the full terms                   | Obtain specification, tests, delivery record and any agreed changes                            |
| Two additional exports in sales email | May raise an incorporation or pre-contract statement question; the email alone does not establish six contractual deliverables        | Read the communications, signed document set and relevant reservation/entire-agreement wording |
| £900,000 claim                        | Turnover is gross sales, not proof of loss caused by these failures; neither the price nor an alleged cap fixes damages automatically | Ask for interrupted transactions, avoided costs, replacement expense and mitigation evidence   |

Completed recommendation: "Request correction of the two specified failures while preserving the scope dispute. Do not quantify recovery at £900,000 on this record. Obtain the contract and loss evidence before advising on a claim; investigate whether the earlier statement gives a separate route." This identifies an actionable next step without pretending all elements of a remedy have been proved.

## Guided practice

Aster now supplies a £600 invoice for a temporary export service. Does that establish a £600 recoverable claim? Write two sentences distinguishing evidence from entitlement.

## Feedback

The invoice supports an amount spent, not every element of recovery. Check whether the expense was caused by the breach, reasonably incurred to mitigate, within the relevant legal limits and affected by agreed remedies. Giving zero credit to the invoice ignores evidence; treating it as conclusive damages ignores the remaining analysis.

## Practice assignment

For fictional Cedar Events, an order offers eight training sessions for £16,000. Cedar replies "agreed, including recordings"; the supplier replies "dates confirmed" and delivers two sessions without recordings. A purchase order says the supplier's terms are excluded. Produce a chronology, identify two plausible formation/terms analyses, and state what further evidence would discriminate between them. Then analyse a missed session causing £2,500 of documented replacement costs and an unsupported £30,000 reputation claim. Submit 700 words, distinguishing provisional conclusions from unresolved issues. Use AI only after making your own issue list.

## Participation

Pair buyer and supplier analysts. Each must fairly state the strongest argument against their preferred formation analysis before responding. Reviewers score accuracy and responsiveness, not aggression. Individually identify one fact that would change your conclusion.

## Source study

Follow the three-sitting route above and the pinpoint passages below. Prepare four brief proposition cards with pinpoint, application and limitation inside your working source table, not four extra essays. The Cavendish card should explain why a large stipulated payment is not automatically an unlawful penalty; a full penalty opinion is outside this task. These judgments answer different questions; do not cite one for all four or treat this reading as complete remedies training.

Model reading card: *RTS [2010] UKSC 14*, paragraphs 45–47. The Supreme Court is explaining its principles, not merely reporting a party's allegation. Agreement is assessed objectively from communications and conduct; paragraph 47 cautions against assuming work begun subject to contract always, or usually, creates a contract on the proposed terms. Cedar application: starting sessions is relevant evidence, but does not alone settle the recordings counterproposal. Limit: obtain the complete exchange and reservations; this case does not decide Cedar's facts. Use the same source → proposition → application → limit structure for your other cards.

## Readings for this unit

*RTS Flexible Systems v Molkerei Alois Müller [2010] UKSC 14* — England and Wales. Read: Paragraphs 45–48. Check: How do objective communications, conduct and reservations affect formation?

*Wood v Capita [2017] UKSC 24* — England and Wales. Read: Paragraphs 10–13. Check: How do text and context interact without rewriting the bargain?

*Morris-Garner v One Step (Support) Ltd [2018] UKSC 20* — England and Wales. Read: Paragraph 95(6)–(9), with surrounding context. Check: Explain compensatory loss and why a cap or expense invoice does not alone establish recovery.

*Cavendish / ParkingEye [2015] UKSC 67* — England and Wales. Read: Paragraphs 31–32; read surrounding reasoning. Check: Why must you identify the obligation and protected interest before a penalty conclusion?

# C03 | Companies, authority and the financial language of work

## Learning focus

After C01–C02, build a reviewable balance-sheet and price calculation. Distinguish a company's own cash from a shareholder's sale proceeds and legal approval from mathematical correctness.

First pass: revisit C01's entity map; then balance assets and liabilities before attempting the price bridge. Work on the approval checklist in a separate sitting. Move on when a changed debt input updates the seller payment and you can explain why book equity, price and company cash are different amounts.

## Study notes

Identify the legal person and the decision-maker

An incorporated company is not interchangeable with its shareholder, brand or parent. Companies Act section 16(1)–(3) is the statutory starting point for the effect of registration and the incorporated body. Draw the entity map before drafting an obligation. Separate ownership from management: shareholders may control particular decisions, while directors manage subject to law and constitutional arrangements. Analyse the articles, resolutions, shareholder agreements and delegated authority; one does not automatically replace the others. [Companies Act 2006, section 16](#)

Companies Act section 172 is a starting point for studying directors' decision-making duties, not a command to maximise today's distribution regardless of consequences. Read the statutory wording and qualifications, including the treatment of creditor interests where relevant, before applying it. Sections 175 and 177 address different conflict situations; a declaration is not a universal cure for every conflict or procedural defect. [Companies Act 2006, section 172](#) [Companies Act 2006, section 175](#) [Companies Act 2006, section 177](#)

Distinguish approval from execution. Section 44 describes company execution routes within its scope. A signature satisfying an execution formality does not establish that every internal approval, regulatory condition or contractual consent has been obtained. Conversely, an authorised ordinary contract need not always use deed-style formalities. [Companies Act 2006, section 43](#) [Companies Act 2006, section 44](#)

Use financial terms accurately

Revenue records sales under the applicable accounting treatment; profit is not the same as cash collected. A profitable company can face a cash shortage if customers pay late while suppliers must be paid now. Debt is not ownership merely because it funds the business. Equity carries a bundle of rights that depends on the security and documents.

For a simple teaching balance sheet, assets equal liabilities plus equity. In £000, if assets are 150, liabilities 90 and equity 60, a new cash equity investment of 20 increases assets and equity by 20, before fees or other changes. It does not create revenue. Borrowing 20 instead increases both assets and liabilities. These are simplified mechanics, not a complete accounting opinion.

For percentages, convert 80% to 0.80 before multiplying;  $£270,000 \times 0.80 = £216,000$ . A table labelled £000 would show 270 and 216 instead. Never mix those units in one formula. The starting check provides a smaller calculation if this is unfamiliar; a labelled text calculation is a valid alternative to spreadsheet software.

In a transaction, keep enterprise value, equity value and cash actually paid to a particular seller separate. For an explicitly debt-free/cash-free teaching model, equity value may be calculated as enterprise value minus agreed debt plus agreed cash, with a defined working-capital adjustment. The agreement determines those definitions; an accounting label does not decide a negotiated price mechanism.

## Worked example

Fictional Maple's figures are all in £000. The agreed teaching price formula has no working-capital adjustment; all stated debt and cash are included.

Worked example — table 3

| Item                          | Calculation                              | Result (£000) | What it means                                                                         |
|-------------------------------|------------------------------------------|---------------|---------------------------------------------------------------------------------------|
| Operating profit              | 200 revenue – 150 operating costs        | 50            | Not cash available to distribute; this simplified figure omits other accounting items |
| Reference equity value        | 300 enterprise value – 45 debt + 15 cash | 270           | Negotiated price – model output, not balance-sheet equity                             |
| 80% secondary purchase        | $270 \times 80\%$                        | 216           | Reference payment to selling holders                                                  |
| Separate primary subscription | 20 new cash paid to Maple                | 20            | Company financing; does not automatically increase the sellers' 216                   |

For a separate balance-sheet illustration, Maple has assets 150, liabilities 90 and equity 60. A 20 cash subscription gives assets 170, liabilities 90 and equity 80 before fees. Borrowing 20 instead gives assets 170, liabilities 110 and equity 60. Both balance, but they create different rights and obligations. Do not mix this book-equity illustration with the 270 valuation.

The downloadable `finance-models.xlsx` contains these inputs and formulas; it is a teaching model, not an assessment answer.

## Guided practice

Keep enterprise value 300 and cash 15, but increase included debt to 55. Calculate equity value and 80% consideration. Then explain why the company's 50 operating profit does not settle whether it can pay a dividend.

## Feedback

Equity value becomes 260 and the secondary reference price 208. If your model still shows 216, its output is hard-coded or linked to the wrong debt input. Profit, available cash and the legal ability to make a distribution are separate; financial statements, distributable-profit rules and the actual circumstances need review.

## Practice assignment

All monetary figures in this Elm exercise are in £000. Fictional Elm Ltd has assets 280, liabilities 170, cash 25 and included debt 60. A buyer proposes enterprise value 400 and an agreed working-capital shortfall adjustment of minus 10. Calculate book equity, the enterprise-to-equity bridge, and 75% of the resulting equity value. Then distinguish a purchase of existing shares from a separate 50 (£50,000) new-share subscription into Elm. Supply a spreadsheet with visible formulas, a 350-word explanation and an approval/execution checklist. Do not invent a tax rate or assume that the CEO alone can approve every step.

## Participation

One learner explains the numbers to a fictional founder without jargon; another challenges one input; a third checks formulas. Each submits a correction log and one question requiring an accountant or corporate-law reviewer. Provide a written dialogue if audio is not accessible.

## Source study

Read CA172, CA175, CA177 and CA44. Build a decision checklist separating directors' duties, conflict disclosure, constitutional approval and execution. Mark which items need documents not supplied by the statute.

## Readings for this unit

[Companies Act 2006, section 16](#) — UK company formation; check statutory scope. Read: Section 16(1)–(3). Check: What is created by registration, and why must the entity be distinguished from shareholders?

[Companies Act 2006, section 172](#) — UK company law. Read: Section 172(1)–(3). Check: Why is the duty more qualified than maximising an immediate distribution?

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Companies Act 2006, section 175 — UK company law. Read: Section 175(1)–(6). Check: Which conflicts and authorisation conditions need consideration?

Companies Act 2006, section 177 — UK company law. Read: Section 177(1)–(6). Check: What must be examined for an interest in a proposed transaction?

Companies Act 2006, section 44 — England and Wales company execution context. Read: Section 44(1)–(4). Check: Why does an execution route not establish every required approval?

Companies Act 2006, section 43 — UK company law: check extent. Read: Company contracts and authority. Check: Relate this source to the cited proposition and state its scope.

# C04 | Investigation, evidence and dispute-aware judgment

## Learning focus

Use C02's entitlement/evidence distinction to produce a neutral chronology and a proportionate preservation request. Learn to separate a source's words from your legal inference.

First pass: turn E1 into one fact row before considering E2's acceptance claim. Recall C02: what evidence would discriminate between competing explanations? Move on when a later document updates your analysis without rewriting what the earlier source actually said, and your urgent preservation request has a limited scope and owner.

## Study notes

### A chronology is an analytical instrument

A chronology connects an event to evidence, not simply a date to a confident sentence. Record date/time, actor, event, source, reliability, dispute status and relevance. Separate "the system recorded delivery" from "the buyer accepted contractual performance." A timestamp might establish transmission but not receipt, authority or acceptance.

Use a hypothesis table: proposition to test, evidence supporting it, evidence against it, gaps and next action. The purpose is to find what could change the conclusion. Search only for confirmation and your work becomes advocacy without a factual foundation. Interviews should start with open questions and move to specific checks; preserve a speaker's uncertainty instead of turning it into a categorical statement.

### Preserve before processing

Keep originals, document origin and working copies. Redactions, OCR, translation and AI extraction can change what a reviewer sees. A missing table or date can alter an obligation. Record transformations and compare material extracts with the source. Do not edit an original to make it easier to search and then discard the original.

Privilege and confidentiality are not synonyms. A confidential business document is not automatically privileged; copying a lawyer or placing "privileged" in the filename does not establish the legal requirements. Access and disclosure questions depend on the relevant legal regime and facts. When a document might be privileged, restrict handling and seek the designated review rather than publishing its contents to a peer group. CPR Part 31 illustrates the distinction between disclosure, inspection and a claim to withhold inspection, but other procedural regimes and specific rules may apply. [Civil Procedure Rules, Part 31](#)

Part 31 is not a universal disclosure code: rule 31.1 excludes the small-claims track, and Practice Direction 57AD governs disclosure in its defined Business and Property Courts scope, subject to exclusions. Read the scope before applying either regime. Disclosure identifies a document's existence; inspection concerns access to it. A privilege claim needs a separate legal basis and process. This lesson teaches preservation and issue recognition, not a complete privilege opinion. [Practice Direction 57AD: disclosure in the Business and Property Courts](#)

### Frame options, not premature certainty

Before recommending litigation, understand the objective: payment, continued supply, preservation of evidence, an injunction, a commercial exit or a durable relationship. Consider process, cost, timing, enforceability, evidence and authority. You need not decide a limitation period from memory to act responsibly; identify the potentially time-sensitive issue and escalate promptly. Negotiations should not be assumed to suspend a deadline.

An escalation note should tell its reader what decision is required now, what is known, what may be lost by delay, and who is responsible. Avoid an undifferentiated twenty-item risk list when one item threatens an immediate right or evidence source.

### Worked example

Fictional source E1 is an intern's support entry, 10 May at 14:00: "issue resolved." Source E2 is an engineer's 15:00 email: "buyer accepted upgrade." No signed acceptance or test record is supplied. Routine deletion of the tickets is scheduled for 11 May.

Worked example — table 4

| Time              | Source                                         | Recorded event                      | Inference and limit                                                                   |
|-------------------|------------------------------------------------|-------------------------------------|---------------------------------------------------------------------------------------|
| 10 May, 14:00     | E1, original ticket                            | Intern records technical resolution | Supports what the ticket says; does not establish contractual acceptance or authority |
| 10 May, 15:00     | E2, engineer email                             | Engineer asserts acceptance         | Assertion to test against acceptance terms, tests and buyer communications            |
| 11 May, scheduled | System retention setting supplied for exercise | Tickets due for routine deletion    | Preservation decision is urgent even though merits are unresolved                     |

Completed draft instruction to the authorised records owner: "Please preserve E1, its attachments and available audit history in original form, suspend the relevant routine deletion pending counsel's review, and confirm the action taken. Restrict access to the matter team. Do not change the ticket wording or collect unrelated personal records." Counsel must approve the scope and retention handling; this is not a blanket instruction to retain everything indefinitely.

## Guided practice

A signed acceptance form later appears, signed by a person whose role is unknown. Update the inference, not the original chronology entry.

## Feedback

Add a new source and event. The form is stronger evidence of a communicated acceptance, but check document identity, scope, timing and signatory authority. Do not rewrite E1 as if the intern had signed it. A chronology must preserve what was known at each stage.

## Practice assignment

The buyer's email of 4 March says a batch is defective. A 5 March internal memo proposes a workaround. A 6 March sales note claims "full settlement agreed," while the buyer's same-day message says "we will test the workaround without accepting your position." A 7 March auto-delete rule threatens support logs. Produce a six-column chronology, a 250-word evidence-preservation instruction for review, and a 400-word options note. Identify the disputed inference, missing documents and urgent action. Do not claim privilege or settlement conclusively from these facts.

## Participation

Run a fact interview: witness, interviewer and observer rotate. The observer highlights leading questions and untested assumptions. Submit three improved questions and a neutral summary the witness could correct. Never substitute a real workplace dispute for the fictional exercise.

## Source study

Read the disclosure/inspection distinction and withholding provisions in CPR31 and check PD57AD's scope. In your options note, explain one factual investigation step, one legal issue and one procedural point requiring current specialist confirmation. SRA B1–B3 is optional professional context.

## Readings for this unit

[Civil Procedure Rules, Part 31](#) — England and Wales. Read: Rules 31.1–31.3 and 31.19–31.22. Check: Separate disclosure, inspection, withholding and restricted use; identify scope limits.

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Practice Direction 57AD: disclosure in the Business and Property Courts — England and Wales; defined proceedings and exclusions. Read: Paragraph 1, including exclusions. Check: Does the contemplated proceeding fall within this disclosure regime?

# C05 | Professional drafting, communication and delivery

## Learning focus

Build on C02's contract analysis and C04's evidence record to write for a specific decision-maker. Produce a usable recommendation and a bounded clause, then test the clean wording.

First pass: write the decision sentence before drafting the whole memo; identify actor, trigger and evidence in the model clause. Move on when another reader can identify the requested decision and execute your proposed procedure without asking what you meant. Use feedback on Aster to prepare for M1; do not import Aster's facts into Cedar.

## Study notes

### Write for the decision, not for display

A useful professional note answers a question for a particular reader. A supervising lawyer may need legal nuance; a finance lead may need a decision, cost and deadline. Both require accuracy. Use a layered structure: recommendation, material reasons, alternatives and consequences, then supporting detail. "There are several risks" is not a recommendation. "Approve only if the price mechanism is reconciled and the named approver accepts the residual exposure" identifies an action and its conditions.

Draft obligations with an actor, action, object, trigger, standard, time and evidence. "The supplier will assist promptly" leaves several variables undefined. A workable teaching alternative might specify the incident category, acknowledgement period, communication channel and responsible role. The right detail depends on the transaction; a number invented for precision is not better than a disclosed question.

Keep definitions and cross-references consistent. A redline can improve one clause while creating a conflict elsewhere. After changes, read the clean document, test defined terms, check schedules and compare economic terms. Distinguish a legal requirement from a business preference in your comment: "approval required by our policy" is not "the law prohibits this."

### Make handovers reliable

A matter tracker needs owner, next action, due date, dependency, status and evidence location. "In progress" is not useful if nobody knows what prevents completion. Surface a blocker early with options and a decision request. Use a known version, preserve agreed changes, and record who may release the document. A filename containing "final" is not authority to sign.

Time recording should explain the work delivered, not fabricate experience. For learning, record actual time and what caused rework. This identifies whether a task is badly scoped or a skill needs practice. Professional reliability includes acknowledging mistakes and correcting their consequences; an immaculate-looking file with hidden errors is poor evidence of competence. [SRA: statement of solicitor competence](#)

## Worked example

Weak note: "The indemnity is broad and needs narrowing." Stronger note: "Clause 12 covers every loss connected with the service, including the customer's own conduct. I propose limiting it to specified third-party IP claims, with defence control and an exclusion for unauthorised modifications. The sponsor must decide whether this narrower protection meets the project risk; counsel should review its interaction with the cap." The second note identifies text, scenario, consequence, proposed response and decision-maker without pretending the proposed wording is universally correct.

Completed teaching clause for a different issue: "For a reported failure preventing all authorised users from accessing the hosted service, Supplier shall acknowledge a ticket submitted through the support portal within one hour, nominate an incident lead and provide a progress update every two hours until access is restored or an agreed workaround is available. Times run continuously. Supplier shall record receipt, updates and restoration in the ticket."

These are proposed commercial periods. "Acknowledge" is not "restore"; a restoration obligation and remedies still need agreement. The clause defines the trigger, actor, action, clock, channel and evidence, but does not purport to be a complete service schedule. The decision note is: "Confirm that continuous coverage is deliverable and priced before approving these periods; retain a fallback channel if the portal is unavailable."

## Guided practice

The supplier only staffs support from 09:00 to 17:00 London time on weekdays. What must change before approving that clause?

## Feedback

Continuous one-hour acknowledgement cannot be assumed from business-hours staffing. Either resource continuous coverage or define a supported-hours clock with time zone, holiday treatment and an out-of-hours escalation arrangement. Show the consequence of a Friday-evening failure to the sponsor; replacing "one hour" with "promptly" hides the decision.

## Practice assignment

Read the completed `memo-model.pdf`, then prepare a changed-fact rehearsal on Aster, not the Cedar M1 assessment. New fact: the supplier offers a £500 credit only if Aster releases all related claims; your sponsor has not approved any release. In at most 600 words, include a 100-word executive summary,

fact/assumption table, scope and remedy alternatives, missing evidence and a recommended next step. Explain how the conditional offer changes the decision; do not copy the model unchanged. Attach a future acceptance clause of at most 150 words and a version log. If you use AI, disclose actual suggestions accepted/rejected and why, without a quota. Otherwise record manual checks. Complete M1 separately after feedback.

## Participation

Exchange anonymised fictional memos within your pod. Each reviewer identifies one proposition not supported by the file, one unclear decision and one useful sentence. The author responds to feedback instead of silently accepting it. Submit the revised paragraph and a three-item change log. Contribution is judged on specificity and respectful engagement, not posting volume.

## Source study

For optional professional comparison, read SRA B4, C1 and D1–D2. Convert each into an observable check of your memo: what would another person actually see if you met the standard? Treat this as a practice benchmark, not a regulated award.

## Readings for this unit

SRA: statement of solicitor competence — England and Wales. Read: B4, C1 and D1–D2. Check: Optional benchmark: identify evidence of usable drafting, audience awareness and record management.

# C06 | AI literacy through legal workflow evaluation

## Learning focus

Apply C04's source discipline and C05's review process to a bounded extraction task. Calculate precision/recall, expose a conflicting document and justify whether any tool is useful. Coding and a paid AI account are not prerequisites.

First pass: extract one field manually from E01, then test the same field against E03's conflict before expanding the schema. Move on when you can reconstruct both metric denominators, explain a material error and keep a source's instruction from becoming system permission. Attempt K1 only after reviewing the core readiness checkpoint.

## Study notes

### Understand the task and the system

A language model predicts and generates text; fluent output is not a warranty of legal accuracy. A retrieval step supplies selected information, but it can retrieve the wrong version or miss a crucial annex.

Structured extraction converts documents into fields, but the schema itself can erase uncertainty. An automated workflow can combine these functions with external actions. The more authority it receives, the more important permission checks and review become.

Design a bounded task: permitted sources, output structure, prohibited assumptions, uncertainty fields, review owner and success test. "Find all risky clauses" is underspecified. "From these five fictional agreements, record governing-law text, source location, an explicit missing-value marker and any conflict between main agreement and schedule" is testable. Do not ask a model to expose hidden reasoning; ask for sources, concise reasons, assumptions and a reproducible work record.

### Measure before adopting

Create an answer set from documents reviewed by a person with appropriate competence. Keep a small test set separate from the examples used to tune prompts. Record model/version, instructions, source set and date. Evaluate material false negatives as well as false positives; a tool that flags everything may have high recall and still be unusable.

In a teaching test there are ten genuine issues. The system flags twelve, of which eight are genuine. Precision is 8/12, about 66.7%; recall is 8/10, 80%. Neither tells you which missed issues mattered most. Add error severity, reviewer time and reproducibility. Compare against the same unaided task, without claiming a controlled scientific study from one learner's attempt. NIST's generative-AI profile provides a risk-management reference rather than a legal-compliance certificate. [NIST AI Risk Management Framework: Generative AI Profile](#)

## Design for failure and restraint

A document may contain text instructing the tool to ignore the reviewer or disclose data. Treat that text as evidence in the document, not authority over the system. Use least privilege, controlled input, human approval before consequential actions, and a way to stop or reverse automation. A course exercise must not email clients, sign agreements or upload their records.

Confidentiality, licensing, privacy and security decisions precede model selection. A “no training” promise alone does not answer retention, access, jurisdiction or contractual questions. For this academy, use fictional data and approved tools only. A learner may choose a manual equivalent and must be able to explain the result independently.

The SRA's warning of 17 August 2026 identifies false legal information and confidentiality risks in AI-assisted work by those it regulates. Use it as a scoped professional example, not a worldwide rule or an academy endorsement. A paid tool is not evidence of appropriate safeguards. For each material citation, open the actual source, verify the passage and its relevance, and check its status; remove or qualify an unsupported proposition before a reviewer relies on it. [SRA: Misuse of AI — warning notice, 17 August 2026](#)

## Worked example

A review tool reads fictional D1: “Termination notice: 30 calendar days.” Signed schedule D2 states: “For the managed reporting service: 60 calendar days.” No precedence term is supplied. Its output is  
notice\_days: 30; source: D1; status: verified.

Completed corrected record:

Worked example — table 5

| Field                   | Reviewed output                                          | Reason                                                                         |
|-------------------------|----------------------------------------------------------|--------------------------------------------------------------------------------|
| Notice candidates       | 30 in D1; 60 for managed reporting in D2                 | Preserve both relevant texts and their scope                                   |
| Operative notice period | Unresolved                                               | No supplied precedence or scope analysis settles the interaction               |
| Status/action           | Conflict; reviewer required; automatic deadline disabled | A correct quotation from D1 is not a correct conclusion about the document set |

In the separate issue-detection example, eight true positives and four false positives make twelve flags; two false negatives make ten genuine issues. Precision =  $8/12 = 66.7\%$ ; recall =  $8/10 = 80\%$ . No true-negative count is supplied, so do not invent an overall accuracy percentage. A missed notice conflict can be more serious than several harmless extra flags.

Use `extraction-lab.csv` for supplied development and holdout records, a rules/manual route and changed-fact tests. Establish expected outputs before testing; keep the holdout results out of prompt tuning.

Short source-verification test: an AI draft cites Companies Act section 43 for "every company contract requires two directors' signatures." Open section 43(1), record what it actually addresses and correct the claim. The source exists, but that does not make the proposition it is cited for accurate. No additional tool run is required; put the correction in your C06 error table. [Companies Act 2006, section 43](#)

## Guided practice

Add D3, a draft amendment proposing 90 days, and a footer instructing the tool to email the file externally. Decide what changes in the reviewed record.

## Feedback

Record the draft as a proposed, not executed, term; it does not silently replace D1/D2. The footer is evidence text, not permission to send anything. Keep the conflict and outbound-action block. Neither a later filename nor a fluent tool explanation proves approval.

Citation-test correction: section 43(1)(b) recognises a contract made on a company's behalf by a person acting with express or implied authority, within the section's scope. It does not impose the asserted universal two-director rule. The actual authority and any applicable formalities still need examination. Record "real source, unsupported proposition," not "citation verified, advice approved."

## Practice assignment

Use the eight supplied records in `extraction-lab.csv`: six development records and two holdouts. Define a schema and establish expected outputs before testing. Freeze the schema/method before opening the two holdouts; their task hints make this a disclosed learning exercise, not a blind benchmark. If you have already used a holdout to tune the process, record that limitation and seek fresh records for any later independent evaluation. Test an approved model or a rules-based/manual method. Submit results, an error table, time/cost observations, failure controls and a 400-word recommendation. Add one new fictional challenge record of your own; label it self-authored, not unseen to you. Include what the small experiment cannot establish. Complete K1 separately without generative AI; assistance here does not carry into that assessment.

## Participation

In pairs, one learner constructs a misleading source; the other tests whether their process handles it safely. Exchange only fictional data. Each explains one failed test and a justified improvement. No points are awarded merely for obtaining a polished answer.

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## Source study

Use the selected NIST passages to connect two relevant risks to concrete controls and tests in your error table; do not read the entire profile before starting. Optionally compare the SRA AI warning's accuracy and confidentiality sections with your controls. Keep technical-risk management and jurisdiction-specific professional duties distinct.

## Readings for this unit

[NIST AI Risk Management Framework: Generative AI Profile](#) — Technical risk-management reference, not law. Read: Sections 2.2 (Confabulation) and 2.4 (Data Privacy); Section 3 action MS-2.5-003. Check: Give an observable control/test for each risk and explain why a real citation can still support a false proposition; no whole-profile reading is required.

[Companies Act 2006, section 43](#) — UK company law: check extent. Read: Section 43(1)(b) and (2). Check: Correct the source-verification exercise's unsupported universal signature claim.

[SRA: Misuse of AI — warning notice, 17 August 2026](#) — England and Wales; SRA-regulated firms and individuals, not a worldwide rule. Read: AI hallucinations – relevant considerations; Client confidentiality – relevant considerations. Check: Optional professional context: compare the 17 August 2026 warning with your verification and confidentiality controls, within its stated regulatory scope.

# 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.

Worked example — table 1

| 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.

Worked example — table 2

| 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 |

| Question                      | Worked application                                                                       | What remains                                                                                                                         |
|-------------------------------|------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| 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.

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## 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:

Worked example — table 3

| 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         | $8.3 \times 0.80$ | 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.

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## 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."

Worked example — table 4

| 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.

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## 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.

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## 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; £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.

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## 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.

Worked example — table 5

| 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/<br>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.

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## 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.

Worked example — table 6

| 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.

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## 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.

Worked example — table 7

| 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.

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## 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.

Worked example — table 8

| Equity proceeds | Available preference:<br>min (£2m, proceeds) | As - converted: 25% ×<br>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  $£2m + 25\% \times (£4m - £2m) = £2.5m$ ; others receive £1.5m. Do not calculate  $£2m + 25\%$  of the full £4m, which counts the preferred distribution again. Different classes, seniority or participation caps require a different model.

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## 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.

Worked example — table 9

| 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.

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## 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.

Worked example — table 10

| 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.

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## 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.”

Worked example — table 11

| 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.

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## 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.”

Worked example — table 12

| 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.

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## 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.

Worked example — table 13

| 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.

# B21 | Meridian capstone: structure and diligence plan

## Learning focus

Prerequisite: B07–B20. Integrate structure, ownership, price and diligence without conflating transaction stages. The following arithmetic example is separate from Meridian's unresolved subscription valuation.

First pass: reopen B07–B09's source records and explain the transaction steps without the model answer. Move on when your priority requests follow the actual structure and you can identify which earlier outputs need correction. Continue the existing matter file, with base-case figures kept separate from BT1/BT2 variants.

## Study notes

The acquisition and proposed investment must first be understood as distinct steps. Identify the parties, the 75% secondary acquisition, the separate primary cash and their effect on ownership and funding. Do not assume one percentage describes every stage.

Re-review and improve your existing Meridian work rather than rebuilding every earlier submission. Reset any technical-specimen replacement figures to the base case unless the current brief expressly changes them. The familiar public matter remains practice; independent performance needs a different controlled fact pattern and observation.

Reconcile the issued-share register, options and pitch-deck denominator. Missing authority is not solved by a balanced spreadsheet. Preserve conflicting records, identify what each proves and request the evidence needed. Scope diligence around the business and transaction rather than reading files in alphabetical order.

Define materiality and work boundaries. The key customer, critical consultant-created software, lender conditions and option inconsistency may affect different parts of the transaction. A good plan assigns the appropriate analysis and decision owner. It does not promise a complete legal audit of all jurisdictions.

## Worked example

Fictional Ibis has 1,000 issued ordinary shares. Assume an authorised secondary transfer of 750 to Buyer, followed by an authorised issue of 250 new equal-ranking shares to that same Buyer; no options or other changes. These are express example assumptions.

Worked example — table 1

| Stage                    | Buyer shares | Other holders | Issued total | Buyer percentage |
|--------------------------|--------------|---------------|--------------|------------------|
| After secondary transfer | 750          | 250           | 1,000        | 75%              |
| After primary issue      | 1,000        | 250           | 1,250        | 80%              |

Completed structure note: "The secondary percentage does not survive unchanged. Seller payment and company subscription cash go to different recipients. Confirm pricing, sequencing and approvals before using this model for another transaction." A supplied £1m subscription amount in Meridian does not tell you how many new shares it buys without the issue terms.

### Guided practice

Issue the same 250 new shares to a different investor, not Buyer. What are the final percentages?

### Feedback

Buyer  $750/1,250 = 60\%$ ; continuing holders 20%; new investor 20%. A model which leaves Buyer at 75% has failed to follow the ownership step. It still needs legal authority and actual rights analysis.

### Practice assignment

Submit the structure chart, reference equity bridge, ownership reconciliation, diligence scope and eight prioritised requests. Identify at least one issue where a correct numerical calculation does not answer the legal question. Maximum 1,000 narrative words plus tables.

### Participation

In a methodology clinic, explain your first three review priorities and the evidence needed. Do not share a capstone solution for others to copy. Record one peer question that changed your investigation plan.

### Source study

Select relevant company authority/pre-emption readings and SRA B1/B7. Separate the original financial assumptions from statutory rules.

### Readings for this unit

[Companies Act 2006, section 549](#) — UK company law. Read: Section 549. Check: Identify the issue-authority workstream.

[Companies Act 2006, section 561](#) — UK company law. Read: Section 561. Check: Separate issue pre-emption from secondary transfer restrictions.

# B22 | Meridian capstone: findings and transaction responses

## Learning focus

Prerequisite: B21. Convert findings into a coherent choice of condition, price, protection or integration work. Explain what your preferred response does not solve.

First pass: turn one B21 priority into an executive finding and test whether each proposed remedy addresses the actual dependency. Move on when the summary and annex agree, the options are usable, and new evidence can close or narrow an issue rather than leaving an obsolete warning in place.

## Study notes

Translate diligence into decisions. Each material finding should identify the evidence, uncertainty, business consequence and a proposed response. A list of missing documents is not enough; explain why they matter and what can or cannot be inferred.

Link consent, ownership and IP issues to the deal documents. Some responses belong in conditions, some in disclosure, some in price or indemnities, and some in post-close work. A broad warranty cannot physically produce a missing licence or guarantee customer continuity.

Draft for a reader who must choose whether and how to proceed. Your executive summary should prioritise issues without suppressing limitations. Keep a detailed annex for traceability. If a seller statement conflicts with an instrument, record both and investigate rather than selecting the convenient version.

## Worked example

Separate fictional target Wren has an internal-use software licence; its proposed asset sale requires assignment. The licence requires prior consent and no consent is supplied.

Worked example — table 2

| Response         | Completed proposal                                                                                             | Limit/trade - off                                       |
|------------------|----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| Condition        | Require an effective transfer consent or replacement licence before completing the dependent business transfer | Protects continuity but may delay or prevent completion |
| Price/protection | Negotiate an adjustment or specified financial protection for the identified risk                              | Money alone does not authorise use of the software      |

| Response               | Completed proposal                                                                     | Limit/trade-off                                             |
|------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------|
| Structural alternative | Exclude or defer the dependent transfer while testing a viable alternative arrangement | May change the business being acquired, timetable and value |

Completed committee recommendation: "Prioritise usable rights as a dependency, not only compensation. Ask the client whether the revised business/price remains acceptable if rights cannot be obtained. Counsel must settle the mechanism and any necessary third-party arrangements." This is a reasoned choice with alternatives, not a claim that a condition always solves the problem.

## Guided practice

Consent arrives but prohibits the buyer group's other companies from accessing the system. What question changes the recommendation?

## Feedback

Ask whether the operating model needs group access and whether the consent/licence can support it. The original assignment concern has narrowed, but intended use may still be blocked. Update the report rather than repeating an obsolete "no consent" finding.

## Practice assignment

Develop the same diligence report and evidence annex for eventual P1 submission, within the five-page maximum. Revise your existing purchase-agreement risk matrix and add three draft disclosure questions. Include two alternative responses to the key customer issue and explain their limitations. This is a feedback checkpoint, not a second final report. Your analysis must remain individual.

## Participation

Present one issue to a simulated investment committee. Answer "what decision changes?" and "what evidence would change your recommendation?" Revise the issue entry after feedback.

## Source study

Revisit IP11/IP90, CA40/CA43 and the relevant fictional contract extracts. Distinguish law, evidence and negotiated risk allocation in each report entry.

## Readings for this unit

Copyright, Designs and Patents Act 1988, section 11 — UK copyright. Read: Section 11. Check: Trace creator and ownership evidence.

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Copyright, Designs and Patents Act 1988, section 90 — UK copyright. Read: Section 90(3). Check: Separate an invoice from assignment evidence.

Companies Act 2006, section 40 — UK company law. Read: Section 40. Check: Scope counterparty protection accurately.

Companies Act 2006, section 43 — UK company law: check extent. Read: Section 43. Check: Identify the actual authority inquiry.

# B23 | Meridian capstone: financing changes and completion readiness

## Learning focus

Prerequisite: B22 and B17/B20. Trace a changed funding input into every affected decision and document. Use the supplied public practice event if no facilitator is available.

First pass: identify the changed source of funds and trace its effect through each B17 scenario before editing the narrative. Move on when price, payoff, funding gap and release status agree, and you can explain why a price deduction does not itself move money.

## Study notes

A new financing or consent fact can change both timetable and economics. Update the model only after stating the new assumption and its evidence. Check that sources/uses, price and debt treatment remain consistent. A target-debt deduction in a price bridge does not itself show who will fund repayment at closing.

Public self-study event: the proposed new lender reduces available acquisition funding from £3.5m to £3.2m; no sponsor increase is approved. Keep M09's two explicit scenarios separate. This disclosed event is not the instructor's private variation. Recalculate the gap and prepare a decision request without inventing a funding source.

Build completion readiness from conditions and evidence. Identify who may waive contractual protections and which legal requirements cannot simply be waived by agreement. Preserve the distinction between signed documents held to order and authority to release them.

Use a version-controlled closing index and an unresolved-actions list. A blocked item can be the correct result. Do not make a document appear complete by inventing a signature, consent or date. Your workflow must stop consequential action when approval or evidence is missing.

## Worked example

In a separate fixed-price teaching deal, seller cash is £8m, lender payoff £2m and fees £0.5m; sources are £10.5m. The payoff rises by £20,000. For this example only, seller consideration does not adjust and no other source/use changes.

Completed change row: "Payoff evidence P2 supersedes P1; revised payoff £2.02m; uses £10.52m; sources £10.5m; funding gap £20,000. Finance must provide an authorised funding solution or revised plan. Update payoff/release condition, funds flow, approval request and version index; keep release blocked."

Why the fixed-price assumption matters: in a completion-accounts transaction, included debt may also change the equity price and percentage seller payment. The net funding effect therefore requires the actual agreed formula; applying the £20,000 figure mechanically to every deal would be wrong.

## Guided practice

For an alternative teaching model, the same £20,000 increase reduces total equity value pound-for-pound and the buyer purchases 75% secondarily while separately funding the whole payoff. Other uses remain fixed. What is the net extra cash need?

## Feedback

Secondary payment falls by £15,000 ( $75\% \times £20,000$ ), while payoff rises £20,000: net extra cash need £5,000. This follows only the stated structure. Document how retained holders and financing are treated; do not assume price arithmetic moves cash or grants corporate approval.

## Practice assignment

Respond to the instructor's staged event or the public £3.2m funding variation above. Update the same matter file with an impact note, revised financial/ownership tables, condition/consent tracker, closing index and workflow test record. Index changes and retain unaffected work; do not rewrite it solely to create a new pack. Identify a potential double count and resolve it or state the additional instruction required. Use M09's explicit base assumptions; do not manufacture a target-cash contribution or approval.

## Participation

Hold a simulated readiness call with no real payments or signatures. Each participant gives a concise blocker/owner/action report. Submit your own version of the final handover.

## Source study

Use CA44, CA859A, CMA and NSI only where the actual question engages them. Record why a source or condition is relevant rather than copying a generic closing checklist.

## Readings for this unit

[Companies Act 2006, section 44](#) — England and Wales company execution context. Read: Section 44. Check: Identify which execution question the changed pack raises.

[Companies Act 2006, section 859A](#) — UK company charges. Read: Section 859A. Check: Keep filing and release evidence distinct.

[National Security and Investment Act 2021, section 13](#) — UK investment screening. Read: Section 13. Check: Separate a potential statutory condition from a waivable commercial term.

# B24 | Meridian capstone: defence and professional evidence

## Learning focus

Prerequisite: B21–B23. Demonstrate the reasoning behind your transaction-support pack and check its consistency. Submit the final pack once at P1; distinguish a rehearsal from an observed O1 defence.

First pass: reconstruct a price bridge and one source-to-finding chain without the model answer. Move on to independent assessment only when you can respond to a changed fact and explain the resulting decisions. Use your Junco attempt to expose transfer gaps; a polished Meridian pack alone cannot establish unfamiliar-matter proficiency.

## Study notes

Your final transaction-support pack must distinguish findings, assumptions, proposed terms and approved decisions. Explain what the work enables a supervising professional to do and what remains outside the review. A defensible limitation is precise; “not legal advice” cannot cure invented analysis.

The oral defence tests ownership of the work. Be ready to reconstruct a price bridge, explain a rights interaction, prioritise a newly discovered issue and identify specialist limits. You are not expected to invent an answer to every tax or securities question. You are expected to recognise the question and give a useful referral.

A career portfolio should describe simulated work accurately, state its jurisdiction and supervision context, and show improvements from feedback. Remove instructor materials and confidential records. A portfolio is evidence for an employer's consideration, not proof of admission, experience or guaranteed eligibility.

## Worked example

Completed defence extract for a separate example: “The issued register contains 800 shares. A spreadsheet proposes 100 options but the only minute is conditional. I show 800 issued and a separately labelled 900-share scenario, not 900 validly issued shares. I need the grant instruments, applicable approval and any later record before closing the exception.”

Completed readiness row: “Ownership finding → register E1 / conditional minute E2 → scenario model v2 → approval checklist item C4 open → supervisor decision requested.” A reviewer can reconstruct the chain and see what has not been established.

Accurate portfolio caption: “Fictional corporate-transaction support exercise using an England-and-Wales baseline; supervised or self-study conditions stated as actually completed. Work demonstrates source reconciliation and scenario modelling, not a title certificate, regulatory clearance or practising entitlement.”

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## Guided practice

Your executive summary says “all options confirmed,” but the model still records the conditional minute. What must you do?

## Feedback

Correct the misleading summary and explain the unresolved evidence. A caveat hidden in an annex does not cure an inaccurate headline. Locate every dependent percentage, approval status and recommendation; record the correction before final submission.

## Practice assignment

Prepare a readiness sheet mapping every P1 requirement to the relevant file/section and open decision. Rehearse one calculation, one evidence challenge and one changed fact; record a correction within 450 words. Submit the final diligence/model/closing pack once in the separate P1 assignment. O1 requires a separate observed defence without live AI; a self-recorded rehearsal is practice only. Include accurate authorship and assistance declarations.

## Participation

Present one transaction lesson to the cohort in five minutes and answer a peer question. Submit a 250-word reflection on what you can now demonstrate and what further experience or study you need.

## Source study

Revisit SRA A3, B7 and D2. Explain the boundary between assessed simulated competence and the qualifications or experience required for a specific international role.

## Readings for this unit

[SRA: statement of solicitor competence](#) — England and Wales. Read: A3, B7 and D2. Check: Optional benchmark: show reasoning, work ownership and useful limits in the defence.

# Project Meridian

Edition 1 · 12 September 2026 · Original fictional transaction documents.

All names, financial information and documents are invented for education. They are not statements about real companies and are deliberately incomplete. Main transaction: England and Wales company/contract context. A separate comparison packet concerns US venture financing; do not apply its assumptions to the main transaction. No filing, signature, investment recommendation or transfer of real money is authorised.

## M01 — transaction instruction

Fictional Harbour Acquisition Ltd proposes to acquire 75% of the existing issued shares of Meridian Commerce Ltd. The remaining holders retain 25% of existing shares before a separately proposed primary investment. The buyer also proposes to subscribe £1m of new cash into Meridian at a separately agreed valuation that remains unresolved. Do not assume the 75% ownership survives the primary investment unchanged.

Reference enterprise value: £8m. Agreed provisional included debt: £1.5m. Included cash: £0.4m. Reference working capital: £0.6m; provisional completion working capital: £0.45m. For the initial exercise only, reduce price pound-for-pound for the shortfall; ignore tax/fees except where expressly supplied. Verify definitions and avoid double counting.

You prepare supervised diligence, structure and closing recommendations. The facilitator acts as supervising counsel. No student may waive a condition, approve a tax position, certify title, send client advice or treat the exercise as a real engagement.

## M02 — issued-share register extract

M02 — issued - share register extract — table 1

| Fictional holder  | Ordinary shares | Register status  |
|-------------------|-----------------|------------------|
| Founder A         | 450,000         | Recorded         |
| Founder B         | 300,000         | Recorded         |
| Seed Investor Ltd | 150,000         | Recorded         |
| Issued total      | 900,000         | One stated class |

All shares are assumed to carry one vote for the numerical exercise. This assumption does not establish actual class rights or valid issuance. No nominal-value, allotment-authority or pre-emption conclusion should be invented from the table alone.

### M03 — option records

Board minute extract: "Approve options over 60,000 shares for the staff scheme, subject to final documentation." Spreadsheet: Employee One 30,000; Employee Two 30,000; Employee Three 20,000. Total spreadsheet grants: 80,000. A pitch deck says "fully diluted equity: 1,000,000 shares including 100,000 option pool." Individual option agreements and later approval are not supplied.

Keep issued, proposed/granted and fully diluted assumptions separate. Your task is to reconcile and request evidence, not to decide that the missing 20,000 was authorised or to erase it.

### M04 — constitutional and shareholder-document extracts

Original teaching articles extract: the board manages the company subject to law and the articles; board quorum is two eligible directors; directors must disclose relevant interests and follow applicable conflict rules; proposed new share issues require review of the relevant statutory and constitutional authority.

Original shareholder agreement extract: Seed Investor consent is required for a sale resulting in another person controlling more than half the votes, a new share class, and borrowing over £750,000. Transfer provisions include an offer process to existing holders unless waived in accordance with the agreement. No waiver is supplied. The agreement's interaction with articles and statutory rules needs analysis.

Board email: Founder A is also a director of the proposed buyer's supplier. The nature and relevance of the interest are unclear. Do not assume either no conflict or automatic invalidity. Request details and proper review.

### M05 — heads of terms and draft purchase provisions

1. Structure: 75% secondary acquisition plus a separately proposed primary subscription; ownership and sequencing remain to be reconciled.
2. Price: enterprise-to-equity bridge in M01, subject to agreed completion accounts. "Debt" includes principal and accrued interest under the defined lender facility; treatment of deferred revenue and transaction bonuses is unresolved.
3. Conditions: required investor approval, key customer consent and lender arrangements; draft says "buyer may waive any condition," without distinguishing legally non-waivable requirements.
4. Business warranty: sellers state that all material contracts are in force and no change-of-control consent is required. Compare with M06.
5. IP warranty: target owns or has sufficient rights to business-critical technology. Compare with M07.

6. Disclosure: sellers propose all documents “made available” as general disclosure; the data-room index and disclosure standard are not agreed.
7. Claim limitations: general cap 20% of seller consideration; basket £50,000 described only as “applicable to aggregate claims.” Deductible/tipping mechanism is unresolved. No agreed notification procedure.
8. Interim conduct: target continues ordinary business and seeks buyer consent for material commitments; operation before clearance and competition-sensitive information need specialist review where relevant.
9. Completion: ownership transfer, payment and releases occur according to a completion sequence to be agreed. No deemed satisfaction of missing consents.

## M06 — ten fictional commercial contract extracts

M06 — ten fictional commercial contract extracts — table 2

| ID  | Relationship / annual value            | Relevant original provision                                                                                                         | Evidence state                           |
|-----|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| C01 | Anchor Customer Ltd / £700,000 revenue | Prior written consent required if more than 50% of target voting control changes; counterparty may terminate for unconsented change | Signed extract; consent absent           |
| C02 | Brook Customer Ltd / £350,000 revenue  | Assignment requires consent; no supplied change-of-control wording                                                                  | Main agreement signed; amendment missing |
| C03 | Cloud Supplier Ltd / £60,000 cost      | Service licence is for target's own operations; affiliate access requires written approval                                          | Signed                                   |
| C04 | Data Partner Ltd / £45,000 cost        | Processor schedule incorporated by reference                                                                                        | Schedule absent                          |
| C05 | Echo Customer Ltd / £250,000 revenue   | Customer may terminate on 30 days' notice without cause                                                                             | Signed                                   |
| C06 | Field Consultant / £25,000 cost        | Consultant provides development services; client may use deliverables internally                                                    | No assignment supplied                   |

| ID  | Relationship / annual value                | Relevant original provision                                                                  | Evidence state                            |
|-----|--------------------------------------------|----------------------------------------------------------------------------------------------|-------------------------------------------|
| C07 | Grid Infrastructure Ltd /<br>£18,000 cost  | Recovery service excludes<br>target - created backup<br>errors                               | Service test report absent                |
| C08 | Haven Customer Ltd /<br>£120,000 revenue   | Disputed service fees may<br>be withheld pending<br>agreed resolution                        | Open £40,000 dispute in<br>correspondence |
| C09 | Iris Distributor Ltd /<br>£200,000 revenue | Exclusivity for specified<br>territory; termination tied to<br>performance threshold         | Threshold schedule unclear                |
| C10 | Junction Supplier Ltd /<br>£8,000 cost     | Critical authentication<br>service renews unless<br>notice is given 60 days<br>before expiry | Expiry document not<br>supplied           |

These are extracts, not full agreements. Do not infer omitted provisions. A row without change-of-control wording does not prove that no relevant provision exists elsewhere.

## M07 — people, IP and data records

Target employs twelve people. The fictional data-room summary reports employment agreements for ten and two missing agreements; the individual employment agreements are not reproduced in this learner casebook. Treat the summary as evidence of that report, not as ten contracts you have personally reviewed. A finance worksheet includes proposed transaction bonuses totalling £90,000, but no approval or contractual basis is attached.

The core platform was developed by employees and an independent consultant. The consultant's paid invoice and internal-use licence are supplied; no signed assignment or transferable licence is supplied. Open-source component list is incomplete. A founder states "we own everything because we paid for it." Analyse rather than repeat that assertion.

The target holds customer user-account data and service logs. The privacy policy is dated three years before the exercise, and no recent vendor review record is supplied. A support incident is described as "resolved" without an investigation report. These facts trigger questions; they do not independently establish breach, notification obligations or full compliance.

## M08 — finance and lender information

Facility principal: £1,400,000. Accrued interest included by the exercise definition: £100,000. Cash included: £400,000. Working-capital target: £600,000; provisional actual: £450,000. Annual revenue in the simplified management summary: £2,000,000. Anchor Customer represents £700,000 of that figure. These figures are original teaching inputs, not audited information.

Lender facility extract: lender consent required for the proposed change of control; all outstanding principal and interest payable at completion unless lender agrees continuation. Security over specified target assets remains until documented release becomes effective. No payoff/release instrument is supplied.

A draft email from the lender says “we are supportive subject to credit approval and agreed documentation.” It is not final consent. A registry search date is supplied by the facilitator; no student may treat an absent search result as proof no charge exists.

## M09 — completion and funding worksheet

Buyer sources proposed for this exercise are £3m sponsor cash and £3.5m new lender debt. Baseline uses are the 75% secondary consideration calculated from M01, a separate £1m primary subscription and £200,000 transaction fees. These are proposed amounts, not evidence that draw conditions or approvals are satisfied.

Calculate two separately labelled scenarios. Scenario A is a limited buyer-budget model containing only those baseline uses; it assumes the existing lender formally permits the target debt to continue. That permission is not supplied in M08, so A is not a supported completion-ready position. Scenario B assumes the buyer must additionally fund the full £1.5m target lender payoff; neither existing target cash nor the £1m primary cash is available for that payoff in this explicit scenario. Seller consideration and other baseline uses stay as defined. Calculate the funding difference in each and identify the decision/evidence needed.

A price deduction does not repay a debt. Showing the lender payoff as a cash use is not double counting merely because included debt also reduces equity price. Double counting occurs if the same actual cash payment or source is included twice. Trace the recipients, timing, funding source and legal authority. If proposing another structure, show how it changes both price and funds flow, including the treatment of retained holders; do not insert target cash as an unexplained balancing item.

Required checklist rows: authority/approvals; investor/transfer waivers; Anchor Customer consent; lender consent/payoff/releases; agreed ownership and option treatment; executed transfer/subscription documents; price/funds-flow approval; signature/release authority; document index; post-close filings and handover. Every row starts “evidence required,” not “complete.”

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## M10 — separate venture comparison, not the acquisition's agreed terms

Term sheet V1: £2m primary investment at £6m pre-money valuation, with no other dilution in the simple model; 1x non-participating preference; one board seat out of four; consent over new senior securities; quarterly financial information while the investor holds at least 10%; pro-rata participation rights as specifically drafted.

Term sheet V2: same investment and valuation but a 1x participating preference without a participation cap in the simple model; investor consent over annual budget and new borrowing; information rights survive a permitted affiliate transfer. Assume only this preferred class for the initial calculations, no debt/costs and no cumulative dividends. Test equity exits of £4m, £8m and £16m. Real documents may materially change these mechanics.

US comparison prompt: determine which functions might be allocated among certificate provisions, purchase agreement, investor-rights agreement, voting arrangements and transfer documents. Consult current NVCA descriptions and DGCL151. Do not copy documents or apply Delaware rules to Meridian by analogy alone.

## M11 — proposed seller disclosure

"All information in the data room is disclosed against all warranties. We draw attention to customer agreements and the consultant invoice." No agreed data-room cut-off, index, disclosure standard, document completeness or specific exception descriptions are supplied. Prepare questions and more informative draft entries; do not conclude their legal sufficiency without the actual agreed framework.

## M12 — academic use and staged events

The facilitator may introduce a new customer position, revised option evidence or a financing condition. Those event packets and unseen oral questions are instructor-only. Independent learners may practise with the visible record but must label work self-study. No assessment status or external employment claim is created automatically.

# The Junco exercise

Attempt after B20 or before B24 readiness. This is a disclosed, ungraded exercise with original fictional extracts, not an unseen exam. Use the stated England-and-Wales company/contract context and make no title, tax or clearance certification.

## Instruction and transaction steps

Junco has 1,000 issued ordinary shares, each assumed to carry one vote. Buyer first purchases 450 existing shares, then proposes subscribing for 250 newly issued equal-ranking shares. The primary subscription price is expressly £500,000 in this exercise. No options or other issues are assumed. The pricing model states enterprise value £1m less included debt £200,000 plus included cash £50,000, with no working-capital adjustment. Secondary consideration is 45% of that reference equity value.

Buyer proposes £1m available funding. Uses include the secondary payment, £500,000 primary cash, £20,000 fees and the whole £200,000 existing lender payoff. For this explicit scenario, target cash and primary subscription cash remain in the business and are not available for payoff. Availability and legal authority for all funding still require evidence.

## J1 — customer extract

Prior written consent is required for a transaction or connected series resulting in another person holding more than half of the target's voting rights. The signed agreement grants a termination right if that condition is breached. A sales note describes the proposal as "only a 45% acquisition."

## J2 — software rights extract

A supplied instrument identifies the commissioned code and records the consultant's signed assignment of the specified copyright to Junco. A separate third-party library licence permits use by Junco only and requires permission for affiliate access. Buyer's integration plan anticipates use by two group service companies.

## J3 — lender and authority records

Lender's signed payoff letter requires receipt of £200,000 before release becomes effective. An email says the parties aim to close on Friday. A board paper describes the primary issue as a proposal; underlying allotment/pre-emption and other approval evidence must be established from the complete corporate file.

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## Your output

Show both ownership stages, the price bridge and funded-use comparison. Write four prioritised findings, one alternative transaction response and one specific referral. Explain what is supported and what remains unresolved. Do not carry Meridian's option discrepancy into this different case or repeat "contractor invoice only" when the supplied evidence differs.

## Feedback — compare after attempting

Buyer moves from  $450/1,000 = 45\%$  to  $700/1,250 = 56\%$ . The connected-series wording therefore deserves analysis across both steps; the sales note's single percentage is incomplete. Reference equity is £850,000 and the 45% secondary payment £382,500. Cash uses are  $£382,500 + £500,000 + £20,000 + £200,000 = £1,102,500$ , producing a £102,500 gap against the stated £1m funding. The £200,000 price deduction did not fund the payoff.

The signed assignment is materially stronger evidence than an invoice, subject to its actual scope and chain. The separate library's affiliate restriction remains relevant to integration. A Friday target and a signed payoff letter do not prove payment, release or corporate authority. A good report updates its conclusions to the actual evidence instead of importing a familiar case's red flags.

Independent variation: issue the 250 new shares to a different investor. Recalculate Buyer's percentage and identify which consent, funding and approval assumptions must be reopened. Do not infer the outcome under every control regime solely from the revised share percentage.

# The Kenya data lab

An optional application after C04/C06 and alongside A12. This is a separately scoped Kenyan exercise, not an assertion that English law governs Kenyan processing. All organisations and records are fictional. No real personal data is required.

## What you will learn

Explain selected data-protection principles, distinguish lawful-basis analysis from notice and security, and complete a source-to-control record. The reading is Kenya Law's Data Protection Act, Cap. 411C, version dated 31 December 2022, identified by the publisher as its latest Act version at the 12 September 2026 check. That version date is not the retrieval date and does not incorporate every relevant regulation, decision or sector guideline into this lab. Check subsequent developments; a Kenyan-qualified reviewer must verify the applicable regime before professional use. [Kenya Law: Data Protection Act, Cap. 411C — version 31 December 2022](#)

## Read the obligation before building the register

Start with definitions and scope in sections 2 and 4. In the supplied Act, section 25 addresses, among other matters, lawful/fair/transparent processing, specified purposes, necessity, accuracy, retention and transfers. These are distinct tests: a secure system can still collect unnecessary information or use it for an incompatible purpose.

Section 29 concerns information given in connection with collection. Section 30 requires an applicable lawful processing ground: consent is one route, not the name for every permitted use. If relying on contractual necessity, explain why that particular processing is needed for the data subject's contract; being a customer does not make all later uses necessary. Consent itself has conditions in section 32. A notice does not create a lawful basis merely by describing an activity.

Sections 41–42 connect appropriate technical/organisational measures to design, default settings, risk and implementation. Section 42(2) addresses sufficient processor guarantees and a written instructions-based contract; section 42(3) addresses processing outside instructions. Do not import a UK Article 28 checklist as the complete Kenyan analysis. Sections 25(g) and 39 concern retention; a period chosen by an author is not a statutory retention rule.

For incident triage, read section 43 carefully rather than copying one number into every register. Its controller notification provision addresses unauthorised access/acquisition and real risk of harm, with notification without delay and within 72 hours of awareness under the stated test. The processor provision separately requires notice to the controller without delay and, where reasonably practicable, within 48 hours of awareness. Recipient, trigger and qualification differ. These are not permission to wait until the last hour; preserve facts and escalate immediately for the applicable analysis. Current regulations and guidance need separate checking.

For foreign support access or storage, examine sections 25(h), 48 and related provisions with current regulations/guidance. A server's location or a processor contract alone does not prove every transfer condition is satisfied. Sensitive data, children's data, DPIAs, commercial use and registration introduce further workstreams; this lab does not decide them from a generic form.

## Supplied fictional activity

Kito Training Ltd operates an adult training course in Kenya. It collects a learner name, work email, course choice and attendance. The form also asks every learner for a date of birth and free-text medical details, although Operations can identify no need for those fields in ordinary enrolment. An external platform stores the forms; its support locations are not yet known. A staff member exports an attendance spreadsheet to a shared folder. Marketing proposes reusing that export for a new campaign, not described in the supplied enrolment purpose.

## Completed data map

Completed data map — table 1

| Activity/copy            | Purpose and access                                | Evidenced fact or gap                                            | Decision                                                                                                   |
|--------------------------|---------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| Enrolment form           | Administer selected adult course; enrolment team  | Form fields supplied; necessity for DOB/medical text unexplained | Remove those fields from ordinary flow pending a separate justified support process                        |
| Platform storage/support | Hosting and support                               | Contract, recipients and access locations not supplied           | Obtain processing particulars, guarantees, written terms and transfer information                          |
| Attendance export        | Attendance administration; shared - folder access | Copy exists; access list and retention decision not supplied     | Restrict access and establish an evidenced retention/deletion decision                                     |
| Proposed campaign        | New marketing purpose                             | New purpose not part of supplied enrolment analysis              | Separate purpose/lawful - basis, notice and commercial - use review; do not approve from the original form |

## Completed source-to-control record

Completed source -to -control record — table 2

| Field                   | Worked entry DP-01                                                                                                                                              |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Source and scope        | Supplied Act, sections 25(d) and 41(3); fictional ordinary enrolment within the assumed Kenyan scope                                                            |
| Requirement explained   | Limit processing by default to what is necessary for the specific purpose; do not collect extra fields merely because a form permits them                       |
| Fact/application        | Operations states no ordinary - enrolment need for DOB or medical free text; any accessibility - support purpose requires a separately scoped decision          |
| Proposed implementation | Remove those default fields; document the minimum enrolment field set; route support requests through a separately approved process                             |
| Owner and trigger       | Fictional enrolment lead; before the form is used and when the purpose/fields change                                                                            |
| Evidence                | E-DP1 necessity decision; E-DP2 test - form configuration; E-DP3 test showing prohibited fields are absent; restricted handling plan for any existing copies    |
| Status                  | Worked design accepted for this example; operating compliance not independently established                                                                     |
| Residual work           | Verify applicable current law, other field necessities, notice/basis, supplier terms, retention, sensitive - data conditions and any required DPIA/registration |

The trigger “before using the form” implements the design decision; the lab has not invented a universal number of retention days. A real retained record may need restriction or a lawful retention exception rather than indiscriminate deletion. Separate that question from fixing a future default.

### Guided attempt and feedback

Operations removes the medical field, but a weekly export still copies old responses into a broadly shared folder. Is DP-01 complete?

Compare after answering: the future form is improved, but existing copies and the ongoing export remain a distinct processing problem. Map recipients/access, stop unnecessary replication through an authorised process, determine lawful retention/handling, and obtain implementation evidence. A screenshot of the new form cannot prove the old copies were handled appropriately.

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## Independent work

Produce three entries: an external-source requirement, an explicitly labelled internal review policy, and a proposed contractual obligation. For each give source/type, applicability, control, owner, timing basis, evidence and residual question. Reuse the map but change the delivery to include adult learners accessing from another jurisdiction; identify the additional scope facts needed without asserting universal applicability.

Success means another reviewer can distinguish law, your interpretation and the organisation's chosen implementation. A completed register is not a certificate that Kito is compliant. Use the core submission format and peer/solo feedback route.

# Aster: a worked memorandum

A model for C05, not the Cedar M1 assessment or advice to a real client. The facts below are the supplied C02 example with the guided £600 workaround invoice added. Read the memo before the annotations, then draft your own changed-fact response.

To: Supervising counsel, fictional Aster matter

Decision: Authorise targeted evidence gathering and a proposed repair discussion; do not approve a quantified damages demand yet

Scope: English-law contract questions on supplied extracts only; no final formation, enforceability or remedy opinion

## Recommendation

Seek correction of the two failed specified exports while preserving the separate six-export scope issue. Obtain the complete contract set, communications and loss evidence before advising on a demand. Do not present the £900,000 annual turnover as proved loss. The £600 temporary-service invoice is relevant expenditure, but recovery remains subject to entitlement and the applicable limits. Obtain instructions before communicating a settlement or release.

## Facts and uncertainties

Facts and uncertainties — table 1

| Supplied evidence    | Supported fact                                | What it does not settle                                                               |
|----------------------|-----------------------------------------------|---------------------------------------------------------------------------------------|
| Signed scope extract | Four specified exports; two reported failures | Dependencies, testing evidence, whole-document terms or a complete remedy             |
| Earlier sales email  | Six exports were mentioned                    | Whether the additional statement was incorporated or has a separate legal consequence |
| Price record         | £12,000 paid                                  | A fixed damages measure or automatic refund right                                     |
| Turnover statement   | £900,000 annual gross sales asserted          | Loss caused by these failures                                                         |
| Workaround invoice   | £600 charged for a temporary export service   | Reasonableness, causation, offsets or recoverability                                  |

## Analysis

Start with the actual communications and contract set. The four-export promise gives a concrete performance question, but confirm which exports failed, agreed standards and any customer dependencies. For the other two exports, the sales email may raise an incorporation or separate pre-contract statement issue; it is not enough to assume either six contractual deliverables or that the email is irrelevant. RTS illustrates contextual agreement analysis, while Wood requires the contractual text to be read as a whole in context. Neither decides these fictional facts without the missing documents. [RTS Flexible Systems v Molkerei Alois Müller \[2010\] UKSC 14](#) [Wood v Capita \[2017\] UKSC 24](#)

Separate that scope inquiry from loss. The ordinary compensatory comparison concerns the position with and without performance. Morris-Garner paragraph 95(6)–(9) provides the reading anchor; this memo does not use negotiating damages as a substitute for proving ordinary loss. Request the operational interruption, workaround purpose, avoided costs, refunds/credits and other relevant loss evidence. The £600 invoice may support a claim, but its existence alone is not the entire analysis. Do not add overlapping refunds, credits and expenses as if each necessarily compensates a different loss. [Morris-Garner v One Step \(Support\) Ltd \[2018\] UKSC 20](#)

## Options and next steps

Option 1 is a scoped repair/clarification discussion preserving unresolved issues; it may restore service without determining every claim. Option 2 is a quantified claim or negotiated exit after evidence and rights review; its cost, timing and continuing-service consequences require client instructions. Neither option authorises this analyst to accept terms or waive claims.

The matter analyst should obtain executed documents, incorporation/precedence terms, acceptance tests and the full email chain. Operations should confirm failures and workarounds; Finance should substantiate expenditure and offsets. Counsel should review formation, scope, potential remedies and any time-sensitive rights. The sponsor decides the authorised commercial approach. Preserve relevant records now rather than waiting for the final memo.

## Why these choices matter

The recommendation tells the supervisor what to authorise. The table separates a document's existence from the conclusion it can support. The analysis treats four promised exports and two disputed extras differently. The alternatives explain what changes operationally. Every next action has a role; no approval, case quotation or fact is invented.

The memo intentionally does not choose a single definitive contract interpretation or quantify damages from incomplete evidence. That is a reasoned limitation, not permission to avoid analysing what the supplied facts do support. Your independent draft should improve when facts change, not simply reuse this conclusion.

# Working with the finance models

These are completed fictional teaching examples, not Lantern/Meridian assessment answers, investment recommendations, accounting opinions or approved transaction models. No macros, external connections or live data are required.

Open only the sheet assigned by your current unit; the other sheets are reference material, not extra tasks before you can start. Follow the unit sequence below rather than the workbook's tab order. Everyone starts with Maple in C03. Contracts learners next use Service credits in A09; corporate learners use Alder price in B08, Preferences in B15, Cap table in B16 and Funding in B17.

Open `finance-models.xlsx` in a spreadsheet application with formula calculation enabled. Yellow numeric cells are inputs; green cells contain formulas. Colour is a convenience, not the only cue: the formula bar and descriptive row labels identify the calculation. Initial calculated results are included for previewers. After changing an input, use a calculating spreadsheet application; a static preview does not update results.

The companion [text and formula view](#) lists every occupied cell, formula and initial result in reading order. It needs no spreadsheet application, JavaScript or colour recognition. The unit tables and checks below provide shorter summaries.

Original and changed-input workbooks were recalculated with LibreOffice, including an XLSX–ODS round trip. That check does not establish compatibility with every Excel version, language setting, spreadsheet previewer or screen reader. If a formula does not update or a control is inaccessible, use the text view and give your instructor the application/version and cell through your existing academy arrangements.

Working with the finance models — table 1

| Sheet           | Unit | Initial checks                                                                                     | Try changing                                                           |
|-----------------|------|----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| Maple           | C03  | Operating profit 50; price equity 270; seller consideration 216; book balance check 0, all in £000 | Debt from 45 to 55: equity 260, seller consideration 208               |
| Service credits | A09  | £400 at 99.2% on £8,000; every boundary match is 1                                                 | Availability to 99.5 gives £0; 99.4999 gives £400                      |
| Alder price     | B08  | Equity £8.3m; 80% seller consideration £6.64m                                                      | Debt/cash or the signed working - capital adjustment; explain the sign |

| Sheet       | Unit | Initial checks                                                                           | Try changing                                                             |
|-------------|------|------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Preferences | B15  | Non-participating payouts at £0/£1m/£4m/£12m<br>exits: £0/£1m/£2m/£3m                    | Exit values and as-converted percentage, without inventing other classes |
| Cap table   | B16  | £4/share; 250,000 new; founder 36% diluted; investor 20% diluted and about 21.74% issued | Investment to £2m: 500,000 new; founder 30% diluted                      |
| Funding     | B17  | £10.5m sources, £10.5m uses, zero difference                                             | Lender cash to £5.5m gives a £0.5m gap                                   |

Keep an unchanged copy. Show formulas, input source, units and assumptions in your work. A negative working-capital adjustment is entered with a minus sign; do not subtract it twice. Fractions such as 0.8 mean 80%, while the availability input explicitly uses percentage points such as 99.2. Share counts may require an expressly agreed rounding rule in a real model.

For text-only submission, use `cell | label | input or formula | result | source/assumption`.

Example: B8 | Maple equity | =B5-B6+B7 | 270 (£000) | stated EV/debt/cash model. Provide every material formula and at least one changed-input check, not just a screenshot or final number.

No result in this workbook proves distributable reserves, valid issuance, lawful funding, tax treatment, availability of cash or effective release. Explain the legal/documentary workstream separately.

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# Published assessment specimens

These are disclosed practice tasks, not unseen examination papers. Formal delivery, conditions, parallel forms and standards require approval before consequential assessment.

# K1 | Core knowledge and application examination

## Candidate brief

Individual, 90 minutes, 100 marks. No generative AI, messaging, model answers or outside assistance. You may use the source-reading index and the specified legislation/judgments, but must write your own analysis. Reasonable adjustments are available. The facilitator records conditions; an unsupervised attempt is practice, not verified assessment. Use fictional facts only. This assessment contributes 15% of the proposed pathway result; the proposed K1 threshold is 70%, subject to academic approval before a real cohort.

1. Formation and scope — 20 marks. Brook offers five workshops for £10,000. Vale replies “agreed with recordings”; Brook replies “start date confirmed” and delivers one workshop. A purchase order refers to different terms, and no signed long form exists. Explain two plausible agreement/terms analyses, identify evidence needed and distinguish formation from breach. Do not conclude from absence of signature alone.
2. Company authority — 15 marks. A fictional operations manager approves a £40,000 purchase despite an internal £15,000 limit. Identify the intended company, evidence relevant to authority and the difference between internal approval and external binding effect. Explain why CA40/CA43 do not justify a conclusion without facts about the actor and transaction.
3. Finance — 20 marks. Under an agreed teaching formula, enterprise value is £5m, included debt £0.8m, included cash £0.2m and a working-capital shortfall reduces price by £0.1m. Calculate reference equity value and 60% secondary consideration. Explain how a separate £0.5m primary investment differs and why it cannot simply be added to seller proceeds.
4. Evidence — 15 marks. A support note says “settled”; the customer's email says “we accept the workaround without waiving our position.” Logs are due for deletion tomorrow. Prepare a neutral factual summary and prioritised next actions. Do not assume settlement or privilege from a label.
5. Drafting — 15 marks. Rewrite “Supplier will help quickly if the system fails” as a bounded educational service obligation using stated assumptions. Identify actor, trigger, action, timing, communication, evidence and a decision still needed. Do not pretend your chosen time is statutory.
6. AI evaluation — 15 marks. A tool flags 15 issues; nine are genuine, and the reviewed answer set contains 12 genuine issues. Calculate precision and recall, explain what they omit, and propose two tests or controls before any deployment.

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## Submission and criteria

Submit numbered answers, calculations and a short authorship declaration. Credit is given for accurate distinctions, application, usable next steps and explicit limitations. Unsupported certainty loses credit. A correct number without a visible method earns limited credit. No automatic professional certificate follows a quiz or exam score.

# M1 | Core professional memorandum

## Candidate brief

Individual, open source, 900 words maximum plus one table and a 150-word clause. Permitted AI assistance must be disclosed after your own initial issue analysis. You may discuss general methods, not exchange completed answers. This task contributes 15% of the proposed pathway grade.

Fictional Cedar Events receives an eight-session proposal for £16,000. It replies "agreed, including recordings." The supplier replies "dates confirmed," delivers two sessions without recordings and later misses a third. Cedar incurs £2,500 of documented replacement costs and claims £30,000 of reputational loss without supporting evidence. A purchase order says supplier standard terms do not apply; the supplier's acknowledgement refers to its own standard terms. The final contract set is uncertain.

Write to supervising counsel. Address the decision required, formation/terms alternatives, missing evidence, the missed-session issue, different loss assertions, options and a recommended next step. Propose one clause that would improve future scope/acceptance clarity; do not imply that a later draft alters the existing legal position. Attach a fact/assumption/source table and version log. Declare accepted/rejected AI suggestions if used.

## Submission and criteria

Marking: legal/factual analysis 35; commercial options/prioritisation 20; writing and audience 20; proposed clause 15; evidence/process 10. The best answer need not choose a single final contractual conclusion where the record is incomplete. It must explain why uncertainty matters and what to do about it. Peer comments are permitted only on clarity and method; disclose them.

# BT1 | Corporate technical assessment: diligence and deal responses

## Candidate brief

Individual, open source, five-page report plus evidence annex. This task contributes 10%. Use Meridian M01–M11 with these assessment changes: the proposed secondary acquisition is 60%; enterprise value £9m; included debt £2m; included cash £0.3m; working-capital shortfall £0.2m. Anchor Customer's agreement still requires consent for a change exceeding 50% of voting control. The primary subscription remains a separate proposal with unresolved issuance terms.

Submit a reference price bridge, ownership/authority questions, five prioritised diligence findings and three proposed transaction responses. Include one specific disclosure question and one specialist referral. Distinguish supplied extracts from a full legal review. Explain why lender support is not final consent and why a contractor invoice is not sufficient evidence of every IP right.

## Submission and criteria

Marking: analysis/materiality 30; evidence and numbers 25; deal responses 25; writing/limitations 15; process 5. There may be several defensible responses; assessors reward reasoning and appropriate scope, not a fixed preference for indemnities or conditions.

# BN1 | Corporate transaction negotiation assessment

## Candidate brief

Individual performance in a 25-minute buyer/seller simulation, followed by a 15-minute debrief.

Contributes 15%. The facilitator assigns private mandates and one changed customer or financing fact.

Preparation can use approved tools; the observed exchange is unaided by live AI.

Prepare six issues, identify linked concessions and authority, and negotiate a coherent proposal. Keep factual diligence questions separate from risk-allocation choices. Submit individual preparation, decision log and 500-word handover. Ending without agreement can be the correct professional result.

## Submission and criteria

Marking: preparation 20; factual clarification/listening 20; integrated proposals 25; authority and conduct 20; handover 15. Assessors should test whether a concession in one document was reflected in related provisions. Written accommodation is available with equivalent individual evidence.

# BT2 | Corporate financing and completion assessment

## Candidate brief

Individual, open source, spreadsheet and closing pack plus 1,000 narrative words maximum. Contributes 10%. Use a separate simplified financing exercise: 800,000 issued shares and 200,000 included option shares form a 1,000,000 pre-money denominator; pre-money value £5m; primary investment £1.25m; no other dilution, debt conversion or fees. This is not a resolution of Meridian's inconsistent option records.

Calculate price/share, new shares and post-money percentages for a founder holding 400,000 shares. Then prepare Meridian's approval/consent checklist, version-bound closing workflow and sources/uses commentary using the base case, identifying unresolved funding arrangements. Include tests for an unsigned consent, changed document, missing authority and revised payoff figure. No real transfer or filing is allowed.

## Submission and criteria

Marking: financial accuracy and assumptions 30; corporate/closing analysis 25; evidence and control tests 25; handover 15; process 5. A balanced model does not prove valid corporate approvals. Credit requires explaining both mathematical and legal/operational limitations.

# BP1 | Corporate final work-product capstone

## Candidate brief

Individual, weeks 21–24, five-page diligence report plus indexed annexes. Contributes 25%. Use Meridian and the facilitator's event packet. Permitted AI must be disclosed and reviewed; all numbers, source references and recommendations remain your responsibility.

Submit: transaction structure; issued/option/fully diluted reconciliation; reference price and sources/uses; prioritised diligence report and evidence; acquisition-risk matrix; disclosure/consent questions; corporate approvals and closing checklist; controlled document index/workflow; supervisor handover; tool-use and change record. Record unresolved questions precisely. Do not supply a tax opinion, certify regulatory clearance or manufacture missing instruments.

## Submission and criteria

Two assessors use: substantive analysis 30; document/data accuracy 25; commercial options 15; communication/handover 15; process/AI accountability 15. Proposed threshold 75%, required competency evidence and no unresolved critical integrity/safety failure. Case contradictions must be preserved and investigated, not silently repaired into a fictional certainty.

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# BO1 | Corporate oral defence

## Candidate brief

Individual, 30 minutes, no live AI. Contributes 10%. Explain your structure and priority issues, reconstruct one calculation, respond to an unseen fact and describe the necessary specialist/authority limits. You may refer to your submitted pack. An accessible equivalent can change the communication method while preserving individual reasoning and response.

Suggested allocation: five-minute overview; ten minutes on substantive/numerical questions; ten-minute variation; five-minute reflection. Explain uncertainty and useful next steps rather than inventing an immediate legal conclusion.

## Submission and criteria

Marking: individual ownership/reasoning 35; changed-fact analysis 30; evidence/control awareness 20; clarity and professional boundaries 15. Proposed threshold 70%. The record identifies the questions asked, observed evidence and reasons; it must not rely solely on automated scoring or an AI-content detector.

# Your work product

Learner identifier: Unit / assessment: Version / date: Fictional matter / jurisdiction: Intended reader / decision: Scope / exclusions:

## Executive recommendation

State an action, conditions, owner and deadline. Identify what remains provisional.

## Fact and evidence table

Fact and evidence table — table 1

| Proposition | Source ID / location | Fact, statement or assumption? | Missing/contrary evidence | Consequence |
|-------------|----------------------|--------------------------------|---------------------------|-------------|
|-------------|----------------------|--------------------------------|---------------------------|-------------|

Complete with your analysis

## Analysis and options

Explain the relevant principle, application, alternatives, trade-offs and limit. Do not simply list sources.

## Actions and decisions

Actions and decisions — table 2

| Action / decision | Owner | Authority / reviewer | Dependency | Evidence of completion |
|-------------------|-------|----------------------|------------|------------------------|
|-------------------|-------|----------------------|------------|------------------------|

Complete with your analysis

## Tools, collaboration and review

Tool/version or manual method: Permitted input scope: Useful output and checks: Correction or rejected suggestion and reason, if a tool was used (otherwise manual review checks): Peer/faculty feedback: Changes since prior version: Unresolved questions / specialist referrals: Authorship declaration:

# Reading index & evidence limits

Edition 2026.09-publications-1. Editorial study preview. Fictional matters; not legal advice, bar preparation, practising authority or an accredited award. Jurisdiction-qualified sign-off and assessment calibration have not been completed. Assessed awards are not active.

Primary texts, court decisions, regulator guidance and professional frameworks have different authority. Linked materials remain with their publishers; they are not copied into these packs. An accessible page is not a verified statement of all current law. Read amendments, commencement, extent and current review notices. Some publishers restrict automated access. If a required text cannot be inspected, record the gap and obtain an authorised copy; do not invent its contents. SRA, the SRA AI warning, CLOC and WorldCC are scoped professional/context readings, not substitutes for the governing law. NVCA model descriptions and the SEC resource are optional comparison only; the original exercises do not require copying a model suite. The Kenya Law Act reading is pinned to its version dated 31 December 2022; check subsequent changes and related regulations, guidance and decisions separately. No affiliation or endorsement is claimed.

## SRA — SRA: statement of solicitor competence

<https://www.sra.org.uk/solicitors/resources/continuing-competence/competence-statement/>

England and Wales. Study focus: A: judgment and ethics; B: practice; C: relationships; D: work management.

## SRAAI — SRA: Misuse of AI — warning notice, 17 August 2026

<https://www.sra.org.uk/solicitors/guidance/misuse-ai/>

England and Wales; SRA-regulated firms and individuals, not a worldwide rule. Study focus: Optional professional context: accuracy, source verification, supervision and client confidentiality; distinguish the warning's scope from technical risk guidance.

## CA16 — Companies Act 2006, section 16

<https://www.legislation.gov.uk/ukpga/2006/46/section/16>

UK company formation; check statutory scope. Study focus: Section 16(1)–(3): effect of registration and the incorporated body.

## CA40 — Companies Act 2006, section 40

<https://www.legislation.gov.uk/ukpga/2006/46/section/40>

UK company law. Study focus: Power of directors to bind the company; good-faith counterparty protection.

### CA43 — Companies Act 2006, section 43

<https://www.legislation.gov.uk/ukpga/2006/46/section/43>

UK company law: check extent. Study focus: Company contracts and authority.

### CA44 — Companies Act 2006, section 44

<https://www.legislation.gov.uk/ukpga/2006/46/section/44>

England and Wales company execution context. Study focus: Execution of documents; distinguish valid execution from internal approval.

### CA172 — Companies Act 2006, section 172

<https://www.legislation.gov.uk/ukpga/2006/46/section/172>

UK company law. Study focus: Duty to promote success, statutory factors and limits.

### CA175 — Companies Act 2006, section 175

<https://www.legislation.gov.uk/ukpga/2006/46/section/175>

UK company law. Study focus: Situational conflicts and authorisation conditions.

### CA177 — Companies Act 2006, section 177

<https://www.legislation.gov.uk/ukpga/2006/46/section/177>

UK company law. Study focus: Declaration of interest in a proposed transaction.

### CA549 — Companies Act 2006, section 549

<https://www.legislation.gov.uk/ukpga/2006/46/section/549>

UK company law. Study focus: Directors' power to allot securities and statutory exceptions.

### CA550 — Companies Act 2006, section 550

<https://www.legislation.gov.uk/ukpga/2006/46/section/550>

UK company law. Study focus: Private company with one class: qualifications and articles.

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**CA551 — Companies Act 2006, section 551**

<https://www.legislation.gov.uk/ukpga/2006/46/section/551>

UK company law. Study focus: Authority to allot: scope and duration.

**CA561 — Companies Act 2006, section 561**

<https://www.legislation.gov.uk/ukpga/2006/46/section/561>

UK company law. Study focus: Statutory pre-emption rights; read exceptions and disapplication separately.

**CA994 — Companies Act 2006, section 994**

<https://www.legislation.gov.uk/ukpga/2006/46/section/994>

UK company law. Study focus: Unfair-prejudice petition, distinct from negotiated investor rights.

**CA859A — Companies Act 2006, section 859A**

<https://www.legislation.gov.uk/ukpga/2006/46/section/859A>

UK company charges. Study focus: Registration of company charges and timing; check related provisions.

**IP11 — Copyright, Designs and Patents Act 1988, section 11**

<https://www.legislation.gov.uk/ukpga/1988/48/section/11>

UK copyright. Study focus: First ownership and employment distinction.

**IP90 — Copyright, Designs and Patents Act 1988, section 90**

<https://www.legislation.gov.uk/ukpga/1988/48/section/90>

UK copyright. Study focus: Assignment and writing/signature formalities.

**CPR31 — Civil Procedure Rules, Part 31**

<https://www.justice.gov.uk/courts/procedure-rules/civil/rules/part31>

England and Wales. Study focus: Rules 31.1–31.3, 31.19–31.22: scope, disclosure, inspection and withholding; not a complete privilege analysis.

**PD57AD — Practice Direction 57AD: disclosure in the Business and Property Courts**

<https://www.justice.gov.uk/courts/procedure-rules/civil/rules/part-57a-business-and-property-courts/practice-direction-57ad-disclosure-in-the-business-and-property-courts>

England and Wales; defined proceedings and exclusions. Study focus: Paragraph 1: scope and interaction with other disclosure rules; verify the applicable procedure.

### ICO28 — ICO: what needs to be included in the contract?

<https://ico.org.uk/for-organisations/uk-gdpr-guidance-and-resources/accountability-and-governance/contracts-and-liabilities-between-controllers-and-processors-multi/what-needs-to-be-included-in-the-contract/>

UK data protection. Study focus: Roles, mandatory contractual topics and liability; check current review notices.

### TUPE — UK government: business transfers and employee rights

<https://www.gov.uk/transfers-takeovers>

UK employment overview. Study focus: Identify when specialist transfer advice is required; not a full TUPE analysis.

### CMA — CMA: mergers guidance on jurisdiction and procedure

<https://www.gov.uk/government/publications/mergers-guidance-on-the-cmas-jurisdiction-and-procedure>

UK merger control. Study focus: Find current jurisdiction and procedure guidance; do not infer clearance from a course.

### NSI — UK government: National Security and Investment Act guidance

<https://www.gov.uk/government/collections/national-security-and-investment-act>

UK investment screening. Study focus: Mandatory/voluntary routes and sector guidance; specialist review.

### NSI13 — National Security and Investment Act 2021, section 13

<https://www.legislation.gov.uk/ukpga/2021/25/section/13>

UK investment screening. Study focus: Consequences of completing a notifiable acquisition without approval; applicability and validation require the wider statutory framework.

### DGCL — Delaware General Corporation Law, subchapter V

<https://delcode.delaware.gov/title8/c001/sc05/index.html>

Delaware. Study focus: Section 151: classes, series and share rights; read the charter and current law together.

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## NVCA — NVCA model legal documents

<https://nvca.org/model-legal-documents/>

US venture financing; document-specific law. Study focus: Map financing documents and commentary; external reading, not copied templates.

## SEC — SEC: private funds

<https://www.sec.gov/resources-small-businesses/capital-raising-building-blocks/private-funds>

US federal securities overview. Study focus: Fund structure and regulatory distinction; specialist scope.

## NIST — NIST AI Risk Management Framework: Generative AI Profile

<https://nvlpubs.nist.gov/nistpubs/ai/NIST.AI.600-1.pdf>

Technical risk-management reference, not law. Study focus: Risk identification, measurement and management for generative AI.

## KENYA — Kenya Law: Data Protection Act, Cap. 411C — version 31 December 2022

<https://new.kenyalaw.org/akn/ke/act/2019/24/eng@2022-12-31>

Kenya; pinned consolidated version 31 December 2022; check subsequent changes and subsidiary legislation. Study focus: Sections 2, 4, 25, 29–32, 39, 41–43 and 48: scope, grounds, duties and safeguards; the publisher identified this as its latest Act version at the 12 September 2026 check, not a complete current-law opinion.

## RTS — RTS Flexible Systems v Molkerei Alois Müller [2010] UKSC 14

<https://caselaw.nationalarchives.gov.uk/uksc/2010/14>

England and Wales. Study focus: Contract formation assessed through communications and conduct; exact facts matter.

## WOOD — Wood v Capita [2017] UKSC 24

<https://caselaw.nationalarchives.gov.uk/uksc/2017/24>

England and Wales. Study focus: Interpretation of contractual language in context.

## CAVENDISH — Cavendish / ParkingEye [2015] UKSC 67

<https://caselaw.nationalarchives.gov.uk/uksc/2015/67>

England and Wales. Study focus: Penalty doctrine; primary/secondary obligations and legitimate interests.

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## MORRIS — Morris-Garner v One Step (Support) Ltd [2018] UKSC 20

<https://caselaw.nationalarchives.gov.uk/uksc/2018/20>

England and Wales. Study focus: Paragraph 95(6)–(9): compensatory contract damages and establishing loss; read the separate limits on negotiating damages in context.