



Ofqual QAN	600/2480/X
Quartz ID	SAMPLE
Qualification	Level 5 Diploma in Business

Unit ID	2318
Assessment	Raising Finance Capital: Process & Law
Assessment Type	Global Assignment
Assessment Cycle	SAMPLE

### Important notes

- Please refer to the *Assignment Presentation Requirements* for advice on how to set out your assignment. These can be found on the NCC Education website. Hover over 'About Us' on the main menu and then navigate to 'Policies and Procedures' then scroll to the 'Student Support' area.
- You **must** read the NCC Education document *Academic Misconduct Policy* and ensure that you acknowledge all the sources that you use in your work. These documents are available on the NCC Education website. Hover over 'About Us' on the main menu and then navigate to 'Policies and Procedures' then scroll to the 'Student Support' area.
- You **must** complete the *Statement and Confirmation of Own Work*. The form is available on the NCC Education website. Hover over 'About Us' on the main menu and then navigate to 'Policies and Procedures' then scroll to the 'Student Support' area.
- **Please make a note of the recommended word count as stated in the brief. The maximum word count limit is the recommended work count plus 10% leeway. Submissions which exceed the maximum word count limit will be marked only up to the maximum word count limit. Any text that exceeds the maximum word count limit will not be marked. You must follow the note on word count as stated in the Submission Requirements section of the brief.**
- You must submit a paper copy and digital copy (on disk or similarly acceptable medium). Media containing viruses, or media that cannot be run directly, will result in a fail grade being awarded for this assessment.
- All electronic media will be checked for plagiarism.

## Introduction

You are a new Financial Business Consultant and you have been asked to consider the situation and position below and then respond to each of the questions, in a report format.

## Scenario

EcoTech Ltd – Scaling Globally

EcoTech Ltd is a UK-based technology start-up founded in 2021. It specialises in green energy storage systems and has grown rapidly through domestic contracts. In 2025, the founders—Sarah Millar and James Fisher—plan to scale operations internationally, targeting markets in Germany, Canada and the UAE.

To support this expansion, EcoTech needs to raise £10 million. The company is exploring both equity and debt finance options, including:

- Issuing new shares to venture capital firms
- Securing a term loan from an international bank
- Attracting angel investors from the UAE
- Considering an export credit facility for Canadian sales

Key Issues:

1. **Raising Capital**  
EcoTech must decide on the right funding mix—balancing control, repayment obligations and growth potential.
2. **Equity Finance**  
Venture capital firms are offering £6 million in exchange for 30% of the company. The founders are concerned about ownership dilution and loss of strategic control.
3. **Debt Finance**  
A UK bank is offering a secured loan of £4 million at 7% interest over 5 years. However, the bank requires personal guarantees from both founders.
4. **Legal Framework**  
The company must comply with the Companies Act 2006, Financial Services and Markets Act 2000, and prospectus rules if it raises capital from the public or large institutional investors.
5. **Due Diligence & Governance**  
Investors are demanding a full due diligence process—including review of EcoTech’s IP portfolio, financial history, board structure and compliance records. They also want observer rights on the board and reporting obligations.
6. **International Considerations**  
The UAE investor requires a Sharia-compliant investment structure, while Canada imposes foreign ownership disclosure rules. EcoTech is unfamiliar with these legal systems and is worried about cross-border regulatory risks.

## **Aim**

To demonstrate your understanding of Business models in the real world. You should produce a report, structured to address the following tasks:

### **Task 1 – 20 Marks**

Critically analyse the advantages and disadvantages of equity versus debt finance for EcoTech and which approach might be more suitable at their current stage of growth?

### **Task 2 – 10 Marks**

Analyse the implications of accepting venture capital funding and what are the legal and strategic risks associated with ownership dilution and board involvement?

### **Task 3 – 20 Marks**

Critically assess the legal implications of securing a loan with personal guarantees and what risks do the founders face under this financing structure?

### **Task 4 – 10 Marks**

Assess the key legal and regulatory requirements EcoTech must comply with when raising capital under UK law.

### **Task 5 – 20 Marks**

Critically evaluate why due diligence and governance transparency are critical in attracting investors and how should EcoTech prepare to meet these expectations?

### **Task 6 – 20 Marks**

Evaluate the legal and regulatory challenges EcoTech may face when raising capital or operating in the UAE and Canada and how should the company mitigate cross-border legal risks?

## Guidance

Consult with your tutor if you are uncertain about any aspect of this assignment.

## Submission requirements

- You must submit a word-processed report.
- Your report should answer all tasks. The word count for your report is **[3,000 word count] words**.

### Word Count

The word count for this assignment is **3,000 words**. Pay careful attention to the mark allocation for each task so you don't spend too much time on any ONE (1) section.

You **MUST** state the word count in the header of your assignment and declare the number of words on your assignment cover sheet. You **MUST** confirm that you have not exceeded the stipulated word limit by more than 10%.

Any words written beyond the stipulated limit will not be read by the examiners; no marks will be awarded, and no feedback provided for any text beyond the prescribed limit.

In accordance with accepted academic practice, the notion of a word count includes the following without exception:

- All titles or headings that form part of the actual text. This does not include the fly (or cover) page or reference list.
- All words that form the actual essay
- All words forming the titles for figures, tables, and boxes. However, this does not include the text within boxes, tables, or figures themselves.
- All in-text (bracketed) references
- All directly quoted material.

## Candidate checklist

Please use the following checklist to ensure that your work is ready for submission.

Have you read the NCC Education document *Academic Misconduct Policy* and ensured that you have acknowledged all the sources that you have used in your work?

Have you completed the *Statement and Confirmation of Own Work* form and attached it to your assignment? **You must do this.**

Have you ensured that your work has not gone over or under the recommended word count by more than 10%?

Have you ensured that your work does not contain viruses and can be run directly?