STRATEGIC CAPSTONE

(S-CAP)

MOCK EXAMINATION PAPER

December 2026 Pre-seen

Instructions to candidates

Item	Instruction
Time allowed	Reading and planning: 20 minutes Writing: 3 hours
Total marks	100 marks
Questions	4 questions; ALL questions are compulsory
Marks per question	25 marks
Language	This question paper should be answered entirely in English.
Pre-prepared papers	Any pre-prepared papers included in your answer will not be marked.
After the examination	After the instruction to stop writing, five minutes will be given to assemble answer booklets.

Candidate role

You are the Group Chief Financial Officer (CFO) of Lumora Energy PLC ("Lumora" or "the Group"). You advise the board and executive management on strategy, finance, capital allocation, working capital, risk, sustainability information and the quality of decisions made in the Group.

Read each requirement carefully. Your answers should respond to the specific scenario, the named audience and the action word used in the requirement.

Evaluation summary

The table below shows the allocation of Technical & Enabling (T&E) skills and Power & Integrity (P&I) skills for each subtask. Use both the task requirements and the mark allocation to manage your time.

Question	Time (minutes)	Subtask	T&E marks	Specific P&I skills expected	P&I marks	Total marks
Q1	45	(a)	5	Strategic ethical leadership and organisational integrity; advanced professional judgement	5	10
		(b)	10		5	15
		Q1 total	**15**		**10**	**25**
Q2	45	(a)	7	Strategic problem-solving skills; advanced people skills	5	12
		(b)	8		5	13
		Q2 total	**15**		**10**	**25**
Q3	45	(a)	10	Advanced professional judgement	5	15
		(b)	5		5	10
		Q3 total	**15**		**10**	**25**
Q4	45	(a)	10	Strategic problem-solving skills; strategic ethical leadership and organisational integrity	5	15
		(b)	5		5	10
		Q4 total	**15**		**10**	**25**
TOTAL	180 writing + 20 reading		60		40	100

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Question 01

Environmental impact reporting and stakeholder trust

Lumora is preparing an external Clean Energy Impact Update to support discussions with the South Asia Climate Transition Fund and a potential sustainability-linked lender. The Group's FY2026 performance report states avoided emissions of 139,200 tonnes of carbon dioxide equivalent (tCO2e). The figure combines information from LumoraView-connected systems with estimates for systems for which reliable generation data is unavailable.

A draft investor presentation describes the full 139,200 tCO2e as "verified through monitoring". The presentation is scheduled for release in ten days. The South Asia Climate Transition Fund has requested a clear explanation of the methodology and independent assurance arrangements before it considers further investment. The prospective lender has also indicated that the credibility of environmental performance information will influence its assessment of the proposed facility.

Annexure: preliminary review of impact information

A readiness review carried out by an external assurance firm identified the following matters:

- The Group has not consistently distinguished measured generation data from modelled estimates in external communications.
- In a sample of 180 system records, 17 had an inconsistent project identifier, commissioning date or monitoring status between LumoraView and the finance/customer systems.
- The assurance firm could not yet determine whether the sample indicates a material effect on the Group total. Additional reconciliation and testing are required.
- Data ownership is split across digital operations, service teams, finance and sustainability staff. There is no single documented owner for approval of the final avoided-emissions calculation.
- Some customer-facing sales materials use similar "verified savings" language, although actual savings depend on generation, self-consumption, tariff arrangements, network conditions and system performance.

Management is concerned that delaying the presentation may affect investor confidence and the lender discussion. The Board Risk and Sustainability Committee has asked for advice before the materials are released.

Required

Prepare a board paper for the Board Risk and Sustainability Committee that includes the following:

(a) Advice on how Lumora should respond to the key stakeholders affected by the concerns over its avoided-emissions information, including how the Group should communicate the limitations of the data while protecting trust. **(10 marks)**

(b) Evaluation of the responsibilities of the Audit Committee, the Board Risk and Sustainability Committee, and the CFO in ensuring reliable environmental performance information, appropriate assurance and an ethical decision-making culture. Recommend improvements to governance and control arrangements. **(15 marks)**

(Total) (25 marks)

Question 02

Digital service monitoring and an inclusive technical culture

Lumora's strategy relies on dependable after-sales service and better use of data to identify faults before customers experience significant disruption. However, service performance has weakened as the Group's installed base and use of subcontractors have increased. The CEO has asked the COO to review the early results of a digital service-monitoring pilot before deciding whether it should be extended to other regions.

Annexure: Service Insight pilot

Indicator	FY2024	FY2025	FY2026
Customer complaints per 100 installations	3.8	4.6	5.9
Group warranty and service callouts	620	850	1,180
First-visit resolution rate	82%	79%	74%
Cumulative installed capacity connected to LumoraView	72%	76%	79%
Share of Sri Lankan household installations completed by subcontractors	27%	32%	38%

The pilot has operated for six weeks across selected service teams and covers 400 LumoraView-connected systems. A review found that 31% of the alerts generated during the pilot could not be actioned promptly because asset identifiers, customer information or equipment details were incomplete or did not match the service records. The service team continues to reconcile information manually between LumoraView, the customer relationship system, project schedules and finance records.

Regional supervisors have circulated weekly rankings based mainly on the number of alerts closed by each technician. The rankings do not adjust for fault severity, travel distance, network connectivity, availability of spare parts or whether the system is compatible with the monitoring platform. Some technicians believe that the dashboard is being used to judge them before the underlying data is reliable. Several continue to maintain private spreadsheets alongside the new system.

Two recently recruited digital-support employees left within their first three months. Exit feedback indicated limited coaching, unclear career progression and frequent assignment to basic data-cleaning tasks rather than the digital-support work described during recruitment. Women make up 13% of Lumora's engineering and field roles. Two female engineering graduates asked for supervised site rotations but were assigned primarily to office reporting duties after managers raised general concerns about travel and site safety without documenting an individual assessment or training plan.

Required

Prepare a briefing note for the COO to use with regional service managers that addresses the following:

(a) Explain how better integration of digital monitoring, customer, project and finance information can support Lumora's broader business objectives. Use the Service Insight pilot and the responsibilities of service managers and technicians to make the explanation relevant to the intended audience. **(12 marks)**

(b) Evaluate how the behaviour of service leadership has undermined an inclusive and high-performing culture. Recommend measurable objectives to be achieved within the next three months to demonstrate improved support, development, fair opportunity and retention of digitally capable technical staff. **(13 marks)**

(Total) (25 marks)

Question 03

Battery storage expansion and funding decision

Customer interest in solar-plus-battery systems is increasing, but the market remains price sensitive and requires stronger safety and service capability. The Board is considering a LKR 650 million expansion. The CEO favours completion within two years; the COO supports a staged approach, with further investment dependent on demonstrated demand and safe service capability.

Annexure 1: investment alternatives and planning assumptions

Item	Option A - full programme	Option B - staged programme
Initial investment	LKR 650m over two years	Stage 1: LKR 240m over 12 months; further LKR 410m only after agreed stage gates
Expected annual revenue at maturity	LKR 1,500m	LKR 1,250m if the second stage proceeds
Planning gross margin	25.8% (using current storage and specialised solutions margin as a proxy)	25.8% (same planning proxy)
Annual incremental operating costs at maturity	LKR 175m	LKR 145m if fully scaled
Annual depreciation at maturity	LKR 80m	LKR 55m if fully scaled
Additional working capital required	Approximately LKR 150m	Approximately LKR 100m if fully scaled
Capability and delivery implications	Faster scale-up; testing centre, specialists, larger inventory and service capacity needed within two years.	Learning before full commitment; slower market coverage while Lumora tests demand.

These are management planning estimates, not guaranteed outcomes. In FY2026, storage and specialised solutions generated LKR 709m revenue at a 25.8% gross margin; the Group completed 38 commercial battery projects and 120 household hybrid systems. Expansion also requires fire safety, specialist maintenance, supplier warranty management and responsible end-of-life handling.

Annexure 2: funding alternatives for the LKR 650m programme

Term	Option 1 - green-linked facility	Option 2 - ordinary term loan
Loan coverage	70% of project cost (LKR 455m)	60% of project cost (LKR 390m)
Internal funding of project cost	30% (LKR 195m)	40% (LKR 260m)
Interest rate	10.75% p.a. if agreed targets are met; +2.0 percentage points in any year a target is missed	13.25% p.a.
Term and repayment	7 years; principal repayments begin after a 1-year grace period	5 years; principal repayments begin after 1 year
Other conditions	Annual evidence on ESG, safety and end-of-life targets; lender consent may be needed for dividends if debt-service coverage is below 1.25	No ESG-linked rate or dividend covenant; higher early repayments and larger internal contribution

Required

Prepare a board paper that includes the following:

(a) Evaluate whether Lumora should proceed with the full programme within two years or adopt the staged programme. Consider strategic fit, expected financial contribution, working capital, market uncertainty, delivery and safety capability, and the implications of delaying full-scale expansion. Recommend how internal audit should monitor whether the approved programme delivers its intended strategic benefits. **(15 marks)**

(b) Evaluate the key financial reporting, liquidity, covenant and ESG implications of each funding option, and recommend which option Lumora should use if the programme is approved. **(10 marks)**

(Total) (25 marks)

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Question 04

Maldives resort contract: availability commitment and cash exposure

Lumora Maldives has been invited to submit a final proposal to a large resort group for a solar-plus-battery installation and five years of maintenance and technical support. The resort expects clear availability and response arrangements. Under an enhanced availability option, service credits would apply if failures attributable to Lumora cause the system to fall below the agreed commitment. The contract could strengthen Lumora's profile in the Maldives, but service delivery is affected by island logistics, travel costs, limited local staff and the need to keep critical spare parts available.

The management has presented two commercial proposals for the Board's consideration. The client has indicated that it will select one of these proposals; the decision should therefore be based on the terms and risks of the two alternatives rather than a general statement that Lumora should grow its Maldives business.

Annexure: two commercial proposals

Item	Option A - enhanced availability commitment	Option B - standard service commitment
Installation contract price	LKR 480m	LKR 450m
Estimated direct installation cost	LKR 385m	LKR 365m
Installation gross profit / margin	LKR 95m / 19.8%	LKR 85m / 18.9%
Payment terms	10% at signing; 50% when equipment arrives; 25% after installation; 10% at commissioning; 5% retention after 12 months.	20% at signing; 50% when equipment arrives; 25% at commissioning; 5% retention after 12 months.
Pre-milestone cash exposure	Approximately LKR 200m of equipment and mobilisation cash outflow before the equipment-arrival milestone.	Approximately LKR 160m of equipment and mobilisation cash outflow before the equipment-arrival milestone.
Annual maintenance fee for five years	LKR 28m	LKR 20m
Estimated annual service cost	LKR 18m, including travel and planned servicing	LKR 13m, including travel and planned servicing
Service commitment	97.5% annual availability; credits up to 20% of the annual maintenance fee if failures attributable to Lumora breach the commitment.	Response-time commitments; no minimum system-availability guarantee. Credits for missed response times capped at 10% of the annual maintenance fee.
Initial critical spare parts	LKR 30m	LKR 15m

The resort has requested prompt fault response and clear arrangements for critical spare parts. Severe weather, customer shutdowns and utility restrictions may be excluded from the availability calculation, but the contract wording has not yet been finalised. Lumora Maldives currently generates 7% of Group revenue and records a modest local operating profit, but a small loss after charging the engineering, procurement, digital and management support provided by the parent. A recent internal audit review did not fully test local project contracts, partner activities and technical service controls because some records were not integrated into Group systems.

Required

Prepare a board paper that includes the following:

(a) Evaluate the two proposals, including their financial contribution, cash-flow and working-capital implications, potential service-credit exposure, operational feasibility and strategic value. Recommend which of the two proposals Lumora should accept. **(15 marks)**

(b) Advise the Board on the specific oversight and decision-making requirements it should set to ensure that contract commitments, service capability, partner governance and financial risks are assessed in a disciplined and risk-informed manner, rather than driven solely by revenue growth. **(10 marks)**

(Total) (25 marks)

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