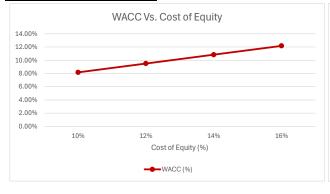
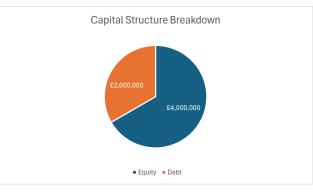
Company Data			
Item	Value		
Market Value of Equity	£4,000,000		
Market Value of Debt	£2,000,000		
Cost of Equity (CAPM)	12%		
Cost of Debt (Before Tax)	6%		
Corporate Tax Rate	25%		

WACC Calculation Table					
Component	Value	Weight	After-Tax Cost	Weighted Cost	
Equity	£4,000,000	0.67	£480,000	8.00%	
Debt	£2,000,000	0.33	£90,000	1.50%	
WACC	£6,000,000	1.00	£570,000	9.50%	

Sensitivity Analysis Table		
Cost of Equity	WACC (%)	
10%	8.17%	
12%	9.50%	
14%	10.83%	
16%	12.17%	





Green Horizon Industries' current WACC is 9.50%, representing the blended cost of equity and post-tax debt. As equity becomes more expensive, the WACC rises proportionally, reflecting the heavier weighting of equity in the capital structure. A greater reliance on debt reduces WACC due to its lower after-tax cost, but heightens financial risk, whereas increasing equity bolsters solvency while raising the overall capital cost. Employing a 9.50% discount rate alongside sensitivity analyses ensures investment decisions remain value-driven and riskaware, balancing cost efficiency with long-term financial resilience.