



**CILEX Level 6 Single Subject Certificate/CILEX Level 6 Professional Higher
Diploma in Law and Practice/CILEX Level 6 Graduate Fast-Track Diploma**

Unit 16 – The Practice of Company and Partnership Law

Case study materials

January 2024

Information for candidates

- You should familiarise yourself with these case study materials before the examination, taking time to consider the themes raised in the materials.
- You should consider the way in which your knowledge and understanding relate to these materials.
- In the examination, you will be presented with a set of questions which will relate to these materials.
- You may discuss these materials with your tutor(s).

Instructions and information to candidates during the examination

- You are allowed to take your own clean/unannotated copy of this document into the examination. Alternatively, you can access the electronic version of this document in the examination.
- You are allowed to take your own unmarked copy of the following designated statute book into the examination – ***Blackstone’s Statutes on Company Law 27th edition, Derek French, Oxford University Press, 2023.***
- You must comply with the CILEX Exam Regulations – Online Exams at Accredited Centres/CILEX Exam Regulations – Online Exams with Remote Invigilation.

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CASE STUDY MATERIALS

ADVANCE INSTRUCTIONS TO CANDIDATES

You are a trainee lawyer working in the Corporate Department of Kempstons Solicitors LLP, The Manor House, Bedford, MK42 7AB. You arrive at work to find the following memorandum from your supervising partner, Neha Zia, awaiting your attention.

To: Trainee Lawyer
From: Neha Zia
Date: [Today's date]

Matters: Various

I have four matters I would like you to assist me with. I set out some background information below.

1. Vivek Dutta

Yesterday I received a call from a client of mine called Vivek Dutta. He has owned several businesses over the years and I have acted for him on many legal matters. He called to tell me that in 2021 he set up a business in Bedfordshire with Michael Richmond but that he is now having some issues with Michael.

Vivek would like some advice from us about how to proceed so I have asked him to email me with an outline of the business he set up with Michael and to set out the issue(s) that he would like us to help him with.

He has now sent an email, a copy of which is at **Document 1**. Please read the email and consider what advice Vivek may be seeking.

2. Penny Crane and Ishaan Kapoor trading as OSO

Our clients, Penny Crane and Ishaan Kapoor, run a business called OSO.

There are two parts to the OSO business. The first sells hot drinks and sandwiches from a van that travels around Milton Keynes. Most of the customers of this part of the business are primary schools but the van also visits some libraries and council offices (the 'Van Business').

The other part of the business is a café in Central Milton Keynes, which is located near to several offices (the 'Café').

Both parts of the business suffered during the lockdown periods, but the Van Business recovered more quickly once some restrictions were lifted, whereas the Café took longer owing to employees returning to work in schools and libraries more quickly than to offices.

The Café is making a profit now but it has taken a long time for this part of the business to recover and the profits from the Van Business have had to support the Café.

Penny and Ishaan want to expand the OSO business and buy new equipment; they would like to buy a new van, extend the café and buy more tables and chairs. I have asked our company secretarial team to ensure that there is a shelf company available should Penny and Ishaan need one at short notice. A copy of the company search for Shelf Company 50026897 is at **Document 2**.

CASE STUDY MATERIALS

3. FPGR IT Services Limited

Francesca Palmeiro and Gina Russo met at university, where they decided to set up a small business providing IT services to their fellow students. By the time they left university in 2018, the business had made a reasonable profit and so they decided to set up a company called FPGR IT Services Limited ('FPGR').

They have grown the company quite significantly and they now have a large customer base. Their customers are mainly small businesses that do not have their own IT departments and so outsource their IT requirements to FPGR.

Francesca and Gina are the only directors of FPGR and they are equal shareholders. A copy of the company search is at **Document 3**.

Francesca and Gina both live in Bedford but FPGR has customers all over East Anglia, the southeast and north of the midlands. Most of their clients invested in remote access software during the COVID-19 pandemic so travelling to their offices has become something that FPGR needs to do less often. However, visits are still necessary in order to win new clients, maintain client relationships and to install and/or repair hardware.

Francesca and Gina agree that it would be a good idea for one of them to be responsible for managing clients who are based north of Bedford and the other to manage the clients who are based south of Bedford.

4. We Are Mighty Limited

Joshua Nash and Karen Asante set up an executive coaching gym called We Are Mighty Limited ('WAM') 7 years ago. They are both directors and are the only shareholders. A copy of the company search is at **Document 4**.

WAM operates from small premises above a shop, which are equipped with a training room for nutritional and lifestyle education sessions, and a fully equipped gym.

WAM is doing well. It has a loyal customer base who pay weekly to be members of the club. To grow the customer base, WAM runs a free six-week programme twice per year, which brings in new members.

Membership has now reached the point where the premises above the shop are too small for the number of members. The tenant that leases the shop below WAM's premises has recently served notice on the landlord of the building to leave and will be vacating the shop in three months' time. The landlord has approached WAM to see if it would like to buy the freehold of the building, including both the shop and the premises that WAM currently rent. WAM has had the building valued and made an offer to the landlord to purchase the freehold for £500,000.

In addition to the cost of purchasing the building, WAM will need funds to buy new gym equipment to furnish the new space and fit it out with an area for socialising and a reception area. Joshua and Karen estimate this will cost approximately £20,000.

Magda Nowak, a member of the gym, has recently completed her personal training qualification and has also inherited a sum of money from an elderly aunt. She is unaware of WAM's plans but she has told Joshua and Karen that she is hoping to change her career, would like to work for herself, using her new personal training qualification, and is currently looking for an investment opportunity.

CASE STUDY MATERIALS

You will find the following documents attached to this memorandum.

DOCUMENT 1: Email from Vivek Dutta to Neha Zia (File: Vivek Dutta)

DOCUMENT 2: Company Search Report – Shelf Company 50026897
(File: Penny Crane and Ishaan Kapoor trading as OSO)

DOCUMENT 3: Company Search Report – FPGR IT Services Limited
(File: FPGR IT Services Limited)

DOCUMENT 4: Company Search Report – We Are Mighty Limited
(File: We Are Mighty Limited)

EMAIL

To: Neha.Zia@KLLP.com
From: Vivekdutta@letsgo.co.uk
Date: [Today's date]

Subject: Potential issues with Michael Richmond

Dear Neha

I hope all is well with you.

Michael Richmond and I currently run a business called Let's Go! At Let's Go. we teach football skills to girls aged from three to 11 years old. We set up the business together in November 2021. At that point, we both bought equipment for the business, which cost us £500 each. We also agreed to work for the business and to contribute 50% of the hours needed to get the business up and running and to keep it going.

During the school term we run coaching sessions between 9am and 12 noon for girls at pre-school age. In the evenings and at weekends we run coaching sessions for school-age girls, as well as during school holidays. We also host birthday parties providing an hour of fun ball skills followed by party food and games.

We currently have arrangements with five local football clubs within a 10-mile radius. The clubs allow us to use their pitches at a discounted rate and we encourage the girls to join a team at the club when they are ready.

Michael has told me that he wants to expand the business and set up new arrangements with football clubs in other locations around the country. I am not keen on this idea because I feel we are still establishing the business at the local clubs. I have told him I want to focus on establishing the business locally for now and would consider expanding only once we have been running the business for a minimum of three years.

Michael has a second home on the south coast and is spending more and more time there; sometimes he has cancelled coaching sessions to stay there for longer periods and I have had to cover his sessions. Michael has told me that a friend of his is willing to run coaching sessions in that area for Let's Go!, with Michael overseeing it. However, I suspect that Michael has already begun providing football coaching in that area and has been using our business' name and equipment to do so.

Kind regards

Vivek

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COMPANY SEARCH REPORT

Name of Company	Shelf Company 50026897		
Company Number	11266598		
Company Type	Private company limited by shares		
Date of Incorporation	1 January 2023		
Previous Names	None		
Registered Office	Kempstons Solicitors LLP, The Manor House, Bedford, MK42 7AB		
Accounting Reference Date	30 September		
Accounts	Last filed	Next due for period to	Overdue
	N/A	N/A	N/A
Current Directors and Secretary	Directors		Secretary
	David Barrett Neha Zia		None
Share Capital	Issued	Class	Amount paid up
	£2	Ordinary £1	£1 per share
Shareholders	Name	Class	No. of shares
	David Barrett	Ordinary £1	1
	Neha Zia	Ordinary £1	1
Undischarged Mortgages or Charges			
Chargee	Date of charge	Amount Secured	Description of Charge (including assets secured and whether there is a negative pledge)
None			None
Memorandum of Association			
Standard, unamended			
Articles of Association			
Model Articles for private companies limited by shares.			
Unusual documents		Yes/No	(Include copies)
Appointment of receiver/administrator/winding-up order		NO	
Report completed by:		CoSec	Date: Today's date

COMPANY SEARCH REPORT

Name of Company	FPGR IT Services Limited		
Company Number	11568995		
Company Type	Private company limited by shares		
Date of Incorporation	9 July 2018		
Previous Names	None		
Registered Office	25 Castle Road, Bedford, MK42 8YU		
Accounting Reference Date	30 September		
Accounts	Last filed	Next due for period to	Overdue
	N/A	30 September 2023	N/A
Current Directors and Secretary	Directors		Secretary
	Francesca Palmeiro Gina Russo		N/a
Share Capital	Issued	Class	Amount paid up
	£5,000	Ordinary £1	£1 per share
Shareholders	Name	Class	No. of shares
	Francesca Palmeiro Gina Russo	Ordinary £1 Ordinary £1	2,500 2,500
Undischarged Mortgages or Charges			
Chargee	Date of charge	Amount Secured	Description of Charge (including assets secured and whether there is a negative pledge)
None			None
Memorandum of Association			
Standard, unamended			
Articles of Association			
Model Articles for private companies limited by shares.			
Unusual documents		Yes/No	(Include copies)
Appointment of receiver/administrator/winding-up order		NO	
Report completed by:		CoSec	Date: Today's date

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COMPANY SEARCH REPORT

Name of Company	We Are Mighty Limited		
Company Number	15974568		
Company Type	Private company limited by shares		
Date of Incorporation	7 May 2016		
Previous Names	None		
Registered Office	15 High Street, Newport Pagnell, Buckinghamshire, MK16 8LP		
Accounting Reference Date	30 September		
Accounts	Last filed	Next due for period to	Overdue
	N/A	30 September 2023	N/A
Current Directors and Secretary	Directors		Secretary
	Joshua Nash Karen Asante		Joshua Nash
Share Capital	Issued	Class	Amount paid up
	£40,000	Ordinary £1	£1 per share
Shareholders	Name	Class	No. of shares
	Joshua Nash Karen Asante	Ordinary £1 Ordinary £1	20,000 20,000
Undischarged Mortgages or Charges			
Chargee	Date of charge	Amount Secured	Description of Charge (including assets secured and whether there is a negative pledge)
None			None
Memorandum of Association			
Standard, unamended			
Articles of Association			
Model Articles for private companies limited by shares.			
Unusual documents		Yes/No	(Include copies)
Appointment of receiver/administrator/winding-up order		NO	
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End of the case study materials