

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

Question paper

January 2026

Time allowed: 3 hours and 15 minutes (includes 15 minutes reading time)

Instructions and information

- It is recommended that you take **15** minutes to read through this question paper before you start answering the questions. However, if you wish to, you may start answering the questions immediately.
- You must answer **all** questions.
- This question paper is out of 100 marks.
- The marks for each question are shown — use this as a guide as to how much time to spend on each question.
- Write in full sentences — a yes or no answer will earn no marks.
- Full reasoning must be shown in your answers.
- Statutory authorities, decided cases and examples should be used where appropriate.
- You are allowed to use your own printed copy of the pre-release case study materials, as long as the materials are not annotated in any way. Alternatively, you can access the electronic version of the pre-release case study materials available in the examination.
- You are allowed to make notes on your scrap paper during the examination.
- A basic calculator is provided should you require the use of one.
- You can use your own unmarked copy of the following designated statute book- Blackstone's Statutes on Company Law, 28th edition, Derek French, Oxford University Press, 2024.
- You must comply with the CILEX Exam Regulations – Online Exams at Accredited Centres/CILEX Exam Regulations – Online Exams with Remote Invigilation.

Turn over

Answer ALL questions

Question 1

Reference: Question relates to **Documents 1 and 2** of the case study materials.

(a) Advise Maya and Jordan on:

- the differences between running their new business venture as either a suitable type of partnership or a suitable type of company, including advice on which would be the most appropriate based on the facts; and
- how any profits made would be taxed for each type of partnership or company identified.

(12 marks)

Assume now that Maya and Jordan decide to run their business as a private limited company. Advise them on:

(b) the advantages of using a shelf company for their business and the amendments (including additional documentation and filings) that will be required to make the Shelf Company 21945787 Limited (**Document 2**) suitable for their needs.

(15 marks)

(Total: 27 marks)

Question 2

Reference: Question relates to **Documents 1 and 3** of the case study materials.

Aldridge Components Limited ('Aldridge') has agreed to allot 20,000 new ordinary shares to Marcus Lin.

Additionally, Priya intends to transfer 10,000 of her existing ordinary shares to her niece, Nehna.

Tom is in favour of both transactions but wishes to ensure that neither Priya nor Nehna may transfer their shares in the future without first offering them to him. His goal is to prevent the shares from being transferred to individuals of whom he does not know or approve.

Advise Aldridge on the following:

(a) the statutory and internal company procedures that must be followed for Aldridge to validly allot 20,000 new ordinary shares to Marcus Lin. This should include compliance with the Companies Act 2006, any applicable pre-emption rights, and requirements under Aldridge's articles of association;

(13 marks)

(b) the necessary steps for the transfer of Priya's 10,000 shares to Nehna;

(5 marks)

(c) a suitable mechanism for restricting future share transfers by Priya and Nehna. In your response, your answer should include where such a restriction should be set out, and the procedural steps required to implement the restriction, including any resolutions or filings needed.

(8 marks)

(Total: 26 marks)

Question 3

Reference: Question relates to **Document 1** of the case study materials.

In addition to the issues Oakridge Interiors Ltd ('Oakridge') has with Daniel Fry, one of its directors, Sarah and Chloe have identified an experienced project manager, Alex, with over 15 years' experience in high-end residential interiors, as a potential new director.

Alex has worked with Oakridge as a freelance consultant for the past year and is well regarded by staff and clients.

Oakridge intends to appoint Alex as a director on a fixed-term service contract of three years. The contract will set out her responsibilities, performance expectations and terms of renewal or termination.

Alex's appointment will help ensure continuity in project delivery and restore client confidence, particularly during a period of organisational change.

Advise the board of directors of Oakridge on:

(a) the procedure required to comply with the Companies Act 2006 in respect of the appointment of Alex as a director and the award of her proposed service contract. Your answer should set out all relevant documents and formalities required to complete this procedure;

(15 marks)

(b) whether the board can remove Daniel as a director and, if not, who can remove him and how;

(5 marks)

(c) what court petition Daniel could make if he were removed and what order the court may make if that petition were successful.

(7 marks)

(Total: 27 marks)

Question 4

Reference: Question relates to **Documents 1 and 4** of the case study materials.

Since the email was sent to your supervisor (**Document 4**), Fresh Fields Supplies has threatened to issue a winding-up petition against EcoHarvest Organics Ltd ('the Company') unless their outstanding invoice is settled immediately.

Last month, the board of directors of the Company held a meeting to assess the Company's financial health. They concluded that the business was under significant cash flow pressure and was likely unable to meet its liabilities as they fell due.

The board is increasingly anxious about the Company's future in light of the above and wants advice regarding the Company's current and future position, the loan repayment made to Marek Janowski and the sale of the machinery to his husband.

Advise the Company's board on:

(a) whether Fresh Fields Supplies can force the Company into liquidation and, if so, how;

(5 marks)

(b) the transactions that a liquidator of the Company could avoid and on what basis.

(15 marks)

(Total: 20 marks)

End of the examination

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