



**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

June 2025

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, 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.

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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 documents on your desk awaiting your attention, including an email from your supervising partner, Juliette Tomkyns.

DOCUMENT 1: Email to candidates from Juliette Tomkyns (All Files)

DOCUMENT 2: Partnership Agreement – Elite Media Partners (File: Elize Saul)

DOCUMENT 3: Company search report – Eco-Pack Solutions Limited (File: Eco-Pack Solutions Limited)

DOCUMENT 4: Company Search report – Shelf Company 21945786 Limited (File: Florence Spencer and Shivani Nathan)

DOCUMENT 5: Email from Vinesh Patel to Juliette Tomkyns (File: Taylor Construction Limited)

EMAIL TO CANDIDATES FROM JULIETTE TOMKYNS (ALL FILES)

To: Trainee Lawyer

From: Juliette Tomkyns

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. Elize Saul

Mohammed Ahmed and Elize Saul operate a freelance digital marketing agency called Elite Media Partners. They both signed a partnership agreement in 2022 when they started the business. A copy of the Partnership Agreement can be found at **Document 2**.

Recently, Mohammed has not been meeting the key performance indicators that both partners agreed to and Elize suspects that he is not working five days a week for the business. Often when she tries to contact Mohammed he is unavailable but she can see from the shared client relationship software they use that he is not engaged with clients of the business.

Elize discovered through one of the clients of their partnership business that Mohammed has been using the name 'Elite Media' and their partnership branding and reputation to acquire his own clients and offer services independently. Mohammad has also used the partnership's digital tools, including the website and the client relationship software.

Mohammed has not declared any income for his independent work to Elize and so she assumes he has kept the income.

In addition, Mohammed and Elize have recently discussed the need for a subscription to a specific SEO & Analytics platform to assist the business with performance tracking but have been unable to agree on which one. Elize received an email today confirming a subscription in the name of Mohammed Ahmed and Elize Saul trading as Elite Media Partners at an annual cost of £15,000.

2. Eco-Pack Solutions Ltd

Yesterday I spoke to a new client, Eco-Pack Solutions Ltd (EPS). EPS specialises in creating innovative, sustainable packaging made from biodegradable, recyclable, or compostable materials. It focuses on replacing traditional plastic packaging with eco-friendly alternatives for industries such as food and beverage, cosmetics, and retail.

Sarah Bennett and David Clarke are the only shareholders and directors. They are keen to take EPS to the next level and want to develop custom packaging solutions tailored to specific client needs by utilising cutting-edge materials, such as plant-based plastics (PLA), mushroom-based packaging and biodegradable cellulose films.

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EPS was set up by Sarah in 2020 and David invested in EPS in 2022. They now each own 50% of the shares. A copy of the corporate profile can be found at **Document 3**.

Sarah, as the initial founder of the company, provided the original idea and expertise in sustainable product development. She is responsible for overseeing the company's vision, product development, and strategic partnerships.

David brought operational expertise and helped build the supply chain and manufacturing partnerships. He focuses on day-to-day operations, logistics and scaling the business. David and Sarah are coming to meet me next week and I would like you to join the meeting.

3. Flora Spencer and Shivani Nathan

Flora Spencer and Shivani Nathan met in 2018 when they started work for RH Heating and Plumbing. In their current jobs, Flora and Shivani have seen a growing demand for energy-efficient heating solutions, driven by rising energy costs and government incentives for eco-friendly home upgrades as well as increased demand for emergency plumbing services owing to ageing infrastructure in homes.

Flora and Shivani are keen to establish their own heating and plumbing business so that they can offer comprehensive heating and plumbing services for residential clients initially, focusing on energy-efficient solutions and delivering superior customer service.

They have a friend who advises start-up businesses and helps to find investors and lenders. He has advised them that they need approximately £50,000 for their start-up costs. This is made up as follows:

- Van Purchase & Branding: £20,000
- Tools & Equipment: £10,000
- Marketing & Website Development: £5,000
- Insurance & Certifications: £3,000
- Initial Inventory: £5,000
- Miscellaneous (Office Setup, Licenses, etc.): £7,000

Flora and Shivani have made an appointment to discuss their new business venture with me next week. I would like you attend the meeting with me. Please ensure you have read the information regarding their proposals and the company search report for shelf company 21945786 Limited (**Document 4**) before that meeting.

4. Taylor Construction Ltd

Taylor Construction Ltd (the Company) is a long-standing client of the firm. It is a medium-sized construction company specialising in residential building projects. My main contact at the Company is Vinesh Patel who is the Finance Director.

The Company was profitable for several years but a few years ago it started to experience financial difficulties due to increased costs, delays in project completion and declining revenue. A few months ago, it became clear that the Company was facing significant financial challenges, with outstanding debts to suppliers and contractors, as well as delays in client payments.

I spoke to Vinesh yesterday and he is very concerned about the financial health of the Company. He told me that the Company is going to struggle to pay the instalments on its bank loan and the employees' wages next month. I asked him to send me an email setting out a timeline of key events

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regarding the financial concerns of the Company and details of the key creditors. A copy of his email can be found at **Document 5**.

PARTNERSHIP AGREEMENT: ELITE MEDIA PARTNERS

This Partnership Agreement ("Agreement") is made and entered into on this 15 May 2022, by and between the following individuals (collectively referred to as the "Partners"):

- **Mohammed Ahmed**, residing at 29 Eagle Street, Bedford, MK42 0HJ, and
- **Elize Saul**, residing at 13 Wood End Road, Kempston Rural, MK45 9BB.

The Partners agree as follows:

1. Name and Purpose of the Partnership

The Partners hereby form a partnership under the name 'Elite Media Partners' (the 'Partnership') for the purpose of operating a digital marketing agency.

2. Principal Place of Business

Each of the Partners shall operate the Partnership business from their home address.

3. Capital Contributions

- Each of the Partners agrees to contribute an equal amount of capital to the Partnership.
- Each of the Partners will contribute £50,000 as their initial capital contribution.
- All contributions will be deposited into the Partnership's business bank account on or before 15 May 2022.

4. Profit and Loss Sharing

- The profits and losses of the Partnership shall be shared equally by the Partners.
- Any profits derived from the Partnership business will be distributed equally between the Partners after necessary expenses and liabilities have been deducted.
- Similarly, any losses incurred by the Partnership business shall be borne equally by the Partners.

5. Duties and Responsibilities

- Each of the Partners agrees to work full time for the business, contributing their skills and efforts.
- Each of the Partners shall work a minimum of five days per week towards the operation and success of the Partnership.
- Both of the Partners are expected to participate in the day-to-day management and decision making of the Partnership business, including marketing, client acquisition, project execution and other necessary duties.

6. Banking and Finances

- A business bank account in the name of 'Elite Media Partners' shall be opened and all income from the Partnership's business shall be deposited into this account.
- All expenses related to the Partnership business shall be paid from the business bank account.
- Both of the Partners shall have equal access to the Partnership's financial records and business bank account.

7. Spending Limitations

- Neither of the Partners shall incur, commit to, or authorise any expenditure on behalf of the Partnership in excess of £10,000 without the prior written consent of the other Partner.

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10. Governing Law

This Agreement shall be governed by, and construed in accordance with, the laws of England and Wales.

11. Entire Agreement

This Agreement represents the entire agreement between the Partners and supersedes any prior agreements, understandings, or negotiations, whether written or oral.

12. Amendments

This Agreement may be amended or modified only by a written agreement signed by both of the Partners.

IN WITNESS WHEREOF, the Partners have executed this Agreement on the date set out below.

Partner 1: Mohammed Ahmed

Signature: *Mohammed Ahmed*

Date: 15 May 2022

Partner 2: Elize Saul

Signature: *Elize Saul*

Date: 15 May 2022

COMPANY SEARCH REPORT: ECO-PACK SOLUTIONS LIMITED

Name of Company	Eco-Pack Solutions Limited		
Company Number	045789623		
Company Type	Private company limited by shares		
Date of Incorporation	27 October 2020		
Previous Names	None		
Registered Office	200 Station Road, Whittlesey, Peterborough, PE7 2HA		
Accounting Reference Date	31 March		
Current Directors and Secretary	Directors	Secretary	
	Sarah Bennett David Clarke	Sarah Bennett	
Share Capital	Issued	Class	Amount paid up
	£200,000	Ordinary £1	£1 per share
Shareholders	Name	Class	No. of shares
	Sarah Bennett David Clarke	Ordinary £1 Ordinary £1	100,000 100,000
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			
Articles of Association			
Unamended 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: SHELF COMPANY 21945786 LIMITED

Name of Company	Shelf Company 21945786 Limited		
Company Number	21945786		
Company Type	Private company limited by shares		
Date of Incorporation	10 January 2025		
Previous Names	None		
Registered Office	The Manor House, Bedford, MK42 7AB		
Accounting Reference Date	31 December		
Current Directors and Secretary	Directors	Secretary	
	Juliette Tomkyns Krishan Lewis	N/a	
Share Capital	Issued	Class	Amount paid up
	£2	Ordinary £1	£1 per share
Shareholders	Name	Class	No. of shares
	Juliette Tomkyns Krishan Lewis	Ordinary £1 Ordinary £1	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			
Articles of Association			
Unamended 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]

EMAIL FROM VINESH PATEL TO JULIETTE TOMKYNS

To: Juliette.Tomkyns@KLLP.com

From: vineshpatel@TCL.com

Date: [Today's date]

Subject: Taylor Construction Ltd (the Company) – current financial position

Dear Juliette

Further to our telephone conversation yesterday, I set out below a summary of what I think are the key events that have taken place over the last few months.

Timeline of Events:

1. January 2025 – Early Signs of Trouble

The Company's cash flow began to tighten and the directors noticed an increase in unpaid invoices from clients. We also faced higher costs due to material price increases. Despite these issues, the directors decided to continue operating as normal without any major changes to business strategy or financial management.

2. April 2025 – Insolvency Concerns

By April, the Company was struggling to meet its obligations to creditors. Key suppliers were refusing to deliver materials due to unpaid invoices and several subcontractors were threatening legal action for non-payment. The directors were aware that the Company's liabilities exceeded its assets and cash flow projections showed that they were unlikely to recover.

3. May 2025 – Directors Continue Trading

The directors continued trading, hoping that new contracts and payments from outstanding invoices would improve the financial situation. However, no substantial new work materialised and several large clients cancelled contracts, further worsening the financial state of the Company.

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Creditors

1. Eastern Bank Plc

The Company has a term loan with Eastern Bank, which has taken fixed and floating charges over all the Company's assets.

2. Employees

The Company does not owe any employee wages now but unless something changes it is looking like we will not be able to pay all of the wages next month.

3. Suppliers

The Company owes a significant amount of money to suppliers of building materials. None of the suppliers has security over the Company's assets but one of our biggest clients, Tinson Building Merchants Ltd, has refused to provide further materials unless we grant it a floating charge.

I look forward to discussing this with you as soon as possible.

Best wishes,

Vinesh

End of the case study materials

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