



**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**

**June 2025**

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

**Instructions and information**

- It is recommended that you take **fifteen** 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, 28<sup>th</sup> 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.

Advise Elize:

- (a) whether the partnership agreement binds the Partners, what action she can take to ensure Mohammed works the required five days in Elite Media Partners' business and whether Elize could terminate the partnership and carry on the business on her own;

**(11 marks)**

- (b) what, if anything, she can do about the money Mohammed has made using the partnership branding, reputation and software;

**(5 marks)**

- (c) what, if anything, she can do about the subscription that Mohammed has recently committed to without Elize's consent.

**(7 marks)**

**(Total: 23 marks)**

## Question 2

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

Eco-Pack Solutions Ltd ('EPS') wants advice regarding its expansion plans. To implement these plans, it has been looking for an investor to invest £100,000 in exchange for equity and a seat on the board; offering them the chance to participate in the company's growth and decision making.

EPS has identified a potential new investor, Oliver Green, who is currently chief operations officer at a well-known packaging company. Sarah and David believe he will provide positive contributions to strategic decision making, leveraging his business experience and network to help secure larger manufacturing partnerships and clients.

Oliver is willing to invest £100,000 in exchange for 20,000 ordinary shares in EPS. The funds will be used for investment in R&D to develop and manufacture sustainable packaging materials. In return, Oliver will be appointed a director of EPS and will be offered a fixed-term service contract for two years with a notice period of three months. Notice can be served only following expiration of the two-year term.

Advise EPS's board on:

(a) the **procedures** that need to be implemented to:

- issue and allot the ordinary shares to Oliver;
- appoint Oliver as a director of the board of EPS;
- enter into the service contract with Oliver.

**(19 marks)**

(b) the **documents** that need to be entered into to give effect to the above transactions to:

- issue and allot the ordinary shares to Oliver;
- appoint Oliver as a director;
- grant the service contract to him.

**(5 marks)**

**(Total: 24 marks)**

**Turn over**

### Question 3

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

Flora and Shivani wish to establish their own business but they have no knowledge of the business structures they could use to do so. They each have £20,000 to invest in the business and so will need to raise additional finance. Both Flora and Shivani are keen to ensure that they will not be liable for any losses suffered by the business, especially during the next few years, as they do not have any additional money available.

Advise Flora and Shivani on:

- (a) the possible types of business structures that would be relevant to their circumstances, setting out the relevant advantages and disadvantages of each;

**(10 marks)**

- (b) any formalities and documents that would be required to set up each type of business structure identified in (a) above.

**(7 marks)**

Assume now that Flora and Shivani have decided to incorporate their business and operate it through a private limited company. The company will be called Pink Wrench Heating & Plumbing Solutions. They will each be a director of - and will hold 50 ordinary shares of £1 each in - this company.

- (c) Advise Flora and Shivani on the steps that would need to be taken and documents required to incorporate their business, using Shelf Company 21945786 (**Document 4**).

**(12 marks)**

**(Total: 29 marks)**

#### Question 4

Reference: Question relates to **Documents 1 and 5** of the case study materials.

Despite his experience, Vinesh has not previously dealt with a situation like the one now facing Taylor Construction Limited ('the Company'). He is not sure how best to proceed or what personal liabilities the directors of the Company could face.

Vinesh has contacted the Company's auditors to ask for their opinion on the Company's current financial status. In the meantime, the Company's board would like advice on a number of matters.

Advise the Company's board:

- (a) on the likelihood that the directors of the Company will face proceedings under section 214 Insolvency Act 1986, what the consequences of such proceedings could be and what the directors should do now to protect their position;

**(14 marks)**

- (b) in the event of the Company's insolvent liquidation, to whom a liquidator of the Company would distribute the assets of the Company and in what order.

**(10 marks)**

**(Total: 24 marks)**

**End of the examination**

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