



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

November 2026

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.

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, Amanda Williams.

DOCUMENT 1: Email to trainee lawyer from Amanda Williams (all files).

DOCUMENT 2: Partnership Agreement – Northgate Cycle Works (file: Leah Morgan and Thomas Bennett trading as Northgate Cycle Works).

DOCUMENT 3: Company Search Report – SEF Packaging Ltd (file: Rachel Morton, Francis Everett and Imran Shah).

DOCUMENT 4: Shareholders' Agreement – SEF Packaging Ltd (file: Rachel Morton, Francis Everett and Imran Shah).

DOCUMENT 1

EMAIL TO TRAINEE LAWYER FROM AMANDA WILLIAMS (ALL FILES)

To: Trainee Lawyer

From: Amanda Williams

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. Willow Khan and Daniel Reed trading as Willow & Reed Artisan Candles

Willow & Reed Artisan Candles is a small UK business based in London. The business was established in March 2022 and is currently operated as a general partnership by two of our existing clients: Willow Khan and Daniel Reed.

The business designs and produces hand-poured soy wax candles, reed diffusers and small home-fragrance gift sets which are sold online, at weekend craft markets and through a small number of independent retailers.

Willow and Daniel first met in 2019 while working for the same hospitality group in London. Willow worked in digital marketing and Daniel worked in procurement and supplier management. During the COVID-19 period they both lost hours at work and began experimenting with candle making as a side project from Daniel's flat.

They discovered that Willow had strong branding and social media skills, while Daniel was skilled in sourcing raw materials, negotiating with suppliers and managing stock. After several successful pop-up market stalls in late 2021, they decided to launch a formal business together.

Willow and Daniel are hoping to expand the business and have identified a property they would like to rent for use as a warehouse. They are hoping to secure a bank loan or an investment from a family member.

2. Leah Morgan and Thomas Bennett trading as Northgate Cycle Works

Northgate Cycle Works is a small UK business based in Manchester. The business was established in June 2022 and is currently operated as a general partnership by two of our existing clients – Leah Morgan and Thomas Bennett.

The business repairs, restores and custom builds bicycles, while also selling cycling accessories, refurbished bikes and maintenance packages. It trades from a rented workshop unit and also provides a mobile repair service for local customers and commuter cyclists.

Leah and Thomas met in 2018 while volunteering at a community cycling charity in Manchester that refurbished donated bicycles for low-income families. Leah had previously worked in retail operations and customer management, while Thomas had trained as a bicycle mechanic and later worked for a national cycle retailer.

Leah's expertise includes customer relations, administration and promotion, while Thomas has technical expertise in repairs and workshop management. In 2021 they began operating weekend bicycle repair pop-ups at local markets and university campuses. Following growing demand, they decided to establish a full-time business together in 2022.

The business was started with total capital of £24,000, Leah contributed £14,000 and Thomas £10,000. The money came from personal savings. No bank loan was taken initially. The funds were used for:

- workshop tools and repair stands – £7,500
- van deposit for mobile repair service – £6,000
- initial stock of tyres, tubes, chains and accessories – £4,200
- website and booking system – £2,300
- rent deposit and first month's rent – £3,000
- working capital reserve – £1,000.

Leah and Thomas signed a short, written, partnership agreement downloaded from an online template but it was never reviewed by a solicitor; a copy appears at **Document 2**.

The partners divide responsibilities informally. Leah's main responsibilities are booking, accounts, marketing and business development, and Thomas' are building bikes to order, stock control, staff supervision and the provision of mobile services.

The business currently employs:

- one apprentice mechanic;
- one part-time weekend assistant.

3. Rachel Morton, Francis Everett and Imran Shah

New clients – Rachel Morton, Francis Everett and Imran Shah, who are shareholders in a company called SEF Packaging Limited ('SEF') – called us for advice concerning their interests in SEF. They provided the following details during the call and we have also obtained a company search report (**Document 3**), and a copy of the shareholders' agreement (**Document 4**). Please review these details before we meet with the clients.

SEF is a small private company operating in sustainable and recyclable commercial packaging supplies. The company was incorporated in late 2020 by five individuals who had previously met through local business networking events in Leicester.

The company required start-up capital of £150,000, raised as follows:

Evie Solanky	£30,000
Francis Everett	£25,000
Rachel Morton	£25,000
Dean Lawson	£12,000
Imran Shah	£8,000

An additional £50,000 working capital was obtained from a commercial bank by way of an overdraft facility.

By 2025, SEF had grown significantly and had supply contracts with regional online retailers, expanded warehouse operations in the Midlands and had introduced compostable mailing bags and branded cartons. Its annual turnover rose from £210,000 in 2023 to £780,000 in 2025.

At a board strategy meeting in January 2026, the directors proposed:

- opening a second warehouse in Greater Manchester;
- launching direct-to-consumer online sales;
- applying for £250,000 growth finance;
- developing custom packaging software integration for SME clients.

However, Rachel Morton, Francis Everett and Imran Shah have become dissatisfied with Dean Lawson, alleging that he failed to meet sales targets, promised to secure £500,000 of new contracts in 2025 but achieved only £110,000, repeatedly missed board meetings and failed to provide monthly sales reports for four consecutive months.

4. GreenRoute Logistics Ltd ('GreenRoute')

GreenRoute is an established client of ours. It is a private company limited by shares incorporated in Bristol in 2022. It specialises in low-emission courier and delivery services for independent retailers across the south west of England. It currently operates a fleet of electric vans and provides same-day delivery services to local businesses.

GreenRoute is managed by four individuals:

- Annabel Shaw – Managing Director
- Khushi Purswani – Finance Director
- Sarah Hawkins – Operations Director
- Vanessa Goddard – Sales and Marketing Director.

Each founder initially invested £10,000 and each holds 25% of the ordinary shares.

GreenRoute has now traded successfully for over three years and recently secured several large contracts with independent supermarket chains and online retailers. The directors estimate that the business could double in size within the next two years if it acquires additional vehicles and warehouse premises.

To fund expansion, GreenRoute requires approximately £750,000 in new capital.

GreenRoute currently has:

- a business overdraft facility with Barclays Bank secured by a fixed charge over its existing warehouse premises;
- vehicle finance agreements over several electric vans;
- trade creditors owed approximately £95,000;
- annual turnover of £1.8 million.

Recently, the board contacted us for advice and I am due to meet with the board shortly. The board has approached Switch Banking Group regarding a business loan. The bank is prepared to lend £500,000 but insists on security.

The bank proposes:

- a fixed charge over any newly purchased warehouse property; and
- a floating charge over GreenRoute's stock, receivables and other fluctuating business assets.

Annabel has suggested that GreenRoute should instead seek investment from Ignite Venture Capital LLP ('Ignite'), a venture capital firm, by issuing additional shares in the company. Ignite has expressed interest in investing £750,000 in exchange for a substantial minority shareholding and the right to appoint one director to the board.

Khushi is concerned that issuing shares may dilute the current shareholders' ownership and voting control. Annabel argues that taking on substantial debt may place the company at risk if market conditions deteriorate.

GreenRoute's articles of association are unamended Model Articles and there is no shareholders' agreement.

DOCUMENT 2

Partnership Agreement

PARTNERSHIP AGREEMENT – NORTHGATE CYCLE WORKS (FILE: LEAH MORGAN AND THOMAS BENNETT TRADING AS NORTHGATE CYCLE WORKS)

Date: 1 June 2022

This Partnership Agreement is made between:

1. Leah Morgan of Manchester, United Kingdom
2. Thomas Bennett of Manchester, United Kingdom
(together referred to as “the Partners”).

1. Business Name and Purpose

The Partners agree to carry on business together under the name Northgate Cycle Works for the purpose of bicycle repairs, restoration, custom builds, sales of accessories and related services.

2. Commencement

The partnership commenced on 1 June 2022 and shall continue until terminated in accordance with this Agreement.

3. Capital Contributions

The initial capital introduced by the Partners is:

- Leah Morgan: £14,000
- Thomas Bennett: £10,000

Any further capital contributions must be agreed in writing by both Partners.

4. Profit and Loss Sharing

The net profits and losses of the partnership shall be shared equally between the Partners unless otherwise agreed in writing.

5. Duties of the Partners

Each Partner shall:

- act honestly and in good faith towards the other;
- devote reasonable time and skill to the business;
- keep accurate records;
- not compete with the business without the consent of the other Partner;
- inform the other Partner of all material matters affecting the business.

6. Management and Decision Making

Each Partner may participate in management of the business.

Day-to-day operational decisions may be taken individually. The following matters require unanimous agreement:

- borrowing over £5,000;
- entering contracts over £10,000;
- admission of a new partner.

7. Banking and Drawings

All partnership income shall be paid into the partnership bank account. Proper accounts shall be maintained and prepared annually.

Each Partner may draw sums on account of profits as agreed between them, subject to available cash flow.

8. Governing Law

This Agreement shall be governed by the law of England and Wales.

Leah Morgan

Thomas Bennett

Date: 1 June 2022

DOCUMENT 3

**COMPANY SEARCH REPORT – SEF PACKAGING LTD (FILE: RACHEL MORTON,
FRANCIS EVERETT AND IMRAN SHAH)**

COMPANY SEARCH REPORT: SEF PACKAGING LIMITED

Name of Company	SEF Packaging Limited		
Company Number	12356709		
Company Type	Private company limited by shares		
Date of Incorporation	15 December 2020		
Previous Names	None		
Registered Office	The Oval, Spring Lane, Leicester, LE14 7OP		
Accounting Reference Date	30 September		
Current Directors and Secretary	Directors	Secretary	
	Rachel Morton Francis Everett Dean Lawson	None	
Share Capital	Issued	Class	Amount paid up
	£1,000	Ordinary £1	£1 per share
Shareholders	Name	Class	No. of shares
	Evie Solanky	Ordinary £1	300
	Francis Everett		250
	Rachel Morton		250
	Dean Lawson		120
	Imran Shah		80
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.		Unamended	
Unusual documents		Yes/No	(Include copies)
Appointment of receiver/administrator/winding-up order		NO	
Report completed by:		CoSec	Date: [Today's date]

DOCUMENT 4

SHAREHOLDERS' AGREEMENT – SEF PACKAGING LTD (FILE: RACHEL MORTON, FRANCIS EVERETT AND IMRAN SHAH)

SEF Packaging Ltd

Shareholders' Agreement

Date Signed: 15 December 2020

Parties:

Francis Everett

Evie Solanky

Rachel Morton

Dean Lawson

Imran Shah

Clause 1 – Purpose

The shareholders agree to regulate ownership, management and transfer of shares in the company.

Clause 2 – Management

- Day-to-day management rests with the board of directors.
- Major decisions require board approval.
- Reserved matters require shareholder approval by ordinary resolution or special resolution where required by law.

Clause 3 – Director Duties

All directors shall:

- act in good faith;
- promote the success of the company;
- avoid conflicts of interest;
- exercise reasonable care, skill and diligence;
- disclose any personal interest in transactions.

Clause 4 – Spending Limits

No director may commit the company to expenditure exceeding £10,000 without prior board approval.

Clause 5 – Share Transfer on Removal

If a shareholder ceases to be a director for misconduct or removal, the remaining shareholders may require that shareholder to offer their shares for sale to the remaining shareholders at fair market value, less any proven losses caused to the company.

Clause 6 – Confidentiality

All shareholders and directors must keep business information confidential during and after ownership.

Clause 7 – Governing Law

This agreement is governed by the laws of England and Wales.

Signed by:

Francis Everett

Evie Solanky

Rachel Morton

Dean Lawson

Imran Shah

End of the case study materials

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