



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 2026

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, 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.

Answer ALL questions.

Question 1

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

(a) Advise Amira concerning the way in which the Partnership Act 1890 deals with the following issues, in the absence of any partnership agreement:

- how profits and losses are shared between Amira, Lewis and Tom;
- how decisions regarding the business are made, including how many of the partners would need to agree to Amira's proposal to open another shop, and Lewis' proposal to expand the scope of the business to include catering services;
- the duties that apply to each of Amira, Lewis and Tom as partners; and
- whether Amira can insist on introducing her cousin as a partner.

(14 marks)

(b) Advise Amira on the following:

- what Tom must do to cease being a partner in the business and the impact this will have on the partnership;
- how the partnership assets will be dealt with; and
- whether Tom will remain liable for partnership debts incurred after he ceases to be a partner.

(11 marks)

(Total: 25 marks)

Question 2

Reference: Question relates to **Documents 1, 3 and 4** of the case study materials.

Advise the board of GreenTech Solutions Ltd ('GreenTech') on the following:

- (a) the procedures that GreenTech must follow to validly allot new ordinary shares to Omega Finance Ltd.

Note to candidates: Your answer should include compliance with the Companies Act 2006, including any applicable pre-emption rights.

(13 marks)

- (b) the validity of the general meeting called by Reena and the implications if Jack fails to attend any general meeting of GreenTech.

(9 marks)

(Total: 22 marks)

Question 3

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

- (a) Advise the board on the two types of charge granted by Urban Threads Ltd ('Urban Threads') to BankVorp Plc and QuickLoan Ltd, including:

- their key features;
- the differences between them;
- how priority will be determined; and
- the registration requirements that apply to each charge, including the consequences of a failure to comply with those requirements.

(13 marks)

Last week, Felix Simmons ('Felix') lent Urban Threads £5,000. Urban Threads granted a floating charge over its stock to Felix in respect of both this new debt of £5,000 and the existing debt to Felix of £10,000.

Urban Threads is now insolvent on a cash-flow basis and creditors have begun winding-up proceedings.

- (b) Advise the board as to the legal basis upon which the following transactions may be avoided by a liquidator:

- the floating charge given by Urban Threads to Felix; and
- the sale of the cars to Priya Singh (see **Document 1** of the case study materials).

Note to candidates: your answer should include a detailed explanation of the factors that must be present for a liquidator to avoid the floating charge and the sale of cars, and an application of the law to the facts.

(15 marks)

(Total: 28 marks)

Question 4

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

Advise Emma and Raj on:

- (a) the advantages and disadvantages of operating as a general partnership and as a private limited company in the context of Emma and Raj's situation; **(10 marks)**
- (b) the tax implications for operating a business through each of the two business structures considered by Emma and Raj. **(5 marks)**

Emma and Raj decide to incorporate a private limited company.

- (c) Advise Emma and Raj on:
- any liability of the company in respect of business contracts Emma and Raj enter into before incorporation of the company;
 - how to incorporate a new private limited company, including the information that must be supplied to Companies House; and
 - the purpose of the memorandum and articles of association.
- (10 marks)**

(Total: 25 marks)

End of the examination

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