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IN THE HIGH COURT OF NEW ZEALAND
AUCKLAND REGISTRY

M.1427/83

1254

BETWEEN GEORGE McCULLOUGH JOHNSTON
of 3 Westbourne Road,
Remuera, Solicitor
APPELLANT

A N D CHARLES WILLIAM BOOTH,
MURRAY SWEETMAN, JOHN
BUKOWSKI and COLIN JOHN
NICHOLAS all of Auckland,
Consulting Engineers and
Architects, trading under
the name of BOOTH SWEETMAN
& WOLFE suing as a firm
RESPONDENTS

Hearing 14 September 1984
Counsel P T Cavanagh for Appellant
A A Walter for Respondents
Judgment 1 OCT 1984

JUDGMENT OF DAVISON C.J.

THE APPEALS

The short point in this appeal is whether the respondents by their alleged failure to comply with provisions in the contract for budgetary reviews deprived themselves of the right to receive payment of the whole or any part of their fees for architectural services.

The respondents sued the appellant in the District Court seeking to recover the sum of \$9135.75 as the balance for architectural fees claimed to be payable for services rendered in connection with a house proposed to be constructed for the appellant at Algies Bay.

The appellant counterclaimed against the respondents for the sum of \$6924 for damages for breach of contract allegedly resulting from delays in the construction of a different house for the appellant and consequential increased building costs to the house as finally built.

In the District Court the learned District Court Judge found:

1. In favour of the respondents and awarded them the full amount of their claim \$9135.75.
2. She awarded respondents no interest on the sum awarded.
3. She found against the appellant on his counterclaim.

In these appeals the appellant appeals against the judgment against him of \$9135.75 and the dismissal of his counterclaim. The respondents appeal against the failure of the District Court Judge to allow them interest on their claim.

DISTRICT COURT PROCEEDINGS

The respondents based their claim for fees upon the New Zealand Institute of Architects scale of fees calculated on the lowest tender price received for the construction of the house. On the tender price of \$165,582.00 the total fees were \$10,623.75. The appellant has paid on account the sum of \$1488 leaving a balance of \$9,135.75 outstanding.

In his defence the appellant pleaded:

- (a) That there was an express term of the contract that the respondents should design a home for a maximum cost, exclusive of architects fees, of \$100,000.
- (b) That the respondents failed to exercise the reasonable care and skill expected of an architect so as to ensure that the house could be built for a price not to exceed \$100,000.

The appellant then counterclaimed against the respondents for the extra costs incurred in having an alternative home built for him by Award Homes Ltd. The

basis of the appellant's counterclaim was that the respondents' breaches of contract resulted in a design which could not be built within the alleged limit of \$100,000 and that fact so delayed his seeking another design from Award Homes Ltd that the price finally obtained from Award Homes Ltd was \$6924 higher than it otherwise may have been.

The District Court Judge found against the appellant on the express term issue and he does not raise that again on this appeal. He bases his appeal solely on the ground that the learned District Court Judge was wrong in fact and in law in finding against him on the reasonable care and skill issue and wrong in disallowing his counterclaim.

RELEVANT CONTRACTUAL TERM

The District Court Judge found that the New Zealand Institute of Architects Conditions of Engagement were included in the contract between the parties. The conditions relevant to this dispute are:

- "1.2 The architect shall perform all of the services or work necessary to originate, to design and plan, to arrange for and to inspect the erection of buildings, or other works, which in the course of his business he may be engaged to do, or which may reasonably be inferred from the nature of the work. The architect shall exercise reasonable skill and care normal to the profession. and he shall accept only those responsibilities which may be explicit in this agreement, or which may reasonably be inferred from it. Refer to Clause 7.5 regarding architect's liability.
- 1.3 The architect's engagement is for the whole of the normal service which is performed in the following stages, the fees for which are set out in the Scale of Professional Charges: Refer also to Clause 3.4.
 - 1.3.1 Preliminary design stage. This includes client consultations, investigations of Local Authority and statutory requirements, preparation of preliminary drawings, and/or reports, and providing preliminary assessment of cost.

- 1.3.2 Developed design stage. This includes preparation of developed proposals, and supporting information as required, advice on preliminary designs of secondary consultants, and providing an assessment of cost.
- 1.3.3 Working drawing stage. This includes preparation of working drawings and tender documents, including specifications, with revised estimates of cost, and obtaining tenders and advising thereon. "

At each of the three stages referred to - the preliminary stage, developed design stage, and working drawing stage - there is a requirement that the architect provide assessments or estimates of cost.

The District Court Judge found in her judgment that such assessments were not provided in the first two stages, but she went on to say:

" But I think regard must be had to all the circumstances, particularly the long and troubled history of this proposed dwelling, the defendant's anxiety for speed but at the same time the fluctuations caused by the various alterations, and of course the defendant's admitted understanding of the substantial increase in building costs from 1978. The stages were not in my view clearly defined. "

She also found that at the working drawing stage before the plans went out to tender, an estimate of cost was made. She said:

" I accept that Mr Bukowski did consult Mr Groyne before the plan went to tender in May 1981 and that as a result of that consultation had an estimated cost of \$100,000 to \$120,000 for competitive quotes. Mr Bukowski says the defendant was advised of this estimate of cost. The defendant denies this and that Mr Bukowski expressed any concern about cost. I am satisfied Mr Bukowski was concerned about cost because of the steps he took in consulting

Mr Groyne and I am certain this would have been conveyed to Mr Johnston but probably in what turned out to be the unfortunately informal way in which these two gentlemen conducted their business. "

On those findings by the learned District Court Judge the appellant says:

1. The respondents were in breach of their contract in failing to provide assessments of costs at the first two stages.
2. That the respondents were also in breach of their contract in furnishing an estimate of \$100,000 to \$120,000 for a house, the lowest tender for which was \$165,000. Their alleged breach of contract arose out of their failure to exercise the reasonable skill and care normal to the profession as referred to in clause 1.2 of the Conditions referred to earlier.

The learned District Court Judge, however, had excused the respondents' failure to provide assessments at the first two stages for the reasons set out earlier. In respect of the estimate at the third stage, the working drawing stage, she said:

" As the working drawings neared completion Mr Bukowski was clearly concerned over cost and consulted with the quantity surveyor. As I have already indicated I am satisfied the defendant was aware of the probable cost by the time the plans went to tender. That the tender prices were vastly in excess of that was a great disappointment to the architect and the defendant but in the words of Mr Paterson, the ultimate test on costing is the market place. On some matters the defendant was clearly cost conscious, i.e. a shingle or an iron roof. On the other hand he acknowledged that he did not

query the probable cost of the various alterations many of them matters of detail. From the beginning the defendant had made it clear he wanted an individual home of superior quality and the clear indication was that he was prepared to pay for it. "

She concluded by saying:

" In all the circumstances I do not think the architect can be said to have failed in his duty on the matter of cost estimates. "

The question before this Court then becomes one of whether or not the District Court Judge was justified in her finding that the respondents did not fail in their duty on the matter of cost estimates and the design of a house within the price range contemplated.

WERE THERE BREACHES?

The obligations of the architects under the Conditions earlier referred to are to exercise reasonable skill and care normal to the profession and as part of the overall normal service to provide cost assessments and an estimate at the three named stages.

Now it would have been open to the appellant to have waived compliance with the furnishing of the cost assessments but there is no finding of the learned Judge that he did so and no justification for such a finding on a reading of the evidence:

" Waiver may be express or implied from conduct, but in either case it must amount to an unambiguous representation arising as the result of a positive and intentional act done by the party granting the concession with knowledge of all the material circumstances. Furthermore, it seems that for a waiver to operate effectively the party to whom the concession is granted must act in reliance of the concession. "

9 Halsbury's Laws of England (4th ed)
para 574; Watson v Healy Lands Ltd
[1965] NZLR 511 at 514.

In the absence of waiver then the question arises - did the architects exercise reasonable skill and care normal to the profession in not giving assessments at the first two stages at all and in giving an assessment at the third stage some \$45,000 less than the lowest tender price, an underestimate of some 37 per cent?

Evidence as to what would be regarded as reasonable skill and care normal to the profession was given by Mr D M Paterson, a registered architect. He said:

(p.D.14) " I cannot be specific in terms of every practice but the normal practise would be to provide certainly an estimate at the preliminary design stage. Often there is very little change in the developed design stage so it does not warrant a review of that estimate but certainly on the working drawings or completion of the working drawings, a final estimate would be issued and normally would be issued. "

(p.D.15) " The test that one has to apply as at October 1980 is would a reasonable and skilled and prudent architect practising at that time have revalued the estimate for the design at that stage? (Preliminary design stage)I believe he would."

In relation to the alleged under-estimate at the working drawing stage, Mr Paterson said:

(p.D.14) " I applied the same basic approach to the design chosen to take the scheme to working drawing stage and that is the second calculation which results in a figure of \$157,282 which is based on the tender plans. There is a note on the foot of the page that the working drawings also call for site work including ... construction representing 10 - 12,000 in value.

Q. So in time, after a developed design had been established for the proposed Johnston residence at Algies Bay using that methodology it was established it could be a building to the value of 150 to 170,000 dollars?... The model factor showing at that time would have shown an increased figure at that time. "

The tests to be applied in deciding whether the respondents were in breach of their contract have been discussed in various tests and decided cases. The Commentary on Halsbury's Laws of England (4th ed) New Zealand Pilot Vol B. p 47 says:

" The accepted view in England and in New Zealand is that the duty which the architect owes to his client of exercising reasonable skill and care is a duty in contract, not tort. Yet it has been observed in the High Court that the liability of the architect for negligence can be said to arise either from a breach of his contract or in tort.

In New Zealand it has been held that the question whether an architect has been negligent generally depends on whether other architects, being men of experience and skill, would have acted in the same way. Evidence of the practice of architects may be useful and persuasive but it is not decisive. "

And at p 49:

" If the employer orders plans for a building which is not to cost more than a certain sum, the architect is not entitled to his fees if the plans prepared are for a building the cost of which will exceed the stated sum. There is a distinction between an undertaking to supply plans of a building which may be erected at a cost not to exceed a specified amount and an undertaking to supply plans of a building coupled with an estimate of its probable cost. "

That distinction was referred to in Harvey v Thomas Brown & Sons Ltd [1920] QSR 25 where at p 36 Cooper C.J. delivering the judgment of the Full Court said:

" We think it is important to bear in mind that there is a distinction between an undertaking to supply plans and specifications of a building at a cost not to exceed a specified amount, and an undertaking to supply plans and specifications of a specified building over a specified area with an estimate of the probable cost. The

former undertaking in regard to the amount makes it a condition compliance with which is necessary to entitle the architect to recover for his work, because the non-compliance is a complete failure to carry out the contract, and goes to the root of the matter; but the latter - the estimate - is not a condition, but merely the expression of his professional opinion on the probable cost of the building to be erected, which may be correct or under or over-estimated, but which, even if incorrect, could not deprive him of payment for his services, though possibly it might justify a deduction in the value of his services, and possibly a right of cross action if the wrongful estimate arose through want of skill or negligence resulting in damage to the owner. "

In discussing duties of architects relating to estimates, the British Columbia Court of Appeal in Savage v Board of School Trustees of School District No 60 [1951] 3 DLR 39 said at p 42:

" Architects are bound to possess a reasonable amount of skill in their profession, and to use a reasonable amount of care and diligence in the carrying out of work which they undertake, including the preparation of plans and specifications: 3 Hals., 2nd ed., p 333. An architect holds himself out as a skilled person. If he furnishes an estimate as part of his contract it must, at his peril, be reasonably near the ultimate cost. And moreover where any deficiency appears on its face to be unreasonable, the burden rests upon the architect to show how it arose and that he was not at fault: Mills v Small (1908) 11 O.W.R. 1041 at p 1043. "

The author of Hudson's Building and Engineering Contracts (10th ed) at p 144 discusses the "Excess of cost over estimates". He says:

" In the earliest stages of the employment of his architect or engineer, the employer will in practice usually indicate or impose limitations on the cost of the proposed project. Even if no mention of this is made, it is suggested that an architect must design works capable of being carried out at a reasonable cost having regard to their scope and function. There will, therefore, in most cases be an express or implied condition of the employment that the project should be capable of being completed within a stipulated or reasonable cost, and an architect or engineer will be liable in negligence if, in fact, the excess of cost is sufficient to show want of care or skill on his part. Thus, in Money Penny v Hartland (1826) 2 C & P 378 Best C.J. said: 'A man should not estimate a work at a price at which he would not contract for it; for if he does, he deceives his employer....If a surveyor delivers an estimate greatly below the sum at which a work can be done, and thereby induces a private person to undertake what he would not otherwise do, then I think he is not entitled to recover.'

Where, however, an architect has obtained tenders which are substantially in excess of the express or implied limitation, he should normally, it is suggested, be given an opportunity of obtaining further tenders (without expense to the employer) unless it is obvious that no tender is likely to satisfy the limitation, or the breach is so serious as to justify the client in treating the contract as repudiated. Whether any proposed modifications or omissions of the architect to get down to the price are reasonable or not may be a difficult question of fact. "

I am satisfied that the respondents were in breach of their contract in failing to give the appellant estimates of cost for the first two stages. The Conditions of Engagement provided for them and Mr Bukowski agreed that he did not supply them and the District Court Judge so found. The District Court Judge's finding that there were no breaches of contract in respect of the respondents'

obligations under the first two stages fail to take adequately into account the length of time over which the design work extended - February 1978 to April 1981 - and the undoubted cost increases that occurred over the period. The last cost estimate given by Mr Bukowski based on plans which were later extensively modified was in April 1978 when a figure of \$78,000 was given. By the time it was agreed that the house proceed and the final layout plan of the proposed dwelling was produced in July 1980, the estimate of 1978 for a quite different plan was completely out of date. The learned District Court Judge herself said in her judgment:

(p 3) " I find it difficult to accept that in July 1980 the defendant would have relied upon that figure taking into account the general inflation of the time and the fact that the proposed plans had undergone substantial changes. "

A little later she said:

(p 4) " The defendant says that he had a meeting with Mr Bukowski in October for discussion over the project. He says that Mr Bukowski advised him that the building could not now be done for \$78,000 and says that they agreed that cost could be in the range of \$85,000 - \$100,000. Mr Bukowski confirms that the defendant did talk generally of figures such as \$85-\$100,000 but not specifically and denies that a ceiling price was to be placed upon the work. "

And later:

(p 4) " In January 1981 the defendant received preliminary working drawings. The completed working drawings were available in April 1981 ready for tender. "

And then:

(p 5) " Mr Bukowski acknowledged that in the latter stages, i.e. between the preliminary drawing stage to the completed working drawings the defendant asked what the building was going to cost. Mr Bukowski said he did not know and wished to consult a Quantity Surveyor. His reasons basically were the nature of the proposed building and its situation, i.e., out of the main Auckland builders' market. Mr Bukowski

did consult a quantity surveyor. There was a conflict over evidence between Mr Bukowski and Mr Johnston as to the stage at which Mr Johnston met with the quantity surveyor Mr Groyne. I do not think that is particularly important because I accept that Mr Bukowski did consult Mr Groyne before the plan went to tender in May 1981 and that as a result of that consultation had an estimated cost of \$100,000 to \$120,000 for competitive quotes. "

The evidence establishes, and the District Court Judge so found, that there were in October 1980 discussions about the estimate of costs in the range \$85,000 - \$100,000 and that between the receipt of preliminary drawings in January 1981 and the receipt of completed working drawing in April 1981 the appellant wanted to know what the building was going to cost and Mr Bukowski said he did not know. Now these circumstances do not in my view justify the finding that the architect was in some way excused from complying with the contractual obligations contained in Conditions of Engagement 1.3.1, 1.3.2, 1.3.3.

The architect did before the plan went to tender in May 1981, consult Mr Groyne a Quantity Surveyor and he estimated a cost of \$100,000 - \$120,000. Mr Groyne, however, did not do a measure and apply unit rates. He merely briefly looked over the working drawings and specifications and the appellant was told by Mr Bukowski that the cost was estimated in the \$100,000 to \$120,000 range.

It is hard to escape the conclusion that the architects were really flying blind on the cost of the house at this stage and no great weight can be given to the very cursory examination of the plans by Mr Groyne. What they were waiting for to determine price were the tenders which might be received.

The first tenders were for \$173,000 and \$179,000 respectively. It was decided to go to tender a second time. The new tenders ranged from \$165,000 to \$175,000.

An attempt was then made to negotiate a contract with one of the tenderers at a price of about \$130,000 by deleting certain works from the plan. But Mr Bukowski agreed that to get to that price it "was going to strip the house". It was just not reasonable to take that course. So far as any redesign was concerned, Mr Bukowski took the attitude that the plans already prepared would have to be paid for first.

In my judgment the failures of the architects to give reasonably accurate assessments of cost at the preliminary drawing and developed design stages, in the light of the appellant's inquiries as to likely cost, were breaches of contract. Had the appellant been given such assessments at those stages then there is little doubt that from the evidence of his having talked in October 1980 of figures in the \$85,000 - \$100,000 range - as found by the learned District Court Judge - he would have decided the design was too expensive and required modifications. The estimate given just before tenders were called was somewhat outside that range but just over the upper figure. Tender prices would provide an answer. The tenders, however, showed just how far out the estimate was.

On 20 August 1981 the appellant terminated the contract with the respondents upon the grounds that the contract had been for a design for a maximum cost of \$100,000. The District Court Judge found that there was no such express term of the contract. That did not, however, excuse the respondents from their obligation to design a house which was capable of being built at a cost reasonably within the contemplation of the parties.

The author of Hudson in the passage earlier referred to says that where tenders are received substantially in excess of the express or implied limitation, the architect should normally be given an opportunity of obtaining further tenders, or of making reasonable modifications to the design.

The respondents were in this case given the opportunity of obtaining further tenders, and the attempts to negotiate a price of even \$130,000 with one tenderer by modifying the plans of the house resulted in what Mr Bukowski referred to as stripping the house - something quite unacceptable to the appellant.

This was a case where in my judgment it has been clearly established on facts in respect of which there was not and could not be any real dispute that the respondents produced a plan for the appellant which was so expensive as to be a failure to comply with the terms of the contract for which they were engaged. It was well understood that the house should be capable of being built for a cost reasonably close to the figures discussed \$85,000 - \$100,000. Their breach of contract was so serious as to justify the appellant in repudiating it. The work of the architects was of no value to the appellant. He turned around and had a home designed for him by Award Homes Limited to instructions which conformed generally to those originally given by him to the respondents, which was finally built at a cost of \$85,246.

There was, in my view, a clear failure by the respondents to exercise the reasonable care and skill normal to the profession by designing a house capable of being built at a reasonable cost having regard to what was in the contemplation of the parties and by failing to produce a reasonably accurate estimate of its likely cost. The respondents did not have a maximum cost imposed upon them as an express term of contract. Such was so found by the District Court Judge. But the respondents were required to have regard to what was intended by the parties, namely, that the house should be in the \$85,000 - \$100,000 price range. The District Court Judge referred in her judgment to the fact that Mr Bukowski had confirmed that the appellant did talk generally of figures such as \$85,000 to \$100,000. She also said later when referring to the estimate given before tenders of \$100,000 to \$200,000 that

she thought it likely that both parties had in mind a general cost figure of that nature but that no maximum cost of \$100,000 formed part of the contract. A house design for which the lowest tender received on the second calling for tenders was \$165,000 was not a design which could be said to amount to fulfilment by the respondents of their contract. The cost difference is far too great. They committed a breach of their contract. The appellant was entitled to do as he did on 20 August 1981 - to terminate the contract.

But what consequences now flow? The law is that if an architect performs his services so unskilfully that there is a total failure of consideration he cannot recover any payment: 4 Halsbury (4th ed) para 1353. That rule is of long standing. In Farnsworth v Garrard (1807) 1 Camp 38 at 39 Lord Ellenborough said:

" I now consider this as the correct rule, - that if there has been no beneficial service, there shall be no pay; but if some benefit has been derived, though not to the extent expected, this shall go to the amount of the plaintiff's demand, leaving the defendant to his action for negligence. The claim shall be co-extensive with the benefit. "

In Money Penny v Hartland (1826) 2 C & P 378, Best C.J. adopted the same rule. He said at p 381:

" Supposing negligence or want of skill to be sufficiently made out, unless that negligence or want of skill has been to an extent that has rendered the work useless to the defendants, they must pay him, and seek their remedy in a cross action. For if it were not so, a man, by a small error, might deprive himself of his whole remuneration. It appears, that Mr Telford adopted a part of the plaintiff's plan; and up to that extent the defendants have been benefited. I grant, that it is not a trifling deviation from an estimate, that is to prevent a party's recovering. But if a surveyor delivers in an estimate, greatly below the sum at which a work can be done, and thereby induces a private person to undertake what he would

not otherwise do; then I think he is not entitled to recover. "

In similar effect was the judgment of Bramwell J. in Hunt v Wimbledon Local Board (1878) 4 CPD 48 at 54. To the extent that Harvey v Thomas Brown & Sons Ltd (ante) may appear in conflict with that rule, it is distinguishable on its facts as no indication of an upper limit of cost had been given.

Although in the present case the learned District Court Judge found no express condition as to the maximum cost of the building, it is quite clear that the parties had in contemplation a building, on whichever way one looks at the evidence, of between \$85,000 - \$120,000, which must be compared with the lowest tender of \$165,000.

This is not a case where the plans ultimately prepared by the respondents were of some use to the appellant so as to require him to pay the architects for the whole of their services. Those plans were quite useless to him. He had to throw them away as it were and commission Award Homes Ltd to start again and design him a house which could be built within his financial means. This was successfully done. But although the plans proved worthless to the appellant, it was not until October 1980 that discussions took place between the appellant and Mr Bukowski about costs in the \$85,000 to \$100,000 range. From that time on the respondents should have been alerted to keep the design reasonably close to that range. Before that date, however, there had been different designs prepared. The respondents are entitled to charge reasonable fees in accordance with their scale for work up until then. But from October 1980 when cost became a factor and a new design was undertaken, the architects were obliged to have regard to the cost factor in the design.

It is unfortunate for the respondents that this is the result, but when an architect makes an estimate of costs of works designed by him there must be an implied condition that the work is capable of being done for a sum

reasonably near to that estimated: Harvey v Thomas Brown & Sons Ltd (ante) at p 30. In this case his only estimate was \$100,000 - \$120,000. And where, as in this case, there was a clear acknowledgment by Mr Bukowski that a house in the \$85,000 to \$100,000 range was contemplated, the architect was required to design a house capable of being built for a sum reasonably close to that contemplated.

Mr Walter in argument referred to s 7(5) of the Contractual Remedies Act 1979 but that subsection has no relevance to the facts of this case. The respondents by their lack of care and skill in the performance of their contract produced plans for a house which proved quite useless to the appellant. They are not entitled to be paid for them. They are entitled, however, to be paid for their work prior to October 1980. There is no sufficient evidence before me to enable me to assess the appropriate figure so the case will have to go back to the District Court to allow evidence to be called if the parties can not agree upon a figure.

The appeal must be allowed and the case remitted to the District Court to hear evidence to establish the fees to which the respondents are entitled for work done up to October 1980.

APPELLANT'S COUNTERCLAIM

The appellant's counterclaim was based on the allegation that because of the respondents' breaches of contract resulting in plans for a house being produced which were of no value to him, he was delayed in obtaining suitable plans elsewhere and suffered price rises in the meantime. The increased building costs were said to amount to \$6,924. The District Court Judge found against the appellant because, as she said, the architects were not in breach of their contract. It was the appellant's case that if he had known in December 1980/January 1981 that the house designed by the respondents would be so expensive he could have cancelled his contract with the respondents and then

approached Award Homes Ltd which could have designed the house as later designed and had it built for \$78,322. By reason of the delay the design was not completed until November 1981 when the price was \$85,246, a difference of \$6,924.

As the evidence relating to this matter was not considered by the District Court Judge, I have of necessity read it all myself. The claim which the appellant makes, however, depends on so many factors that I find it impossible to conclude on the balance of probabilities either that he would have approached Award Homes Ltd earlier, or that the house would in the event have been completed earlier, or finally cost less than the final price of \$85,246. It might have cost less but, if so, how much less I am quite unable to say. On the evidence, the appellant has not proved his claim.

SUMMARY OF DECISION

1. Appellant's appeal against the judgment in favour of respondents for \$9,135.75 is allowed to the extent that the respondents are not entitled to recover fees for their services performed subsequent to October 1980. The respondents are entitled to their reasonable fees according to the appropriate scale for services performed up until October 1980 and the case is remitted to the District Court to enable evidence to be called and that figure to be assessed if the parties are unable to agree upon the figure.
2. Appellant's appeal against the dismissal of his counterclaim for \$6,924 fails and is dismissed.
3. Appellant is entitled to his costs in this Court which are fixed at \$750 and disbursements. In the District Court costs will be awarded by the District Court Judge on the basis that

the respondents succeed on their claim for such sum as is found properly payable and also succeed in defending the appellant's counterclaim.

A handwritten signature in cursive script, appearing to read "M. Dawson Esq.", is positioned to the right of the text.

Solicitors for the Appellant: Johnston Prichard Fee & Partners (Auckland)

Solicitors for the Respondents: Graham & Co (Auckland)