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Oakland Wantage Care Home Ltd v Stepnell Ltd [2026] EWHC 1530 (TCC): A Notice Cannot Dispute a Final Statement Before It Exists

Oakland Wantage Care Home Ltd v Stepnell Ltd

[2026] EWHC 1530 (TCC)

Technology and Construction Court, King's Bench Division

Jonathan Acton Davis KC (sitting as a Deputy Judge of the High Court), 23 June 2026

Key Words

Construction contract — JCT Design and Build Contract 2016 — Final Statement — Final account — Conclusivity provisions — Clause 4.24 — Clause 1.8 — Contractual notices — Objective interpretation — Reasonable recipient test — Draft final account — Notice of dispute — Part 8 proceedings.

1. Headnote

1. The Claimant Employer commenced Part 8 proceedings seeking declarations that a document submitted by the Contractor in February 2022 constituted the contractual Final Statement under an amended JCT Design and Build Contract 2016 and that the Employer had validly disputed the sums claimed within the contractual timescale. [10], [15]-[18]
2. Alternatively, the Employer contended that if a later statement submitted in February 2024 was the relevant Final Statement, earlier correspondence disputing the final account was sufficient to prevent the statement becoming conclusive under clause 4.24.6. [10], [17], [37], [43]-[47]
3. The principal issues were whether the February 2022 document constituted a Final Statement and whether project correspondence predating the February 2024 statement could amount to notice disputing anything contained within that statement for the purposes of clause 4.24.6. [18]-[20]
4. The Court held that the February 2022 document was not a Final Statement because a reasonable recipient would have understood it to be a draft and forecast document containing provisional information and anticipating the provision of further particulars. [29]-[30], [34]
5. The Court further held that notice disputing anything “in” a Final Statement required the existence of the Final Statement before such notice could be given and therefore earlier project correspondence could not satisfy clause 4.24.6. [48]-[50]

6. The Employer failed on both issues, and the Court declined to grant the declaratory relief sought. [51]-[53]

2. Material Facts

1. The Employer engaged the Contractor under an amended JCT Design and Build Contract 2016 dated 9 August 2019 for the design and construction of a 65-bed care home. [1]-[2]
2. Practical Completion was certified on 26 April 2021 and the parties subsequently entered into negotiations regarding the Contractor's final account. [3]
3. On 17 February 2022 the Contractor submitted a document subsequently referred to as the February 2022 Statement. [4]
4. On 7 March 2022 the Employer's Agent issued a response disputing the valuation advanced by the Contractor and setting out an alternative final account assessment. [5]
5. On 9 February 2024 the Contractor submitted a further document referred to in the proceedings as the February 2024 Statement. [6]
6. The Contractor commenced adjudication seeking payment of the sum stated in the February 2024 Statement on the basis of the contractual final account provisions. [7]
7. The adjudicator determined that the February 2024 Statement constituted the relevant statement under clause 4.24.6 and that the amount claimed had become payable. [8]
8. The Employer paid the adjudicated sum but subsequently sought declarations that the February 2022 Statement was the relevant statement or alternatively that pre-existing correspondence prevented the February 2024 Statement from becoming conclusive. [9]-[10], [15]-[17]

3. Issues

1. Whether the February 2022 Statement constituted the contractual Final Statement for the purposes of clause 4.24 of the Contract. [18]-[20]
2. Whether, if the February 2024 Statement was the relevant statement, earlier project correspondence could constitute notice disputing anything within that statement for the purposes of clause 4.24.6. [17]-[19], [37]-[50]

4. Decision

1. The February 2022 Statement did not constitute a Final Statement under clause 4.24 of the Contract. [34]
2. The February 2024 Statement was the relevant statement for the purposes of clause 4.24. [36]
3. Correspondence issued before the existence of the February 2024 Statement could not amount to notice disputing anything within that statement under clause 4.24.6. [48]-[50]
4. The Employer failed on both issues and the Court declined to grant the declarations sought. [51]-[52]

5. Reasoning

1. The Court applied the objective approach to contractual notices summarised in *Advance JV v Enisca Ltd*, namely that the meaning of a notice falls to be determined by reference to how a reasonable recipient would understand it in its contractual and factual context. [21]-[22]
2. The Employer relied upon the surrounding negotiations, references to the final account in correspondence, and statements indicating an intention to settle the final account. [23]-[28]
3. The Contractor relied upon the actual form and content of the February 2022 document. [29]-[30]

4. The Court attached particular importance to the fact that the document was expressly labelled “draft FA”, contained a column headed “Forecast of the FA”, included amounts designated as budgets or estimates, identified items as “TBA”, and recorded that further particulars would be provided later. [29]-[30]
5. The Court rejected submissions based upon the parties' subjective understanding of the document and held that the assessment remained an objective one. [31]-[32]
6. Having considered the document and the surrounding circumstances, the Court concluded that a reasonable recipient would not have regarded the February 2022 Statement as a Final Statement because it was clearly provisional and incomplete. [33]-[34]
7. The Court therefore held that the February 2024 Statement was the relevant statement under clause 4.24. [36]
8. In relation to conclusivity, the Court focused on the contractual requirement that notice must dispute something “in” the Final Statement. [48]-[49]
9. The Court held that a necessary precondition of a notice disputing matters contained within a Final Statement was that the Final Statement itself had first been issued. [49]-[50]
10. Accordingly, correspondence predating the February 2024 Statement could not satisfy clause 4.24.6 even if it addressed substantially the same valuation issues. [50]

6. Ratio Decidendi

1. Whether a document constitutes a Final Statement under a construction contract falls to be determined objectively by reference to how a reasonable recipient would understand the document in its contractual and factual context. [21]-[22], [34]
2. A document expressly described as a draft, containing forecasts or provisional figures and anticipating further information, is unlikely, viewed objectively and in context, to constitute a contractual Final Statement. [29]-[30], [34]
3. Where a contract requires notice disputing anything “in” a Final Statement, the Final Statement must exist before a valid notice can be given. [48]-[50]
4. Accordingly, project correspondence predating the relevant Final Statement cannot prevent conclusivity under clause 4.24.6. [50]

7. Disposition

1. The Employer failed in its contention that the February 2022 Statement constituted the contractual Final Statement. [34]-[36]
2. The Employer also failed in its alternative contention that earlier correspondence constituted notice for the purposes of clause 4.24.6. [50]-[51]
3. The Court declined to grant the declarations sought by the Claimant. [52]
4. The parties were invited to agree the terms of an order and costs, failing which further directions could be sought. [53]

8. Held

1. Held, that the February 2022 Statement was not a Final Statement because a reasonable recipient would have understood it to be a draft and forecast document containing incomplete and provisional information. [29]-[30], [34]
2. Held, that the February 2024 Statement constituted the relevant statement under clause 4.24 of the Contract. [36]
3. Held, that clause 4.24.6 required the existence of a Final Statement before a notice disputing anything contained within it could be validly given. [48]-[50]
4. Held, that correspondence predating the February 2024 Statement did not constitute

notice for the purposes of clause 4.24.6. [50]

5. Held, the Employer failed on both issues, and the Court declined to grant the declarations sought. [51]-[52]

Comment

The decision reinforces the distinction between a draft final account submission and a contractual Final Statement under the JCT final account regime. The machinery operates by reference to objective contractual acts rather than the parties' subjective understanding of the negotiations. [21]-[22], [29]-[34]

The February 2022 submission was labelled "draft", described as a "forecast", contained provisional figures and promised further information. Whatever the parties may have hoped it would become, it was not a Final Statement under clause 4.24. The Court focused on the objective character of the document itself, rather than the parties' subjective intentions or the broader atmosphere of the negotiations. A document does not achieve contractual finality merely because everyone is tired of discussing it. [21]-[22], [29]-[34]

The Court was equally clear on notice. Clause 4.24.6 required notice disputing something "in" the Final Statement. That statement therefore had to exist before a valid notice could be given. Earlier correspondence, however detailed, could not satisfy clause 4.24.6 because it predated the relevant Final Statement. [48]-[50]

Objections raised during final account negotiations will not, without more, constitute notice under clause 4.24.6 or prevent conclusivity on that basis. The notice must respond to an existing Final Statement and be given before the contractual due date, subject separately to the operation of clause 1.8.2. [13]-[14], [48]-[50]

The practical lesson is uncomplicated. Contractors should ensure that a Final Statement is clearly presented as final. Employers should treat the arrival of a Final Statement as an immediate trigger to identify the contractual due date and serve any necessary notice before that date. The timetable is unforgiving; it is merely not quite as simple as starting a stopwatch whenever the document arrives. [13], [48]-[50] Historic objections did not constitute notice under clause 4.24.6 merely because the same issues later appeared within the Final Statement. Both the form of the Final Statement and the timing of any notice disputing it remain critical to the operation of clauses 4.24 and 1.8 of the JCT Design and Build Contract 2016. [13]-[14], [34], [48]-[50]

**#ConstructionLaw #JCTContract #FinalAccount #FinalStatement #Conclusivity
#ContractualNotices #NoticeOfDispute #Adjudication #Part8Claim #ObjectiveInterpretation
#JCTClause424 #ConstructionDisputes #HighCourtJudgment**

Authorities

Case Law:

Contractual Notices and Objective Interpretation — Principal Theme

1. **Advance JV v Enisca Ltd [2022] EWHC 1152 (TCC)** — The principal authority concerning the applicable test. At [21], the Court adopted Joanna Smith J's summary of the applicable principles governing contractual notices, including that a notice is construed objectively by reference to how a reasonable recipient, positioned within the relevant contractual and factual context, would understand it; that the purpose of the notice forms part of the analysis; that artificial or excessively technical objections should be avoided; and that the document must nevertheless

satisfy the applicable contractual and statutory requirements and objectively demonstrate the requisite intention to perform the relevant contractual function. The Court applied those principles at [31]–[34], rejecting reliance upon subjective understanding and concluding that, because the document was marked as a draft, contained forecast and provisional information and promised further material, a reasonable recipient would not have regarded it as the contractual Final Statement. [21]–[22], [31]–[34]

2. **Mannai Investment Co Ltd v Eagle Star Life Assurance Co Ltd** [\[1997\] AC 749](#) — Referred to within the passage from *Advance JV* quoted by the Court as a summary of the applicable principles. The authority supported the proposition that contractual notices are construed objectively against the relevant contextual scene and from the perspective of a reasonable recipient with knowledge of the contractual framework and surrounding circumstances. [21], [27]
3. **Grove Developments v Balfour Beatty Regional Construction Ltd** [\[2016\] EWHC 168 \(TCC\)](#) — Referred to within the passage from *Advance JV* quoted by the Court as a summary of the applicable principles. The authority supported the proposition that courts should take a practical and commonsense approach to contractual notices and should not invalidate notices through artificial or overly technical analysis. [21]
4. **Grove Developments Ltd v S&T (UK) Ltd** [\[2018\] EWHC 123 \(TCC\)](#); [\[2018\] BLR 173](#); **S&T (UK) Ltd v Grove Developments Ltd** [\[2018\] EWCA Civ 2448](#) — Referred to within the passage from *Advance JV* quoted by the Court as a summary of the applicable principles. The decisions were cited in connection with the objective construction of payment notices, the required degree of clarity and specificity, and the proposition that notice validity is a question of fact and degree. [21]
5. **Henia Investments Ltd v Beck Interiors Ltd** [\[2015\] EWHC 2433 \(TCC\)](#), [\[2015\] BLR 704](#) — Referred to within the passage from *Advance JV* quoted by the Court as a summary of the applicable principles. The authority was cited for the requirements that a payment notice comply with the applicable contractual and statutory requirements in substance and form, possess the necessary clarity, be free from ambiguity and provide an adequate agenda for any adjudication concerning the true value of the works. [21]
6. **Jawaby Property Investment Ltd v The Interiors Group Ltd & Anor** [\[2016\] EWHC 557 \(TCC\)](#) — Referred to within the passage from *Advance JV* quoted by the Court as a summary of the applicable principles. The authority was cited for the proposition that the sender’s intention is assessed objectively when determining whether a document was intended to fulfil a particular contractual notice function. [21]
7. **Surrey and Sussex Healthcare NHS Trust v Logan Construction (South East) Ltd** [\[2017\] EWHC 17 \(TCC\)](#), [\[2017\] BLR 189](#) — Referred to within the passage from *Advance JV* quoted by the Court as a summary of the applicable principles. The authority supported the proposition that a notice need not bear a particular title or expressly identify the contractual provision relied upon provided it objectively fulfils the contractual function in question. [21]
8. **Thomas Vale Construction PLC v Brookside Syston Limited** [\[2006\] EWHC 3637 \(TCC\)](#) — Referred to within the passage from *Advance JV* quoted by the Court as a summary of the applicable principles. The authority supported the proposition that courts should be unimpressed by technical or contrived objections to the effectiveness of contractual notices. [21]

Authorities 2–8 were not independently analysed or applied by the Court. They appeared within the passage from *Advance JV v Enisca Ltd* quoted at [21] as a summary of the applicable principles. The Court subsequently applied the objective reasonable-recipient approach in determining whether the February 2022 Statement would have been understood as the contractual Final Statement. [21]–[22], [31]–[34].

Conclusivity and Final Account Finality — Secondary Theme

1. **Brighton University v Dovehouse Interiors Ltd [2014] EWHC 490 (TCC)** — Cited for guidance on the commercial purpose of conclusive-evidence provisions. Carr J explained that such clauses are intended to provide contractually agreed limits on disputes and certainty as to the parties' obligations following completion of a project. [39]
2. **Trustees of the Marc Gilbard 2009 Settlement Trust v OD Developments and Projects Ltd [2015] EWHC 70 (TCC)** — Quoted for the proposition that the JCT family of contracts is intended to facilitate the swift and final resolution of outstanding disputes following completion of the works. [40]
3. **Battersea Project Phase 2 Development Co Ltd v QFS Scaffolding Ltd [2024] EWHC 591 (TCC)** — Oakland relied upon this authority in support of its submission that prior notification of the underlying dispute was sufficient to prevent conclusivity. The Court observed that Battersea concerned a different issue under clause 1.8, principally whether an adjudication that becomes a nullity had nevertheless been concluded for the purposes of clause 1.8.2. Oakland relied upon the discussion in Battersea concerning the importance of the underlying dispute and the balance between contractual finality and determination of the true value. The Court rejected Oakland's proposed construction of clause 4.24.6, holding that notice must dispute something "in" the Final Statement and that the Final Statement must therefore have been issued before the requisite notice could be given. [41]-[50]

General Contractual Interpretation — Ancillary Theme

1. **Sara & Hossein Asset Holdings Ltd v Blacks Outdoor Retail Ltd [2023] UKSC 2** (Referred to in the judgment as "Sara & Hussein Holdings Limited") — Referred to for the general principle that a commercial contract is interpreted according to the natural meaning of its language, read against the relevant factual and commercial background. The authority provided interpretative context but was not independently determinative of the outcome. [38]

Principal Holdings

1. The February 2022 Statement was not the contractual Final Statement. Although the submission referred to the final account process, the valuation was expressly identified as "draft FA", contained forecast, budget and provisional figures, and contemplated the provision of further information. Objectively assessed, a reasonable recipient would have regarded it as provisional rather than as the contractual Final Statement. [29]-[30], [34]
2. The February 2024 Statement was therefore the relevant statement under clause 4.24 of the Contract. [36]
3. Correspondence predating the February 2024 Statement could not constitute notice for the purposes of clause 4.24.6. Notice must dispute something "in" the Final Statement and therefore the Final Statement must first exist before such notice can be given. [48]-[50]
4. Oakland failed on both issues and the Court was therefore unable to grant the declaratory relief sought by Oakland. Although Stepnell also sought declarations in its skeleton argument, the Court held that, absent a pleading or application notice, it had no jurisdiction to grant the declarations sought by Stepnell. [51]-[52]

Contractual Provisions and Procedural Framework:

Final Statement and Conclusivity Regime — Principal Theme

1. **JCT Design and Build Contract 2016, as amended, clause 4.24** — The central contractual

provision in the case. Clause 4.24 governed the submission and contents of the Final Statement, the identification of the “relevant statement”, the due date for final payment, and the circumstances in which the relevant statement became conclusive. The principal issues were whether the February 2022 Statement constituted a Final Statement for the purposes of clause 4.24 and whether correspondence predating the February 2024 Statement could constitute notice disputing something “in” that Final Statement under clause 4.24.6. The Court held that the February 2022 Statement was not a Final Statement for the purposes of clause 4.24 and that the phrase “disputing anything in the Final Statement” in clause 4.24.6 required the Final Statement first to have been issued before the requisite notice could be given. [13], [18]–[20], [34], [36], [43]–[50]

2. **JCT Design and Build Contract 2016, as amended, clause 4.24.6** — The most important individual provision considered in relation to Issue 2. The Court held that the requirement to give notice “disputing anything in the Final Statement” meant that the Final Statement must first have been issued before notice satisfying clause 4.24.6 could be given. Correspondence predating the Final Statement could not constitute notice for the purposes of that provision. [13], [43]–[50]
3. **JCT Design and Build Contract 2016, as amended, clauses 4.24.1–4.24.4** — These provisions governed the Contractor’s obligation to submit a Final Statement, its required contents under clause 4.24.2, and the Employer’s ability, following the prescribed notice procedure, to issue an Employer’s Final Statement if the Contractor failed to do so. They formed part of the contractual framework against which the Court determined whether the February 2022 Statement would objectively have been understood as the contractual Final Statement. [13], [34]
4. **JCT Design and Build Contract 2016, as amended, clause 4.24.5** — This provision fixed the due date for final payment by reference to the latest of three specified events. Clause 4.24.5.3 identified the Contractor’s Final Statement or, if issued first, the Employer’s Final Statement as the “relevant statement”. The provision formed part of the contractual machinery governing final payment and conclusivity and was relevant to the parties’ competing arguments concerning timing and notice. [13], [16], [43], [48]

Conclusive Effect of the Relevant Statement — Secondary Theme

1. **JCT Design and Build Contract 2016, as amended, clause 1.8** — The Court set out clause 1.8 because clause 4.24.6 expressly cross-referred to it, and the parties relied upon its operation in their competing submissions concerning conclusivity. Clause 1.8 prescribed specified matters for which the relevant statement would have conclusive-evidence effect and identified circumstances in which those effects would be suspended by adjudication, arbitration or legal proceedings. [14], [18], [37], [41], [45], [48]
2. **JCT Design and Build Contract 2016, as amended, clause 1.8.2.1** — This provision sets out a timing condition for the suspension mechanism in clause 1.8.2, applying where proceedings concerning the relevant subject matter are commenced before, or within 28 days after, the issue of the relevant statement. Oakland relied upon the fact that clause 1.8.2.1 expressly contemplates proceedings commenced before the relevant statement to support its argument that prior notice of an underlying dispute could also suffice under clause 4.24.6. The Court rejected that proposed construction, holding that clause 4.24.6 separately required notice disputing something “in” the Final Statement and therefore presupposed that the Final Statement had already been issued. [14], [41]–[45], [48]–[50]
3. **JCT Design and Build Contract 2016, as amended, clause 1.8.1** — This provision identified the matters for which the relevant statement could operate as conclusive evidence, including certain expressly identified qualities or standards of materials and workmanship, extensions of time, and the final settlement of specified loss and expense claims. It formed part

of the contractual background to the Court's consideration of conclusivity. [14]

Procedural Framework — Tertiary Theme

1. **Civil Procedure Rules, Part 8** — The proceedings were brought under CPR Part 8. The claim sought declaratory relief concerning the proper construction and operation of contractual provisions, and the Court recorded that no party suggested the dispute was unsuitable for determination under the Part 8 procedure. [10], [12]

Prioritisation Summary

1. Clause 4.24, and particularly clause 4.24.6, formed the core of the judgment because both issues concerned the operation of the contractual Final Statement and conclusivity regime. The Court's conclusions were driven principally by the objective characterisation of the February 2022 Statement and the wording "disputing anything in the Final Statement". [18]–[20], [34], [43]–[50]
2. Clause 1.8, particularly clauses 1.8.1, 1.8.2 and 1.8.2.1, formed the secondary contractual theme because clause 1.8.1 prescribed the additional conclusive-evidence effects of the relevant statement, while clauses 1.8.2 and 1.8.2.1 governed the circumstances in which those effects could be suspended. Oakland relied upon that machinery in support of its proposed interpretation of clause 4.24.6. [14], [37]–[45]
3. CPR Part 8 formed the procedural background to the dispute and did not feature materially in the Court's substantive reasoning or conclusions. [10], [12]

Practitioner Texts & Commentary

Construction Adjudication (4th ed, 2018), Sir Peter Coulson, paragraph 3.36 — The only practitioner text expressly cited in the judgment. The passage appeared within Joanna Smith J's summary of the applicable principles in *Advance JV v Enisca Ltd*, which the Court quoted at [21]. Focusing specifically on Pay Less Notices, the commentary supported a commonsense and practical approach to notice construction and cautioned against unnecessarily restrictive interpretations. It stated that, where a notice makes tolerably clear what is being held and why, the Court should not strive to find reasons for treating it as invalid or ineffective. The Court subsequently applied the broader objective reasonable-recipient approach summarised in *Advance JV* when determining whether the February 2022 Statement would have been understood as the contractual Final Statement. [21], [31]–[34]

Nigel Davies BSc(Hons) (Q.Surv), PGCert.Psych, GDipLaw, PGDipLP, DipArb, MSc (Built Environment), LLM (Construction Law & Practice), MSc (Mechanical & Electrical), MSc (Psychology), FRICS, FCIOB, FCInstCES, FCI Arb, CARb, GMBPsS, Panel Registered Adjudicator, Mediator, Mediation Advocate, Chartered Builder & Chartered Construction Manager, Chartered Surveyor & Civil Engineering Surveyor, Chartered Arbitrator, Author, and Solicitor-Advocate

Adjudicator Assessor and Re-Assessor for the ICE

ICE DRC Member

ICE DRC CPD Committee Chairman

Adjudicator Exam Question Setter for the ICE

CI Arb Adjudication Panel Member since 2006

CI Arb Arbitration Panel Member since 2006

CIC Adjudication Panel Member since 2010

FIDIC Adjudication Panel Member since 2021

ICE Adjudication Panel Member since 2021

Law Society Panel Arbitrator
RIBA Adjudication Panel Member since 2018
RICS Adjudication Panel Member since 2006
RICS Dispute Board Registered since 2013
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