GUERNSEY BAR EXAMINATION

09.30AM, FRIDAY15 MAY 2026

PAPER ONE

CIVIL PRACTICE AND PROCEDURE

THREE HOURS

CANDIDATES ARE REQUIRED TO ANSWER ALL QUESTIONS. THE MARKS AVAILABLE FOR EACH QUESTION ARE SHOWN BELOW:

- **QUESTION 1 – 25 MARKS**
- **QUESTION 2 – 05 MARKS**
- **QUESTION 3 – 15 MARKS**
- **QUESTION 4 – 10 MARKS**
- **QUESTION 5 – 10 MARKS**
- **QUESTION 6 – 15 MARKS**
- **QUESTION 7 – 10 MARKS**
- **QUESTION 8 – 05 MARKS**
- **QUESTION 9 – 05 MARKS**

MARKS WILL BE GIVEN FOR REFERENCES TO APPLICABLE LEGISLATION AND CASE LAW.

PLEASE ENSURE THAT THE FOLLOWING IS CLEARLY MARKED ON EACH PAGE OF YOUR ANSWER SCRIPT:

- **NAME OF PAPER**
- **CANDIDATE LETTER**
- **QUESTION NUMBER**
- **PART NUMBER OF QUESTIONS (if applicable)**

MATERIALS PROVIDED:

1. **The Evidence in Civil Proceedings (Guernsey and Alderney) Rules, 2011**
2. **The Royal Court Civil Rules, 2007**

Dramatis Personae

Galley Ridge Marine Limited (**"GRM"**)	whose registered office is Castle Boatyard, North Side, Vale, Guernsey, GY3 5AB. The company has manufactured luxury yachts for over 50 years.
Specialist Sea Engines Limited ("SSE")	whose registered office is Unit 4, Pitronnerie Road, Industrial Estate, St Peter Port, Guernsey, GY1 8HU. The company builds and maintains engines and steering systems for yachts.
Monegasque Yachts Deluxe S.A.M ("MYD")	whose registered office is Quai Jean-Charles de Rey, Monaco. The company hires luxury yachts in Monaco and the French Riviera more generally.

The Facts

You are to assume that you are an Advocate in Victor Hugo LLP and have been instructed by GRM with respect to a potential claim for breach of contract against SSE.

The background to the case is that last year GRM won a contract with MYD to supply them with a yacht for their premium market in Monaco. The yacht was a specially adapted version of the GRM's Paradis 400 range and was provisionally named the Santa Devota. The contract between GRM and MYD was entered into on 15th September 2025.

MYD were looking to integrate the Santa Devota into their fleet from April 2026 and so the agreed date for delivery was set as 2nd March 2026. Given the importance of this deadline for MYD, the contract included a clause providing for a late delivery fee of £25,000 per week. It was agreed that the contract would be governed by the law in Guernsey.

The contract was a big breakthrough for GRM as this was the most valuable yacht that they had sold, with the price being £500,000. GRM also hoped to use the contract as a way of breaking into the superyacht market. MYD's customers are all high net worth individuals and GRM felt they could impress them with the quality of the workmanship on the yacht.

In order to command such a high price, the yacht was designed to the highest specifications. In particular, MYD had insisted on it being fitted with a propulsion and steering system that allowed for good handling and fuel efficiency. After researching the market, GRM decided to fit two Azimuth pod drives which were engines that were manufactured by SSE.

GRM's design and contracts director, Edward Quinn, had therefore contacted SSE to discuss the specifications for the yacht and explain the requirements for the build. In doing so, he emphasised the importance of the contract with MYD and the time pressures that GRM were under. SSE's director of engineering, James Beattie confirmed that it could provide the pod drives within the required timescale and would modify the steering system to meet the requirements of MYD.

GRM were delighted to give the work to another company in Guernsey and the contract was signed by both parties at Castle Boatyard on 10th October 2025. It was agreed in the contract that the pod drives and modified steering system would be delivered by 30th January 2026 to allow time for them to be fitted and for GRM to carry out the necessary sea trials. The deal was celebrated on the front page of the Guernsey Press, as a sign of rejuvenation of Guernsey's boat building industry.

The purchase price was £60,000 in total. The contract also contained terms specifying the requirements for the performance of the engines and steering system. In particular, it set out the maximum fuel consumption, the horsepower that the engine should generate and more general terms as to the turning circle of the yacht.

The engines and steering system were delivered on 29th January 2026 by SSE and were fitted in the Santa Devota over the next couple of weeks by staff from GRM. GRM paid the £60,000 due under the contract on 2nd February.

GRM started the necessary sea trials on 18th February. It became clear shortly after the sea trials commenced that there were problems with the engines and the steering system. In particular, the engine required 35 litres of fuel per nautical mile when the contract stated that the maximum consumption should be 25. The engine was also only generating 200 horsepower when the requirement under the contract was 300. Finally, the steering system did not provide the necessary manoeuvrability, as the diameter of the turning cycle was 400 metres when the contract specified that it should have been 250 metres.

GRM immediately brought these defects to the attention of SSE. At Edward Quinn's suggestion, James Beattie came to inspect the Santa Devota but having done so, insisted that there was nothing wrong with the engines and steering system that SSE had supplied. He, therefore, told Edward Quinn that there was nothing he could do and row broke out between the two men.

As SSE refused to take any action, GRM had to immediately try to source replacements for the items that SSE had supplied. Fortunately, it contacted Hamble Marine Limited (HML) a firm in Southampton, England which was a company that they had worked with previously. HML said that they had suitable engines in stock already. HML indicated that they could also supply a modified steering system and agreed to do so, as an urgent job. However, HML charged a premium for doing so with the price being £85,000.

GRM received the replacement engines and steering system on 2nd March. It took some time for them to refit the Santa Devota and carry out the necessary sea trials. As a result, it did not deliver the yacht to MYD until 23rd March. In accordance with the contract, GRM incurred a late delivery fee of £75,000.

GRM wish to recover the losses and expenses they have suffered from SSE, as a matter of urgency. Edward Quinn from GRM advised you that the company took out a loan of £250,000 once they had secured the contract with MYD to help fund the potential expansion in their business. GRM are now experiencing some cash flow problems as a result of having to meet the loan repayments. They do, however, have a full order book for the next six months.

QUESTION 1 [25 Marks]

Question 1A

What advice (in bullet point form) would you give to your client about the costs involved in the potential proceedings and the merits of the claim.

You send a letter of claim to SSE but they maintain their position that the engine and steering system they supplied had no faults with it. They, therefore, indicate that they have no proposals to make to settle the matter. You discuss this with Edward Quinn who instructs you that GRM wish to take the matter to court to recover all the losses it has suffered.

Question 1B

Draft a Cause on behalf of GRM for the action it wishes to take against SSE.

You should not use your own name when drafting the cause.

QUESTION 2 [5 marks]

As GRM are anxious to progress the matter, the Cause and other relevant documents are served on SSE and the case is due to be tabled for the first time at the Ordinary Court next Friday.

Outline the steps that SSE need to take to defend the matter, the times by which they need to do so and the possible consequences of not taking such steps.

QUESTION 3 [15 marks]

In due course, SSE serve their defences which continue to assert that there were no defects with the engines and steering system that SSE supplied. You take instructions from Edward Quinn with respect to the contents of the defences.

After discussing matters with Mr Quinn, you come to the conclusion that the defences are lacking in detail.

Question 3A

Advise GRM on what steps can be taken at this stage to require SSE to provide more detail in their defences.

At the same client meeting, you explain to Mr Quinn that you will be listing the matter for a case management conference. You outline what will happen at the case management conference and, in particular, explain that a decision will have to be made as to whether the matter will be dealt with by a judge alone or whether it will be tried by a judge and the Jurats.

Question 3B

Outline the roles of the Judge and Jurats at trial.

You also discuss with Mr Quinn the need for expert evidence in the case. He indicates that he has lots of contacts in the industry who he is sure would produce a report that would be favourable to SSE.

Question 3C

Explain the steps you would need to take to be able to rely on expert evidence.

What advice you would give Mr Quinn about the expert's duty to the court and the content of their report.

QUESTION 4 [10 marks]

After your conversation with Mr Quinn, you contact the advocate for SSE to discuss the proposed directions that you want at the CMC. She indicates that she has received instructions that your client is in dire financial difficulties following the problems that they experienced with this contract and that SSE, therefore, intend to apply for an order for security for costs against GRM.

Explain the ground on which SSE might obtain security for costs and how GRM might respond to such an application. Advise GRM what the consequences might be if SSE are successful in obtaining an order for security for costs and GRM fails to comply with the order.

QUESTION 5 [10 marks]

You receive a telephone call from Mr Quinn. He says that he visited the industrial estate on Pitronnerie Road to meet up with a long-standing business contact of his. He noticed that SSE's premises were closed and that there was a padlock on the door. Mr Quinn's contact told him that it had been like that for a couple of days and he had seen James Beattie and a couple of his staff removing equipment from the premises. He thought the van might have had English number plates. The rumour is that SSE are relocating to Hamble near Southampton. Mr Quinn did have a look through the windows at Unit 4 and could see that there was still quite a lot of machinery and tools at the premises.

Mr Quinn is worried that regardless of the merits of the claim, GRM will not be able to recover their debt from SSE and so you suggest that he might apply for a freezing injunction against SSE.

Outline the procedure for obtaining a freezing injunction, the test the court would apply and the advice you would give Mr Quinn about such an application including the terms that the court would expect such an order to contain.

QUESTION 6 [15 marks]

At the case management conference, the Royal Court gave permission for both parties to obtain their own expert evidence and set a date for the reports to be exchanged.

GRM's expert concludes that there were a number of defects with the engines and steering system that SSE supplied which meant that they did not meet the specifications that GRM had stipulated in the contract.

The report from SSE's expert is more nuanced as it suggests that there were a number of potential reasons for the problems that GRM experienced. The expert concedes that there could have been defects in the equipment that was supplied. At the same time, she suggests that the problems might have been caused or contributed to by the manner in which the equipment was fitted and that, therefore, SSE would not be liable. She does, however, qualify this conclusion by suggesting that she could not reach a firm opinion, as the engines and steering system supplied by SSE had been removed from the yacht.

You send the defendant's report to your own expert who disagrees with the conclusions that they have reached. He indicates that the problems GRM experienced could not have been caused by the manner in which the equipment was fitted. In addition, he states that firm conclusions could be reached even if the equipment had been removed from the boat.

You take instructions from Mr Quinn on the reports and the further comments from your expert. He believes that the evidence shows that SSE have no viable defence to the claim and asks whether there is any way in which you can bring the case to a conclusion now.

Question 6A

Explain the test for summary judgment, the court's approach to such an application and the advice (in bullet point form) that you would give to your client about taking this step.

Question 6B

Outline the procedure you would follow if you did make an application for summary judgment.

QUESTION 7 [10 marks]

Assume that whatever the advice you gave to the client they decided not to pursue an application for summary judgment. The advocate for the defendant informs you that they wish to amend their defences in light of the report from their engineer. Specifically, they now wish to plead in the alternative that if the court holds that there were defects that these were caused or contributed to by the manner in which the engines and steering equipment were fitted by GRM.

Your instructions are not to consent to such an amendment and, therefore, the advocate representing SSE applies to the Royal Court to amend their defences.

Question 7A

What factors would the Royal Court consider when deciding on SSE's application to amend its defences? You should only refer to those factors which are likely to be relevant to this case.

You have been speaking to your client about mediation, and he has said he would like to give it a go. You speak with the advocate for SSE who says her client's view was that there was nothing to mediate, as they were very confident that they would win.

Question 7B

Your client asks you if the court can force the parties to mediate, what do you advise?

QUESTION 8 [5 marks]

Assume that the Royal Court allows SSE to amend their defences. You contact Mr Quinn to explain this and to discuss the progress of the case. During the conversation, Mr Quinn reveals that he was checking his emails relating to another contract when he came across a chain of messages relating to SSE which he had misfiled.

The correspondence relates to an exchange that he had with Pedro Mendes, the fitter in charge of the work on the Santa Devota. Mr Mendes indicated that his team were having problems with installing the items that SSE had applied. The specification was different to what they were used to on a Paradis 400 and so they were struggling to get the work done on time. Mr Quinn had acknowledged the issues and suggested a slight redesign that might help. Mr Mendes had replied to say that the redesign would affect the functionality of the engines and steering and so they had reverted to their original plan.

Mr Quinn is worried that these messages might give some credibility to SSE's defences that the faults were due to the work done by GRM. He, therefore, asks you which emails must be disclosed, particularly as GRM served their list of documents on SSE a couple of months ago.

You check the file and see that you did comply with the court's order for standard disclosure within the relevant time period and that Mr Quinn signed the disclosure statement on the list of documents.

Explain the advice that you would you give to Mr Quinn concerning these emails. What are the possible consequences of failing to disclose these emails?

<u>QUESTION 9</u> [5 marks]

Assume that you did not proceed with the application for an injunction earlier in the proceedings. The matter comes to trial and GRM are successful in their claim. The Royal Court awards GRM damages in the sum of £100,000 (plus interest and recoverable costs). SSE do not appeal the decision but neither do they make the necessary payment. You contact the advocate for SSE who indicates that she has not heard from her client since the trial. She lets slip that she is still owed for quite a lot of her fees.

Your client believes that SSE has equipment at their site in Pitronnerie Road. He also thinks that they have bank accounts at a branch of the Guernsey Royal Bank in St Peter Port as he has seen James Beattie in there.

What steps should be taken to recover the judgment debt from these assets?