

This announcement contains inside information

Statement regarding Court of Appeal judgment

30.01.2019. The Court of Appeal has today handed down its decision in the case of *Manchester Building Society v Grant Thornton UK LLP*.

The case related to audit services provided by Grant Thornton UK LLP (“Grant Thornton”), former auditors of Manchester Building Society (“the Society”).

On 2 May 2018, the High Court awarded damages of £335,727 including interest to the Society, considerably below the amount claimed. Costs were awarded to Grant Thornton.

The Society appealed this decision and the appeal was heard on 15 and 16 January 2019.

The Court of Appeal has today dismissed the Society’s appeal and upheld the first instance judgment. The Society is disappointed with this decision.

The Society is considering its position as to whether to request leave to appeal this decision.

In relation to costs, the Society has paid £1,973,215 to Grant Thornton to date. That amount was net of the damages awarded to the Society by the High Court and the interim costs Grant Thornton were ordered to pay to the Society. The Society expects that it will have some further liability to pay costs to Grant Thornton following a detailed cost appraisal, the timing of which is not yet known.

There continues to be material uncertainty regarding the long term future of the Society. The Society will continue to discuss and consult with its regulators on the next steps and on the capital position of the Society.

The Society continues to have a strong liquidity position.

The person responsible for arranging the release of this announcement on behalf of Manchester Building Society is Mark Winterbottom, Society Secretary.

Enquiries

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