Neutral Citation Number: [2026] EWHC 609 (TCC)

Case No: HT-2023-000248

IN THE HIGH COURT OF JUSTICE
KING'S BENCH DIVISION
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
TECHNOLOGY AND CONSTRUCTION COURT

Royal Courts of Justice, Rolls Building
Fetter Lane, London, EC4A 1NL

Date: 16/03/2026

Before :

MR ADRIAN WILLIAMSON KC
sitting as a Deputy Judge of the High Court

- -

Between :

EIGER FUNDING (PCC) LIMITED	**Claimant**
- and -	
RIDGE AND PARTNERS LLP	**Defendant**

- -
- -

Sean Brannigan KC (instructed by **Gateley**) for the **Claimant**
Patrick Lawrence KC and Marie Claire O'Kane (instructed by **RPC**) for the **Defendant**

Hearing dates: 26-29 January; 2-5 and 9 February 2026

- -

Judgment Approved by the court for handing down

Mr Adrian Williamson KC:

1. In these proceedings, the Claimant (**Eiger**) seeks damages for professional negligence against the Defendant (**Ridge**), who practise, inter alia, as Independent Fund Monitoring Surveyors (**IMS**).

2. Eiger is a Guernsey Protected Cell Company engaged in the business of lending monies for profit. The claim arises from Eiger's decision in November 2018 to make a substantial loan (£12.9m) to developers called Signature Living Residential Limited (**Signature Living**) to fund the completion of a development in Liverpool at 60 Old Hall Street (**OHS**), also known as Ralli House. The development consisted in the conversion and refurbishment of an existing building into approximately 122 flats and associated commercial areas (**the project**).

3. The loan was secured by a first charge on OHS, which was valued in November 2018 by a firm of valuers called Keppie Massie in the sum of £13m, in its then uncompleted state. The valuation of Gross Development Value (**GDV**), i.e. the value after the conversion and refurbishment, was in the sum of £20,654,678. The loan was instigated/brokered by North Wall Capital LLP (**NWC**). NWC was a start-up, founded in 2017.

4. The loan was used by Signature Living to discharge its debt to Lendy Finance (**Lendy**), which had supported the development between 2016 and 2018.

5. The project was being constructed by another company within the Signature group, Signature Living Contractors Limited (**Signature Contractors**). In this Judgment I generally refer to both Signature companies as "Signature", save where it is necessary to distinguish between them. The Signature Group was at the time a substantial organisation which had successfully completed many developments, including a number of hotels. The group was owned and controlled by Lawrence and Katie Kenwright. Mr Kenwright had had a chequered business career but appeared to be doing well in 2018.

6. It was contemplated at the time of the making of the loan in November 2018 that the project would be completed in the first half of 2019 and the loan repaid within 12 months. Things did not go as planned. Signature made negligible progress with the development in 2019 and early 2020. By the start of 2020 it was clear that the development, and the Signature Group, were in very serious difficulties. On 16 April 2020 the relevant Signature companies were placed in administration. The party which instigated the administration was connected to Eiger.

7. It follows that the lending transaction which NWC introduced and promoted to Eiger has not prospered. A substantial loss has been sustained. Eiger is seeking to recover compensation for part of that loss from Ridge on the grounds that Ridge was in breach of duty in connection with a report that it provided to Eiger on 9 November 2018, (**Report 16**). Eiger pleads a 'no transaction' case as to factual causation: it contends that it would have withdrawn from the proposed lending if Ridge had not been in breach of duty.

8. The matters complained of fall into four parts (see paragraph 25 of the Amended Particulars of Claim):

> "*The Conflict of Interest Issue*
> *(a)*
> *Ridge should never have acted as both the Quantity Surveyor for the developer and as an Independent Monitoring Surveyor. That dual role was in clear conflict*

with [2.1.5 of the RICS Professional Guidance, UK Lender's Independent Monitoring Surveyor, 1st edition, March 2015 ("the RICS Guidance for IMS's") and Part 3 of the "RICS Professional Standards and Guidance, Global, Conflicts of Interest, 1st edition, March 2017" ("the RICS Conflicts Guidance")

The Pricing Issue

(b)Ridge failed to properly advise that the contract sum for the works agreed between the developer Signature Living Residential Limited and its building contractor Signature Living Contractors Limited was not adequate and/or was sufficiently low (in that it fell into the bottom quartile of construction costs for that Scope of Work calculated using BCIS indexes) that there was a significant risk that:

(i) Signature Living Contractors Limited would not complete and/or would not be able to complete the Works for that price and/or for the remaining part of that price which had not already been paid to it; and

(ii) If, for whatever reason, Signature Living Contractors Limited could not complete the Works, any replacement contractor would charge significantly more than that contract price to do so - a sum in the region of £12.5 to £13.5 million overall for the Works exclusive of professional fees, contingency allowances and VAT.

The Cost To Completion issue

(c) Whilst North Wall had specifically directed Ridge to provide, and Ridge had agreed to provide, its own estimated costs to completion of the Works, Ridge both failed to do so, and advised in such a confused and unclear way that it was not reasonably apparent that it had so failed.

The Relationship Issue

(d) In addition, Ridge failed to properly advise that the relationship between Signature Living Residential Limited and its building contractor Signature Living Contractors Limited was sufficiently close to pose a number of risks to the successful completion of the Project including:

(i) Increasing the risk identified above that the Contract Price agreed between them would not be adhered to; and

(ii) Increasing the risk of programme or cost slippage; and

(iii) Increasing the risk that proper quality control of the works had not been applied by Signature Living Residential Limited and its building contractor Signature Living Contractors Limited"

9. The structure of this Judgment is as follows:

a. A brief summary of the chronology;
b. The evidence;
c. The legal relationship of the parties;
d. Breach: project pricing and cost to completion;
e. Breach: relationship issue;
f. Breach: conflict of interest;
g. Causation:
h. Reliance and contributory negligence;
i. Loss;
j. Conclusions.

A. A brief summary of the chronology

10. In August 2015, Ridge prepared Cost Appraisal 1 for Signature. This provided an estimate, at 2015 prices, of between £4.6m and £9.2m for the project, depending upon the scope of work eventually to be carried out at OHS. Ridge carried out a number of Cost Appraisals for Signature during 2015.

11. On 9 November 2015, Signature Living entered into a building contract with Signature Contractors (**the JCT Contract**). This was based upon the construction of 115 flats and provided for a Contract Sum of £10.2m. Appended to the Building Contract was Ridge's Cost Appraisal 4, which stated that the "ESTIMATED CONSTRUCTION COST IS £10,350,000", again calculated at 2015 prices.

12. In September 2016, Mr Howard of Ridge provided a proposal to Lendy for the provision of IMS services at OHS. Thereafter, Ridge provided such services to Lendy and prepared numerous monitoring reports as Signature proceeded with the works at OHS.

13. NWC was set up by the three founding partners (Messrs Chrobog, Garnier and Lokkerbol) in 2017. It is a credit investment firm based in London which delivers private capital solutions to counterparties in Western Europe. NWC was appointed as investment manager for Eiger by an Investment Management Agreement that was amended and dated 17 October 2018.

14. In April 2018 NWC became interested in involvement in another Signature project known as Victoria Mill. In that connection, Mr Garnier had a conversation with Mr Howard of Ridge, which was noted in Mr Garnier's email to his colleagues dated 27th April 2018:

    "Jason Howard
    · Multidisciplinary organisation - project management, quantity surveying, building surveying
    · 10 offices - 650 people
    . Jason is managing Partner for Liverpool and Manchester
    . Longstanding relationship with Signature - 5 or 6 years
    . Also longstanding relationship with Lendy
    · On Signature projects:
    · Typically start with being asked to price up architect's (Sig Living's) proposal to RIBA standards
    Then some discussion with Sig to firm up pricing
    · Ridge then normally appointed by Lender
    o No conflict of interest because Ridge is much bigger than Sig (not an important client) and reputation with lenders much more important. They act for Lendy on non-Sig stuff, for example
    . Contracts are fixed price, hence no variation noted, only proportion completed
    . In practice Ridge have pushed back on quantum requested by contractor by being more conservative on proportions completed"

15. On 21st May 2018, Mr Howard sent to Ridge a "typical schedule of services" for Victoria Mill. Thereafter, it appears that NWC and Ridge agreed terms for Victoria Mill and Ridge provided monitoring reports for that development. This development was known within NWC as "Walrus".

16. In July 2018, Signature and NWC began to discuss the possibility of NWC, or their investors, replacing Lendy at OHS. This project became known in due course as "Walrus II". Mr Marsh of Signature outlined the position to NWC in an email of 27th July 2018 as follows:

> *"Quick headline note on 60 Old Hall Street, Liverpool as discussed earlier this week:*
> *·92 apartments overall*
> *. 7 have sold and Lendy have received the balancing 75%'s*
> *·18 (I need to double check, maybe 17 or 19) other units have been practically completed and we are moving to call funds off buyers currently (these are contained within the apartment values / numbers set out below)*
> *·There are 18 units remaining to be sold (we've been hanging onto them as values rise) and their value is at least £2.6million (at £255 per sq ft, but we are selling in Kingsway House at £275 per sq ft)*
> *. There are 4 units in legals with a value of £685k*
> *· All other units have exchanged already and their 75% balance is £9.067million*
> *·This gives £12.091million left to call off the apartments (less the 6% agent coupon (tops) on the remaining ones to sell*
> *…Lendy are around £9.87million to remove. We need a max of £2million to finish the job. We will have finished before Christmas.*
> *..Let me know if this would work for you guys in terms of principal and modelling something similar to Vic Mill."*

17. From this early exchange it was apparent, as the oral evidence confirmed, that there were three key variables for NWC on OHS:

a. How much would be lent; and the key variable within this sum was how much was needed to "finish the job", since it was known that Lendy were "around £9.87 million to remove";
b. The value of the completed development;
c. The resultant loan to value ratio.

18. In about August 2018, NWC first began to discuss the possibility of Ridge acting for them in connection with the OHS project.

19. Meanwhile Ridge were continuing to provide IMS services for Lendy. At the end of August, they provided Fund Monitors Report 14. This stated that the "Remaining Construction Costs to be Certified" were £1,686,458. This figure was consistent with the "max of £2million" referred to by Mr Marsh. It was arrived at by deducting the Payment Recommendations issued to that date from a Target Construction Cost. The latter was explained as follows at paragraph 5.1 of the Report:

> *"The proposed revised Target Construction Cost of the Works provided by Signature Living are estimated at £6,531,500 (Six Million Five Hundred and Thirty One Thousand and Five Hundred Pounds) including Preliminaries, Contractors OH&P, Project Contingency and Professional Fees."*

20. On 19th September 2018, Mr Lokkerbol reported internally and to Eiger in the following terms:

> *"As mentioned below, we are looking at another transaction with Signature Group, similar to Walrus, to provide finance to finish the development of a building in Liverpool. We are still discussing with Signature the underlying collateral to ensure we have enough*

protection, however we should reach agreement for the deal to go ahead. Therefore I would like to establish a new cell, Cell 3 Walrus II, so we can start opening the bank account etc.
I have attached the current deal memo as background, but will send a finalised version for the directors to consider before approving the transaction."

21. Two days later, a memorandum was circulated within NWC as to this proposed deal. The key commercial terms were said to be as follows:

"£12.9m senior secured facility (£9.8m initial draw)
· 12 month facility term (6 month non-call)
. First lien security over >£18.6m GDV project, with Additional Collateral and Guarantees
· Up to 70% LTV; ~ 13% LTV (including Guarantees)
· Expected returns: 33% - 42% IRR; 1.19x - 1.24x MOIC (on average capital deployed)"

22. Thus, NWC were considering lending £12.9m in total: £9.8m to pay out Lendy and a further £3.1m to finish the works. This would produce a 70% LTV ratio or better on a project with a GDV of £18.6 m or more. The figure of £3.1m was explained in a section of the Report headed "Progress Update - Ridge Report". This summarised the progress on site as at March 2018 and August 2018 and noted that "NWC and Ridge are conducting bi-weekly visits to the site to maintaining close oversight of the Project especially in post-summer holiday ramp up period". As to financial matters, it was noted that as at March 2018 the "Target remaining construction cost: £6.5m", whereas by August this figure had fallen to £3.1m.

23. Towards the end of September 2018, NWC began to ask more specific questions of Ridge in relation to OHS, in particular as to "producing the updated Estimate for Floors 8 & 9", i.e. the addition of two further floors, to contain additional apartments: see exchange between Mr Kontyaev and Mr Barlow of Ridge on 27th September.

24. Although Ridge and NWC were not yet contractually engaged, Mr Howard confirmed in cross-examination (Day 5, 14/8-18) that they understood the task before them:

"Q…Did Ridge know that the scheme that was being developed at that point, i.e. round about the end of September 2018, was a scheme that was reverting back to a 9-floor scheme ?
A. Yes.
Q. Did Ridge know that it was likely to be asked to assess what the costs to complete were going to be for that scheme?
A. Yes.
Q. And to provide advice to North Wall Capital and Eiger in relation to those costs to complete.
A. Yes."

25. As Mr Howard also explained in evidence, Ridge's role was to estimate for themselves the total costs of the project, less those certified to date, and then to compare this with what Signature were saying. Ridge were to provide "an updated estimate to costs or the total project costs, including the two floors, and recognising any other design amendments that Signature Living might see as appropriate to add into the scheme." (day 5, 18/20-23).

26. On 5th October Signature sent to Mr Howard plans for the 9th Floor Scheme at OHS and also attached an internal cost exercise in relation to the costs to complete. The reference to the "9th Floor Scheme" was to the possible works to floors 7-9 and additional apartments. The attachment set out a figure of £3,060,000.00 for the costs to complete. This amount was arrived at by a series of line items, to which round numbers were applied. Mr Howard responded:

    "Huz is updating our estimate of cost based on the drawings received earlier this afternoon. On completion we can compare v the Signature estimated cost to completion."
    ("Huz" being a reference to his colleague, Mr. Hafeji)

27. On 9th October Ridge prepared a draft of Construction Cost Appraisal Report Nr 5, updating the documents prepared in 2015. Section 2.6 provided three alternative costings, namely:

    1 Refurbishment of Existing £4,727,000 at £763/m2
    2 Infill of Undercroft £5,772,000 at £ 788/m2
    3 New Upper Floors £9,762,000 at £969/ m2
    (these figures being cumulative)

28. Section 5.1 of the draft Appraisal asserted that the pricing basis was "representative of price levels ruling at Fourth quarter 2018 (4Q: September - December 2018) and is intended to reflect the competitive nature of current tenders for construction projects." Mr Howard accepted in evidence that this assertion was misleading, because in fact 2015 rates were being adopted. It was common ground at trial that rates had moved up by about 20% between 2015 and 2018.

29. Nonetheless, Mr Howard wrote to Mr Kontyaev on 10th October as follows:

    "We (Ridge) have now updated Estimate of Cost based on the updated design proposals (inclusive of the new build elements) and in the sum of £ 9,762,000.
    Based upon the current facility the on cost for the new build element equates to circa £ 3,262,000 compared to the indicative cost of £ 3,060,000 as outlined by Signature; albeit recognising that given the nature of the information currently available for the new build element a number of costs are allowances only for works understood to be required.
    We are currently reviewing the qualifications/ assumptions with Signature".

30. This reviewing process continued with a site visit on 19th October by Mr Hafeji, after which he wrote to Signature as follows:

    "I confirm a site visit was carried out on 19th October 2018 and I am currently working on updating the report.
    I am requesting a copy of the breakdown to the £6,531,500 figure, which I believe will have been agreed with Gary Barlow and will give a detailed floor by floor breakdown of costs.
    Also doing some calculations with the figures I have available to hand, my cost to complete differs slightly compared
    to your submitted. See as follows: -
    . Contract sum for 7 floor scheme as per previous fund reports
    £ 6,531,500
    . Cost to complete on 7 floor scheme as per fund report Nr 14
    £ 1,686,458
    Additional cost to account for floor 8 & 9 and Prov Sums (as per signature cost to complete breakdown)

£ 1,249,000
. TOTAL cost to complete
£ 2,935,458
. Proposed construction cost for 9 floor scheme £6,531,500 + £2,935,458 = £9,466,958
This is a based on the information I have to hand. Please let me know your thoughts on the above."

31. Things were moving on apace so far as NWC were concerned and on 24th October they supplied Signature with a letter indicating that they intended to proceed with the proposed refinancing of the Lendy loan. On the same day an internal presentation was circulated within NWC, which was in very similar terms to the September memorandum.

32. The next day, 25th October, Ridge provided NWC with a copy of Fund Monitors Report Nr 15. This stated:

> *"5.1 Proposed Cost of the Works*
> *The proposed revised Target Construction Cost of the Works agreed with Signature Living is now estimated at £7,780,500 (Seven Million Seven Hundred and Eighty Thousand and Five Hundred Pounds) including Preliminaries, Contractors OH&P, Project Contingency and Professional Fees.*
> *This is due to confirmation that the developer has revised the scheme which now includes for the construction of 2 additional floors. The construction cost for the previous design was valued at £6,531,500 as referred* (sic) *to within the previous report.*
> *5.2 Works Completed to Date*
> *As per section 4.5 of this report; based upon the progress of the works on the site as of 19th October 2018. The overall expenditure of the works to date is summarised within the below table.*
> *Due to the revised construction cost, the remaining expenditure for the project is now valued at approximately £2,935,458."*

33. Mr Kontyaev replied immediately as follows:
> *"Jason, Huzaifa,*
> *Thank you for taking the call. As discussed please find attached:*
> *- Ridge Scope (that was previously reviewed in detail with Alex, lan and Jason)*
> *- Example of the Monitoring report for Victoria Mill project the format of which we would like to see OHS resembling - please see section 2 and elements of section 1 (e.g. 1.11 and 1.12) of the attached word document*
> *As mentioned, we are under a strict time schedule and we would appreciate your next version to include:*
> *-*
> *Detailed costing and timing analysis for Floor 8 and 9*
> *Planning permission status and commentary with next steps and follow ups and timing*
> *...We need to have the this done by tomorrow eve or over the weekend, as a number of other workstreams are entirely dependent on this."*

34. The attached schedule of services included the following, with emphasis added:
> *"1.11.Construction programme;*
> *Advise on the adequacy of the construction programme and the projected time period for completion of the Project. Report on any risks which could impact on the completion of the development in accordance with the programme.*

1.12. Construction Costs;
Advise on the adequacy of the contract sum in relation to the Project. Report on any risks which could result in a cost overrun."

35. On behalf of Ridge Mr Howard seems to have been in no doubt as to what was required, emailing NWC on 25th October "Thanks for the feedback following our conference call. We will update our Fund Report to align with that prepared for Victoria Mill. I would confirm that I have contacted David Marsh and identified the information required from Signature."

36. Behind the scenes, Mr Hafeji was continuing to seek assistance from Signature and on 29th October there was an exchange as follows with Mr Marsh of Signature:

> *"Breakdown of agreed cost (we have a breakdown of the £ 3,060k but not the £ 6.5m COST AGREED WITH lendy* [sic] *for floors 1 to 7). There was never a full breakdown on the £6.5m, we provided a detailed cost to complete (attached for reference) and Gary just worked that in to what he had signed off to date for the overall cost* ***We note that Signature have confirmed they are happy with the cost to complete figures provided and expect to complete the job within budget, however as there is no breakdown of the total construction cost (currently believed to be circa £7.8m), Ridge will need to undertake an exercise to ensure that the costs are robust and accurate. In doing this it will enable us to ascertain a breakdown of costs which we can use going forward and within the report to the funders. I will analyse the estimate and come back to you with this in due course with the figure and we can take it from there****."*

(the emboldened words are Mr Hafeji's text and the remainder is Mr Marsh's words)

37. It is clear that, by now, Signature were very anxious to access the refinancing and that Mr Hafeji was concerned at the quality of the information he was receiving. On 30th October he asked Mr Marsh "I am just going through the cost to complete Signature submitted a few weeks back. Within your submission can you confirm if the new upper floors include cost allowances for structural steels and floor structures?". Mr Marsh replied somewhat vaguely that he could "confirm our cost to complete includes all costs to have that building fully completed".

38. On 31st October, Mr Hafeji supplied to Mr Howard a "comparison schedule for Old Hall Street", based on 122 apartments and 9 floors. The schedule showed a "Revised Ridge Estimate (122 Apartments)" of £ 10,003,000, but a "Signature Cost" of £ 6,531,000 and a "Signature Cost To complete > Floor 9" of £1,114,000. There was also a Signature "TOTAL" of £7,645,000.

39. It is informative to take stock as at Friday 2nd November, since the following week was to prove a hectic one for this project. The position of the parties at this stage was roughly as follows:

a. Signature were very keen to complete the refinancing deal and were making reassuring noises about the financial and practical viability of the project. These reassurances were, however, somewhat short on detail;
b. NWC also were eager to proceed with the deal but were pressing Ridge to provide them with costing information;
c. Ridge were seeking to assist in this regard but were coming up with more questions than answers as to the figures;

d. None of the relevant parties had yet entered into formal contractual relations with any of the others, but they were all proceeding on the basis that such contracts would be made in the near future, i.e. Ridge/NWC and NWC (or their principals)/Signature.

40. On Monday 5th November, Keppie Massie provided to NWC a final valuation report, indicating a GDV of £20,656,678. This was a key part of the jigsaw for NWC. They now knew the value of the development and how much they would have to pay Lendy. All that remained to reach a conclusion on the LTV ratio, and therefore the commercial viability of the loan, was to be informed as to the costs to complete. NWC were chasing Ridge quite hard by now for their report, a draft of which was supplied by Mr Howard on Tuesday 6th November.

41. This draft was incomplete and so on the evening of Tuesday 6th November Mr Kontyaev emailed Mr Howard as follows (underlining as original):

> *"To avoid time stress and give you more time to complete a fair assessment and update the report accordingly, we will be fine if you could just send us a clean email tonight highlighting 1) Ridge estimated cost to completion number*
> *2) that having received the final numbers from Signature, you are completing/confirming your analysis and 3) your need [x] days to complete and produce the work and send it to us. The purpose of this is to communicate the status to our investors to keep the transaction on track. Feel free to give a realistic estimate as to the report completion."*

42. In response Mr Howard emailed NWC at 1434 on Wednesday 7th November in the following terms:

> *"Further to your e:mail of 6th November (19:14) I would take this opportunity to confirm as follows:*
> *The Ridge estimate of cost based upon the 123 unit scheme (Planning Permission 16F/0832 + minor amendment for the additional units) amounts to £8,467k, a copy of our estimate of cost is attached herewith for your information.*
> *The original Contract Document between Signature Living Residential and Signature Living Contractors included a contract sum of £ 10,200k (115 units) based on an original estimate of cost prepared by Ridge in the sum of £ 10,329k.*
> *Subsequently (and as summarised in an e:mail issued earlier this morning), Signature have confirmed the revised total cost of £7,614,000.00 (123 units).*
> *The reduced sum recognises the main changes and omissions as summarised below:*
> *· Omission of the external cladding to the existing building, new upper floors and associated works*
> *· Reduction in specification to kitchens and windows*
> *· Omission of running track and gym to Rooftop*
> *· Omission of viewing platform*
> *· Change to 5th Floor construction - Omission of extension of footprint to balconies*
> *Similarly the updated cost takes due cognisance of design development and actual costs confirmed through sub-contractor/ supplier engagement.*
> *Whilst Signature have confirmed that the costs to completion are 'approved' it is noted that the costs to completion exclude Preliminaries, Professional and Contingencies.*
> *Utilising the allowances included within the Ridge estimate of cost these items would amount to £ 746k as summarised below:*
> *Preliminaries - £ 306k.*
> *Fees - £ 202k*
> *· Contingencies - £ 238k*

Subject to the item noted above it is noted that the Signature costs are competitive v the Ridge estimate of cost.
Based on the updated total cost proposed by Signature (£ 7,614k) the cost to completion is £ 2,769k (ie £ 7,614k less certification to date of £ 4,845k). As opposed to the £ 3,060k figure outlined by Signature. Clearly the £ 2,769k assumes that all certified monies £ 4,845k have been paid by the current lender.
In writing I would confirm that we are currently completing our report and will look to issue by close of play tomorrow (8th Nov)"

(the information as to how the revised total cost of £7,614,000.00 had been arrived at seems to have come straight from Signature: see the email from Signature at 1112 on 7th November)

43. Mr Howard provided three attachments with this email. The most relevant were 60 OHS - Total Project Cost.xlsx and 152290 Ralli House Ridge Estimate of Cost (123 Units).pdf. The former was a Signature document which set out line items for various remaining activities and round figures for each, adding up to a total Project Cost of £ 7,614,000.00. The latter was a Ridge document, Construction Cost Appraisal Report Nr 5, which stated that the cost, including the New Upper Floors, would be £8,467,000 at £840.43 per m2. Confusingly, this document also stated (on the same page) that "ESTIMATED CONSTRUCTION COST IS £10,003,000".

44. Later that afternoon, Mr Kontyaev emailed Mr Howard in the following terms, with emphasis added:
"Following our discussion and below, I think <u>one item that we are both certain on</u> is that the remaining cost to completion is as follows from Signatures and Ridge's perspective with the delta being up to £300k and the final difference is being finalised over the course of today / tomorrow:

Summary	*Costs To Complete*
Signature	*£3,060,000*
Ridge	*£2,768,958*
Delta	*£ 291,042"*

45. Mr Howard responded "Agreed; I have spoken to Signature today and issued an e:mail to obtain confirmation as to the fact that the monies certified have been paid/ or not by the original fund."

46. While this was all going on Mr Lokkerbol emailed Katie Le Gallez, who provided Company Secretarial services for Eiger, on 7th November asking her to "circulate to the Eiger Funding board the attached investment memo and draft loan agreement for the transaction". The attached memo was a very marginally updated version of the September and October presentations. Importantly, it did not include, or even refer to, the Ridge report which Mr Kontyaev was chasing.

47. On Friday 9th November Mr Howard finally sent through the long awaited report, i.e. Report 16. Notable features of this document included the following:

a. Section 5.1 described the Updated Cost of the Works and stated:
"Based upon the updated scope of works planning strategy and funder; Signature Living have reviewed the total cost of the works v the target cost included in the JCT Building Contract (£10,200,000).Signature Living (SL) have confirmed that a revised construction cost of £7,614,000 has been agreed with SLCL in the sum of £7,614,000 (Seven Million Six Hundred and Fourteen Thousand) including Preliminaries, Contractors OH&P,

Project Contingency and Professional Fees. The revised scope of works takes due cognisance of the following revisions to the scope of works:
· Omission of external cladding to the existing building.
· Revised specification of windows.
· Revised specification of kitchens.
· Omission of roof top gym and running track.
· Omission of viewing platform.
. Revised scope of works to 5th Floor."

b. Table Three set out Old Hall Street Target Construction Costs (to completion) in the total of £3,060,000, apparently based upon the figures provided by Signature;

c. Section 5.2 said of "Works Completed to Date" that "the overall expenditure of the works to date is summarised within the below table. Due to the revised construction cost, the remaining expenditure for the project is now valued at approximately £2,935,458." However, the "below table" was a partial copy of Table Three, setting out costs rather than payments;

d. Ridge then commented that:
"*In order to benchmark/review the updated costs for the updated scope of works Ridge have prepared an Estimate of Cost.*
The Ridge estimate of cost (Appendix G) amounts to £8,467,000.
In reviewing the Ridge costs v the SL/SLCL updated figure it is noted that the agreed cost to completion excludes the following:
. Preliminaries - £308K
· Contingencies - £202K
· Fees - £238K
Similarly it is recognised that the SL/SLCL agreed costs for mechanical and electrical services are significantly lower than the Ridge allowances.
The items highlighted above have been reviewed with SL/SLCL who have confirmed that the revised total cost of £7,614,000 is robust and agreed between the parties to the contract."

e. Finally, Ridge dealt with payments to date and observed that the Remaining Construction Costs to be Certified were £2,768,958, i.e. £7,614,000 less Payment Recommendations Issued to Date. They noted that:
"1 Ridge cost to completion assumes that all certified monies (£4,845,042) have been paid.
2. SL cost to completion of £3,060,000 identifies a disconnect of £291,042.
3. Ridge await confirmation that all previous payment recommendations have been honoured by the previous lender."

48. On 12th November, Eiger held a board meeting in Guernsey. The attendees were the directors, Messrs Amy, Davy and Whittaker, by telephone, from Guernsey; Katie Le Gallez and Angela Banneville, representing Alter Domus (Guernsey) Limited (**ADG**), and Mr Lokkerbol for NWC. After a quite detailed discussion, the Board approved the investment at OHS "in line with the terms and conditions in the Presentation". The minutes of this meeting make no reference to Report 16.

49. On 29th November, Mr Garnier sent an internal email to his partners asking them to "please confirm IC approval to sign the documents for Project Walrus II. The final form loan agreement

and plot sales list is also attached. NWC will sign the loan agreement as Arranger." The reference to "IC" was to the Investment Committee of NWC, effectively the three partners.

50. The Loan Agreement was entered into on or about 30th November. It was made between Signature Living (as Borrower), NWC (as Arranger), Cortland Capital Market Services Limited (as Agent), Cortland Trustees Limited (as Security Trustee) and Eiger Funding (PCC) Limited - Cell 3 - Walrus II and Eiger Funding (PCC) Limited -Cell 4 - Walrus II (as Lenders). The following points are germane in this document:

a. In the definitions, "Development Appraisal" meant " a development appraisal in connection with the Development entered into by the Borrower and prepared by Ridge and Partners LLP in a form approved by the Arranger";
b. Clause 6.1 stated that "6.1 Utilisation of the Refinance Advance may only take place, and the obligations of the Lenders to the Borrower under this agreement only arise, once the Agent has confirmed to the Borrower and the Lenders that it has received all the documents and evidence specified in Schedule 1A in form and substance satisfactory to it.";
c. The Schedule 1A documents included "4.2 An initial report addressed to the Finance Parties in form and substance acceptable to the Arranger from the IMS confirming that the timescales and costs set out in the Development Appraisal are realistic", the IMS being Ridge.

51. Signature were now in funds to proceed with the development but failed to make adequate progress after November 2018.

52. It is apparent that, justifiably or otherwise, NWC became dissatisfied with Ridge's performance as IMS. In early 2019, they dismissed Ridge and replaced them with Anstey Horne. Anstey Horne prepared a number of monitoring reports and these make clear that progress was poor. For example, in November 2019 they reported as to programme that:

> *"Contract Completion Date: 31st May 2019.*
> *Anticipated Completion Date Stated by the Contractor: "End of February 2020 or possible later"*
> *...Programme Commentary:*
> *The works have progressed since the previous IMS visit carried out on the 23rd September 2019. The Developer has not advised of a revised envisaged completion date for the project or issued an updated construction programme.*
> *As previously reported and based on current progress, in our opinion Practical Completion (PC) is now more than likely to be the end of March 2020 or later."*

53. There was also concern as to cost. Another consultant, Bristow Johnson, prepared an audit report for NWC in February 2020, and noted a Projected Final Account of £9,789,132 (a figure considerably in excess of that reported by Ridge in November 2018). NWC became increasingly concerned as to the position of the project as Mr Lokkerbol explained in his witness statement:

> *"69. The investment into Old Hall Street was intended to be less than a 12-month bridging loan, so when several months had passed and progress was not aligning with the timeline in the Ridge Report, it became a concern that the project may not be completed within the 12 months as anticipated. The anticipated deadlines for completion of the project were extended a number of times.*

70.Works at Old Hall Street continued to slow down and we had concerns that the investment would not succeed to plan. We considered what options were available to protect the investors, such as refinancing the deal from current investors or seeking a third party to take the investment from Eiger. Ultimately this could not be achieved, it was becoming apparent from conversations with Signature and Anstey Horne, that substantially more money would be required to complete the redevelopment works than the Ridge Report had advised…

73. In April 2020, Cortland Trustees Limited which was the security trustee for Eiger under the Loan Agreement, placed Signature Living Residential Limited into administration for failing to comply with a demand for payment. FRP were appointed as administrators. My recollection is that the decision to place Signature Living Residential Limited into administration was taken

to try and ensure that Cortland was in a good position to deal with the administrators to seek the best outcome for the investors in Old Hall Street."

54. Once the administration was in place, it also became apparent that there were significant defects in the work which Signature had carried out: see, for example, the Millson Audit Report of January 2021 and the Bristow RIBA Stage 2 Report of March 2021.

B. The evidence

55. In *Gestmin SGPS SA v Credit Suisse (UK) Ltd* [2013] EWHC 3560 (Comm) Leggatt, J, as he then was, made certain observations about the proper approach to oral/factual evidence at paragraphs 15-22, which have been much cited. This passage culminated as follows:

> *"22. In the light of these considerations, the best approach for a judge to adopt in the trial of a commercial case is, in my view, to place little if any reliance at all on witnesses' recollections of what was said in meetings and conversations, and to base factual findings on inferences drawn from the documentary evidence and known or probable facts. This does not mean that oral testimony serves no useful purpose – though its utility is often disproportionate to its length. But its value lies largely, as I see it, in the opportunity which cross-examination affords to subject the documentary record to critical scrutiny and to gauge the personality, motivations and working practices of a witness, rather than in testimony of what the witness recalls of particular conversations and events. Above all, it is important to avoid the fallacy of supposing that, because a witness has confidence in his or her recollection and is honest, evidence based on that recollection provides any reliable guide to the truth."*

56. This seems to me to be helpful guidance as to how to approach factual evidence in a case which is document heavy and which relates to events that occurred seven or eight years ago. I have taken that approach in the present case. I think that the facts, as summarised above, can very largely be gleaned from the contemporaneous documents. Where I have relied upon the witness evidence I have so noted in what follows.

57. For the Claimant the principal witnesses called were from NWC, namely:
    a. Mr Fabian Chrobog, the Managing Partner, Chief Investment Officer and founding partner of NWC. Mr Chrobog is a former analyst at Bear Stearns, New York and Goldman Sachs, London.
    b. Mr Ian Lokkerbol, a founding partner of NWC. Mr Lokkerbol is a Chartered Accountant formerly of KPMG and Cargill Financial Markets Plc.
    c. Mr Alexander Garnier, a founding partner of NWC. Mr Garnier is a UK and US qualified lawyer who previously practised within the Banking team at Freshfields, London and at Sullivan & Cromwell LLP in New York. He subsequently moved into an investment role at JP Morgan, London and later Bain Capital Credit.
    d. Mr Artem Kontyaev, a Managing Director of NWC. At the relevant time, he was a more junior analyst and had much of the "hands on" engagement with Ridge.

58. I also heard from Messrs Davy and Whittaker, both of whom are chartered accountants and non-executive directors of Eiger. They are very experienced businessmen, based in Guernsey. They were somewhat removed from the main action and largely reliant upon NWC.

59. The NWC witnesses came across as very financially sophisticated people. They were aggressive and demanding clients. Their focus was relentlessly on the bottom line. They did not seek, in their evidence, to present themselves as other than ruthlessly dedicated financiers. For example, Mr Chrobog, when asked about his personal contribution to the funding of the case, said dismissively that the (no doubt substantial) amounts involved were "not a material amount of money to me" (Day 4, 103/25-104/1). They were also very concentrated on ensuring

that this litigation succeeded, so as to recoup some of the losses made on a disastrous investment.

60. However, and having made those overall points, I have concluded that, in the limited respects where it is necessary to rely upon oral evidence, that provided by the NWC and Eiger witnesses was reliable and to be accepted.

61. Ridge called only Mr Howard, the partner at Ridge's office in Liverpool. He is a Quantity Surveyor. He was an honest witness, attempting to be helpful. However, he was often vague on the details of this project. Ridge did not call Messrs Barlow and Hafeji, who had had much more intensive dealings with NWC and Signature, although they could seemingly have been made available.

62. In terms of expert liability evidence, the parties called experts who were highly experienced, and whose evidence was measured and sensible. Eiger called Stephen Turnham, a Building Surveyor. Ridge's expert was Kevin Whitehead, a Quantity Surveyor.

63. There was also some development lending expert evidence, which will be discussed at section H below.

C. The legal relationship of the parties

64. In their pleadings and opening submissions, Ridge took the bold line of denying that they owed any legal duties to Eiger, for various reasons. However, by an email dated 6th February 2026 Mr Lawrence KC made the following concessions (on the eve of the hearing of closing submissions on Monday 9th February):

> *"I hope it will assist the court and counsel in preparing submissions for Monday, if I indicate that D will accept that:*
>
> *- It owed a duty to exercise reasonable skill and care in connection with the provision of the Report dated 8 November and sent on 9 November.*
> *- The duty was owed in contract (as C contends) or in tort: the content of the duty and the consequences of any breach thereof is unaffected by the dispute as to whether the Report was provided pursuant to a contract.*
>
> *Further, it is likely that D will accept that it was in breach of duty in certain limited respects, but no further concession can be made in that area of the case until the way in which C formulates its case as to breach and generally is clear."*

65. These concessions were, in my view, rightly made. By their emails of 25th October and 6th November NWC, on behalf of Eiger, set out what they required of Ridge. That was a contractual offer, for Ridge to provide professional services for reward. Ridge accepted that offer by providing Report 16, and the other advice set out in the various emails set out above. Ridge therefore owed a legal duty, both in contract and in tort, to exercise reasonable skill and care in connection with such advice. It is true that the parties never formalised their legal relations: but that does not matter because, looking at the matter objectively, neither party regarded such formality as a prerequisite of their entering into legal relations.

66. It is not, in my judgment, necessary to set out all the terms of this contractual relationship. Crucially, for present purposes, Ridge owed a duty to advise with reasonable skill and care upon the following matters:

    a. The adequacy of the contract sum in relation to the Project (Schedule of Services 1.12);
    b. Any risks which could result in a cost overrun (ditto);
    c. Any risks which could impact on the completion of the development in accordance with the programme (Schedule of Services 1.11);
    d. The costs to complete (email exchanges on 6th and 7th November).

67. Whilst the point is probably academic, it seems to me that Ridge owed a parallel duty of care in tort.

D. Breach: project pricing and cost to completion

68. It is convenient to take these two issues together. They are closely inter-related and they are by far the most important complaints which Eiger make against Ridge.

69. As Ridge effectively conceded towards the end of the trial, Report 16 was a confusing and unsatisfactory document. In particular:

    a. The report "confirmed" a revised construction cost of £7.6 million. However, there was no explanation or analysis as to how this figure had been derived from the earlier figure of £10.2 million, nor was any basis set out upon which Ridge could have concluded that this figure of £7.6 million was realistic.

    b. Table Three purported to set out construction costs to completion. However, this was simply a replication of unexplained figures which had been provided by Signature. Again, there was no analysis or explanation to suggest that these figures were appropriate.

    c. Section 5.2 purported to detail "works completed to date". However, it did not do so but merely set out, once more, a very superficial breakdown of the figure of £3.06 million.

    d. Within the same section, Ridge advised that the remaining expenditure for the project was valued at £2.935 million. However, this was not in fact an evaluation, but merely an arithmetical conclusion arrived at by comparing Signature's estimate for the works as a whole and the sums certified to date.

    e. Ridge then stated that they had "prepared an estimate of cost". This was said to be in Appendix G, but this appendix was missing from the report. It was in fact Construction Cost Appraisal Report Nr 5, which, if it had been provided with Report 16, would have made the situation even more confusing, since it stated, inter alia, that the "ESTIMATED CONSTRUCTION COST IS £10,003,000".

f. Ridge noted that the Signature figures excluded items for preliminaries, contingencies and fees totalling £748,000. However, they provided no explanation as to where this money had gone or who was going to pay for these items. Had these items simply disappeared?

g. Finally, in section 5.3, Ridge put forward two different costs to completion of £3.06 million and £2.79 million. These amounts were said to contain "a disconnect of £291,042". However, Ridge offered no explanation or analysis as to how this "disconnect" was to be resolved.

70. In short, Ridge were advising a total construction cost of £7.6 million, without any proper basis for such advice. And there was equally little foundation for the various figures for the costs to complete of £3.06 million, £2.935 million or £2.79 million. Report 16 also referred to "target cost" and to sums being "agreed". These matters are addressed in section E below.

71. What then should Ridge have done differently? On this issue I found the expert evidence helpful and, ultimately, leading to similar conclusions.

72. Mr Turnham essentially took the view that Ridge did not have sufficient information from Signature to advise with any confidence as to project pricing. Thus, he opined in his main report:

> *"3.13*
> *I am of the opinion that one of Ridge's major failures or shortcomings relates to Ridge's failure to advise that the developer's construction costs and costs to complete were at significant variance from standard RICS BCIS benchmarking figures and very low and that in the event of contractor insolvency net construction costs might well exceed circa £ 12,500,000 - £13,500,000 exclusive of professional fees and any contingency and VAT."*

73. Mr Turnham was not swayed from this position in cross-examination and I found his evidence compelling. I discuss the BCIS benchmarking further below at section I. But for present purposes it is enough to note that, in view of the inadequate costing information provided by Signature, a reasonably competent IMS in the position of Ridge would have advised along the lines set out in the preceding paragraph.

74. Mr Whitehead, as befits a Quantity Surveyor, took a different view. He believed that Ridge should have taken a much more granular approach, finding out from Signature what work had been done already, how this had been costed, what packages remained to be carried out and what costs would be incurred thereby. Again, this seems to me a persuasive explanation of what Ridge should have done. The difficulty for them is that they did not do this, or anything like it. Instead, they accepted "round figure" estimates of the remaining work, without any proper investigation.

75. On analysis, the expert evidence on both sides leads to the same conclusion. In order to fulfil their obligations with reasonable skill and care, Ridge should have advised NWC that there was a significant risk that substantial costs would be incurred over and above those put forward by Signature. This was true both of the project costs as a whole and the costs to complete. They

did not do this. How this failure is to be quantified will be discussed further below at Section I.

E. Breach: relationship issue

76. All parties to this transaction were aware that this was a related company arrangement. Indeed, Report 16 stated at section 2.2 that the Developer and Architect were Signature Living and the Contractor and Principal Designer were Signature Contractors. As was common ground at the trial, such inter-company contracting is not unusual and may have a number of benefits.

77. As experienced businesspeople, NWC/Eiger should have been aware of the advantages and disadvantages of such arrangements. They did not ask Ridge to advise on these matters, and the commercial implications were essentially a matter for NWC to assess. However, on the facts of this case, that is not the end of this issue. Report 16 stated that:

    a. "Based upon the updated scope of works planning strategy and funder; Signature Living have reviewed the total cost of the works v the target cost included in the JCT Building Contract (£10,200,000)";
    b. The "Target Construction Costs (to completion)" were £3.06 million;
    c. "The items highlighted above have been reviewed with SL/SLCL who have confirmed that the revised total cost of £7,614,000 is robust and agreed between the parties to the contract."

78. These assertions made the relationship between the contracting parties of some importance. The JCT Contract, on its face, contained a fixed price lump sum of £10.2 million. Such a price, as NWC/Eiger could be expected to know, constitutes an agreement whereby a contractor commits to completing a specifically defined scope of work for a single, predetermined, fixed price. This offers budget certainty for clients, shifting cost risk for unforeseen, quantity or complexity related overruns to the contractor.

79. However, Report 16 suggested, without explicitly saying so, that the JCT Contract had at some point become converted into a target cost contract. This is a very different type of arrangement. According to the RICS document *Appropriate contract selection* (2nd edition, April 2024, but setting out guidance of which Ridge should have been aware in 2018):

> *"Target cost contracts are a further variant to cost reimbursable contracting. Under a target cost contract, the employer and contractor agree a target price for carrying out the works and the basis for adjusting the target price. They also agree their respective shares of any savings made if the cost of carrying out the works is less than the target price, or any additional cost incurred if the target price is exceeded. This provides a means by which financial 'pain' and 'gain' are shared between the employer and the contractor. Therefore, target cost contracts are often said to contain a 'painshare/ gainshare' mechanism. This mechanism should actively encourage both parties to work together to manage the cost of the works."*

80. Mr Howard was not able to explain in evidence how or when this conversion to target cost took place. However, if this had occurred it was incumbent upon Ridge to advise NWC/Eiger that this was a very different arrangement and that this potentially transferred the risk of cost overruns onto them (albeit, of course, potentially allowing them to benefit from "gain"). These

were not matters of which NWC/Eiger could have been expected to be aware and they needed to be advised as to these risks. There appears to have been no conversation of any kind as to the issues relating to a target cost contract set out in the preceding paragraph.

81. Likewise, the statement that the revised total cost of £7,614,000 was "agreed" between the parties to the JCT Contract required some further commentary from Ridge. Such an "agreement" was likely to be worthless in circumstances where Signature Living and Signature Contractors were simply agreeing figures with each other, but without any attendant legal formality. This was in a sense more of a commercial than a construction matter, but it still needed some explanation from Ridge to NWC, particularly where Ridge were volunteering the view that a figure was "robust and agreed between the parties to the contract"

82. The importance of these relationship issues was that they provided further material upon the basis of which Ridge should have advised NWC/Eiger that the construction costs and costs to complete were uncertain and that there was a significant risk that substantial costs would be incurred over and above those put forward by Signature. They did not give such advice.

83. Ridge submitted, somewhat faintly, towards the end of the trial that that there was no pleaded allegation in respect of the target cost matter. This issue was gone into extensively in the course of the evidence and submissions, without objection. It seems to me to fall within the scope of Eiger's pleaded case: see paragraph 38 of the Amended Particulars of Claim.

F. Breach: conflict of interest

84. RICS provide the following guidance on this issue:
    a. Paragraph 2.1.5 of the RICS Guidance for IMSs states that: "The primary duty of care, considering the interests of the lender must be beyond doubt, both in the appointment and assessment and reporting of the project risk……. The IMS should always be appointed by and solely responsible to the lender…..It is essential that the independence of the lender's IMS cannot be perceived by any project party to have been compromised" and "should the opportunity arise the IMS should resist acting for the borrower in any manner or (as may occasionally be requested) provide a secondary duty of care to the borrower or other key stake holders."
    b. the RICS Conflicts Guidance provides in Part 3 as to "Party Conflicts a) if a single regulated firm accepts 2 or more professional assignments in connection with the same transaction, or related transactions and the respective client's interest conflict, then there will probably be a Conflict of Interest or significant risk for Conflict of Interest, for the regulated firm (a Party Conflict)"
    c. where there is such a conflict the firm should not act, unless the firm obtains Informed Consent in writing.

85. It should be noted that the phrase "Informed Consent" is defined and provides for a strict procedure whereby there is "consent given willingly by a party who may be affected by a Conflict of Interest, that party having demonstrated to the RICS member working independently or within a non-regulated firm or regulated firm concerned that the party understands: (a) that there is a Conflict of Interest or a significant risk of a Conflict of Interest…(etc.)": see RICS professional standards and guidance, Global Conflicts of interest

1st edition, March 2017, para 4.5, and see also Appendix A thereto : Sample form for obtaining Informed Consent.

86. By the end of the trial Ridge accepted that it might "well be that [they] failed to comply with the letter of the RICS guidance as to the obtaining of informed consent." This concession was inevitable. Ridge had, as set out above, acted for Signature in preparing the 2015 Cost Appraisals, which had formed the basis of a fixed price lump sum of £10.2 million in the JCT Contract. When then advising NWC in 2018, Ridge were in a clear conflict of interest: they were "marking their own homework".

87. Ridge did not obtain Informed Consent, as defined in the RICS Guidance or at all. NWC were aware that Ridge had acted for Signature on the Victoria Mill project but:
    a. That was a different project;
    b. Ridge told NWC in terms that there was "no conflict of interest": see email of 27th April 2018, above;
    c. Ridge did not come close to satisfying the RICS procedure for obtaining Informed Consent, as set out above.

88. Ridge argue on this point that there was no causal connection between Eiger's complaints about conflicts of interest and the relevant loss. They submit, correctly, that there is no equitable by-pass of the need to prove causation: *Swindle v Harrison* [1997] 4 All ER 705 at 733j per Mummery LJ (also 717a-b; 718h-i).

89. However, it seems to me that the conflict was here potentially causative of loss. Obviously, if a conflicted party gives competent advice, the fact of the conflict may be of little importance. However, in this case, the crucial starting point for the advice in Report 16 was the figure of £10.2 million, from which (after some sketchily explained adjustments) the revised total cost of £7,614,000 was derived. This figure was said to be "robust".

90. In this connection, Ridge did not mention to NWC that the figure of £10.2 million was <u>their</u> figure and one arrived at in 2015, since when construction costs had risen by about 20%. They should have pointed this out to NWC. And they should have gone on to say that, in these circumstances, this was another reason why there was a significant risk that substantial costs would be incurred over and above those put forward by Signature. They should then have advised that this called for a more granular approach to the costs (as advocated by Mr Whitehead) or resort to an objective yardstick, such as the BCIS data, as per Mr Turnham. As we have seen, they did none of these things.

91. For these reasons, it seems to me that Eiger have made out a real and potentially causative breach in relation to the allegations of conflict of interest in respect of Ridge previously acting for Signature. There was also some suggestion during the course of the trial that a conflict arose from the work which Ridge did as IMS for Lendy, but I do not think, given my other findings, that it is necessary for me to express a view on that complaint.

G. Causation

92. In the course of the evidence, Ridge mounted a forceful attack upon Eiger's causation case. They pointed out that this case centred upon Report 16 but that there was no reference to this supposedly crucial document in the papers presented to the Eiger Board. Nor was there any

mention of it in the quite detailed minutes of the meeting held on 12th November. In their note for their oral closing, Ridge went so far as to say that "the relevant witnesses gave evidence about the use of the Ridge report to prepare the presentation that went before C's board that was driven by forensic expediency, formulaic, and fictional".

93. I was, as the evidence developed, initially attracted to this line of argument. Obviously, the NWC/Ridge witnesses had every incentive to protest that they relied upon Report 16, and it was curious that the documentary trail in this respect was so poor. However, on reflection, I have come to the conclusion that Report 16 was indeed, as claimed, causative of Eiger's decision to enter into the Loan Agreement. This is essentially for three reasons.

94. First of all, and making all due allowance for the fact that the testimony served their own interests, I was impressed by the oral evidence given on this aspect by the Claimant's witnesses, in particular that of Mr Whittaker of Eiger and Mr Lokkerbol of NWC. They were adamant that they did indeed discuss and rely upon Report 16. Having seen them give evidence, I am satisfied that this was the case. They were cross-examined at length on this point, but it seemed to me that their testimony became more convincing as it was skilfully probed by Mr Lawrence KC.

95. Secondly, the Ridge case on causation does not make sense in the context of the dealings between NWC and Ridge up to 9th November 2018. As I have said above, NWC were aggressive and demanding clients. Mr Kontyaev was terrier like in seeking clarity as to the costs to complete. That being so, it does not seem to me to be credible that NWC would simply have ignored Report 16 when it arrived, providing as it did the final piece of the jigsaw. One can test the point in this way: if Report 16 had shown a very different figure than the circa £3 million which had been discussed up to that point, it seems highly unlikely that NWC would have advised Eiger to proceed with the loan, certainly without further investigation.

96. Thirdly, as Mr Brannigan KC pointed out in closing, Ridge's case on causation appears directed at the wrong target. Eiger did not become contractually committed to the loan until the Loan Agreement was entered into on 30th November 2018. In order to do that, certain conditions precedent had to be satisfied. These included a satisfactory Initial Report from an IMS: see Clause 6.1 of the Loan Agreement and Clause 4.2 of Appendix 1A to the Loan Agreement. Mr Lokkerbol explained this in evidence as follows:

> "*Q. Just explain to his Lordship what you meant when you said, "it was a requirement of our funding and for us to enter into the loan that there was a report"?*
> *A. It is stated in the loan agreement as one of the conditions precedent that there has to be a report issued by an independent monitoring surveyor supporting the number and that was our funding requirement. So it was in the check-list that the lawyers had before they had authorised us and Cortland to release the money out, so it was an up-front requirement for it."*

97. I therefore accept that NWC and Eiger did rely upon Report 16 in entering into the Loan Agreement (and, indeed, in deciding so to do on 12th November). That finding is sufficient to make good Eiger's case on causation.

H. Reliance and contributory negligence

98. This issue arises in a somewhat curious fashion.

99. By an order dated 17th June 2024, the court provided that the parties were to have permission to rely on the evidence of development lending experts on the following issue:

> *" Was it reasonable for the Claimant to rely on the Defendant's report' (if it did so rely) having regard to the matters there set out at paragraphs 35(b) and 41 of the Defence."*

100. These paragraphs put forward the following case:

> *"35…b. In so far as it is proved that any such person placed any reliance on Ridge's report, such reliance was not reasonable in circumstances in which there had been a comprehensive failure (i) to enter into a defined or any retainer of Ridge; (ii) to instruct Ridge clearly as to what was required of it; (iii) to seek elaboration or clarification of any matter about which the Claimant or Walrus 1 wished to be informed…*
> *41. Any loss sustained by the Claimant, or Walrus 1, was caused by its negligence in entering into a loan agreement without carrying out any proper investigation or due diligence. Ridge may plead further in this respect following further disclosure. The plea is currently based on the inference which may properly be drawn from the hasty and slapdash way in which those purportedly acting on behalf of the Claimant sought to obtain information from Ridge without taking any proper steps to define the terms of any retainer, or to seek clarification in respect of any point on which they had not been fully informed. Without derogating from the generality of the foregoing plea, Ridge will rely on the following matters in particular:.."*
>
> (6 matters were then set out)

101. Eiger's development lending expert, Mr Grififths, was not impressed by these allegations and opined as follows in his first report:

> *"5.1. In my opinion it was reasonable for Eiger to rely on Ridge's report…*
> *5.8. It is my opinion that a lender in Eiger's position would have been reasonable in believing that it could rely on Ridge's report and that it was expected that it would do so by both Ridge and North Wall…*
> *5.14. In my opinion, the Project appeared to be a sound development proposal which a number of lenders would have found to be attractive. I do not believe that any losses were caused by their negligence in entering into a loan agreement without carrying out any proper investigation or due diligence."*

102. Ridge's expert, Mr Hamilton, took a markedly different view in his various reports.

103. Eiger objected to large parts of Mr Hamilton's evidence on the grounds that these sections were inadmissible or irrelevant, in that they ranged far beyond the limited permission given by the June 2024 order. They made an application to strike out or have ruled inadmissible these sections, which application came before me on 12th December 2025. I dismissed the application on the basis that these were matters for the trial judge. I expected that I would, in due course, be invited by Eiger to rule at trial that the allegedly offending passages should be ruled inadmissible.

104. In the event, the trial took a somewhat different turn and I did not have to make a ruling. Ridge:

a. Pursued the paragraph 35b and 41 matters with the Eiger witnesses very slightly, if at all (and these were clearly at least partly matters of fact);
b. Cross-examined Mr Griffiths on a very limited basis;
c. Did not call Mr Hamilton to give evidence;
d. Formally abandoned three of the matters pleaded at paragraph 41.

105. In those circumstances, I can deal with the issues of reliance and contributory negligence shortly. It does not seem to me that Ridge have raised, in evidence or argument, any matters of substance under these headings. I accept the evidence in this regard of Mr Griffiths, the key parts of which are set out above.

I. Loss

106. This is clearly the most difficult question in this case. Mr Lawrence KC indeed submitted in closing (Day 8, 139/21-23) that it was not merely difficult to award damages in this case: it was "quite impossible to see how a tenable case for any damages within the scope of the duty can be established." I consider this argument in some detail below. I have to say that I start from the premise that this submission, if correct, would have the surprising consequence that the court merely wrings its hands and sends the claimant away without compensation, in circumstances where the defendant has been shown to be in breach of duty and the claimant has undoubtedly suffered a substantial loss. It would be surprising if the law mandated such an outcome, breach causation and reliance all having been shown.

107. It seemed to me that Mr Lawrence's submissions on this aspect of the case boiled down to the contention that Eiger had not proved that it had suffered loss or established that the loss fell within the scope of the duty it was owed. This argument was derived, inter alia, from the propositions set out in the speech of Lord Sumption in *Hughes-Holland v BPE Solicitors* [2018] A.C. 599 at 629:

> *"53. The Court of Appeal considered that the burden of proving facts which engaged the SAAMCO principle lay upon the claimant. This is not a straightforward question, but in my judgment they were right about this. The legal burden of proving any averment of fact lies upon the person who is required to assert it as part of his case. In the ordinary course, this means that the claimant has the burden of pleading and proving his loss, whereas the defendant has the burden of proving facts (such as failure to mitigate) going to avoid or abate the consequent liability in damages. The practical effect of the principle formulated in SAAMCO in cases such as this is to limit the amount of the damages recoverable in respect of loss flowing from the claimant's decision to enter into a transaction. But it is not a principle of assessment, let alone of avoidance or abatement. It is an essential part of the claimant's case that he was owed a relevant duty. As Lord Hoffmann expressed it in SAAMCO , at p 220:*
> *"The appearance of a cap is actually the result of the plaintiff having to satisfy two separate requirements: first, to prove that he has suffered loss, and, secondly, to establish that the loss fell within the scope of the duty he was owed."*

108. I will deal with those two issues in reverse order: scope of duty and then proof of loss. I will then consider the quantum of the loss.

Scope of duty

109. There was a massive property bubble in the UK in the 1980s, followed by a severe slump in the 1990s. In the wake of this boom and bust there was a considerable volume of litigation, in particular brought by lenders against valuers. In a typical case, such claimants complained that they had lent a large sum of money on a property purchased for (say) £10m and valued as such by the defendant. The loan then proved a bad one, but when the claimant came to sell the property during the slump only £2m had been obtained. The claimant thus sought to be compensated to the extent of £8m. The defendant retorted that, although its valuation had been negligently over optimistic, and should have been £5m, the recoverable loss was only £5m. It was not to be held responsible for the collapse in the market. This point was the subject of much litigation and ultimately the valuers' argument prevailed.

110. In *South Australia Asset Management Corporation Respondents v York Montague Ltd.* [1997] A.C. 191 ('*SAAMCO*'), the House of Lords was concerned with cases where the defendant valuers were required by the plaintiffs to value properties on the security of which they were considering advancing money on mortgage. In each case, the defendants considerably overvalued the property. Following the valuations, the loans were made, which they would not have been if the plaintiffs had known the true values of the properties. The borrowers subsequently defaulted, and in the meantime the property market had fallen substantially, greatly increasing the losses eventually suffered by the plaintiffs.

111. The House of Lords held that the plaintiffs were entitled to recover the difference between the defendants' valuation and the true value of the property at the date of valuation, but not the further losses attributable to the fall in the property market. Lord Hoffmann explained (at p.214) that the correct principle was as follows:

> *"a person under a duty to take reasonable care to provide information on which someone else will decide upon a course of action is, if negligent, not generally regarded as responsible for all the consequences of that course of action. He is responsible only for the consequences of the information being wrong."*

112. The Supreme Court has returned to this issue more recently in *Manchester Building Society v Grant Thornton UK LLP* [2022] A.C. 783. So far as relevant, Lord Hodge and Lord Sales (with whom Lords Reed and Kitchin and Lady Black agreed) summarised the law as follows, with emphasis added:

> *"6. Lord Sumption JSC explained in* Hughes-Holland *at paras 20–29 that the idea of limiting the damages recoverable in the tort of negligence to those falling within the scope of the duty of care assumed by the defendant long pre-dated the decision in* SAAMCO . *As we say in* Meadows v Khan *[2022] AC 852 , para 28, it is helpful to analyse the place of the scope of duty principle in the tort of negligence in the following way. When a claimant seeks damages from a defendant in the tort of negligence, a series of questions arise:*
>
> *(1) Is the harm (loss, injury and damage) which is the subject matter of the claim actionable in negligence? (the actionability question)*
>
> *(2) <u>What are the risks of harm to the claimant against which the law imposes on the defendant a duty to take care? (the scope of duty question)</u>*

(3) Did the defendant breach his or her duty by his or her act or omission? (the breach question)
(4) Is the loss for which the claimant seeks damages the consequence of the defendant's act or omission? (the factual causation question)
(5) Is there a sufficient nexus between a particular element of the harm for which the claimant seeks damages and the subject matter of the defendant's duty of care as analysed at stage 2 above? (the duty nexus question)
(6) Is a particular element of the harm for which the claimant seeks damages irrecoverable because it is too remote, or because there is a different effective cause (including novus actus interveniens) in relation to it or because the claimant has mitigated his or her loss or has failed to avoid loss which he or she could reasonably have been expected to avoid? (the legal responsibility question)…
Application of this analysis gives the value of the claimant's claim for damages in accordance with the principle that the law in awarding damages seeks, so far as money can, to place the claimant in the position he or she would have been in absent the defendant's negligence…
17. Therefore, in our view, in the case of negligent advice given by a professional adviser one looks to see what risk the duty was supposed to guard against and then looks to see whether the loss suffered represented the fruition of that risk. This is the point of the mountaineer's knee example given by Lord Hoffmann in SAAMCO *at p 213."*

113. Applying these principles to the facts of the present case, it seems to me that the risk the duty of Ridge was supposed to guard against was that Eiger would enter into a loan agreement with Signature on the basis of construction costs / costs to complete which made that loan unduly hazardous. In fact, as set out above, there was a significant risk that substantial costs would be incurred over and above those put forward by Signature. Subject to proof of loss, which I deal with next, the loss suffered represented the fruition of that risk. That is because the Loan Agreement contained precisely the risk which Ridge were undertaking to guard against. It follows that there a sufficient nexus between a particular element of the harm for which the claimant seeks damages and the subject matter of the defendant's duty of care.

Proof of loss

114. I think it is helpful to begin consideration of this issue by asking: when was the loss suffered? Prior to closing submissions, I indicated to Counsel that I would appreciate submissions, if they thought this appropriate, on whether this was a "distressed asset" case i.e. one where the loss was suffered as soon as the loan was made.

115. Mr Brannigan KC took up this invitation and submitted as follows (8/61/21-62/18):

"My Lord asked is this one of those distressed asset cases where the loss is suffered as soon as you make the loan or is it a different case where the loss is suffered afterwards? And it is the former, because the key collateral for this loan is a development. I hope that is common ground having now been through this case. There was some subsidiary collateral that was worth a little bit of money but the key collateral was the development. We loaned the money on the basis of the development having a particular risk profile, i.e. a risk profile by which we could see what the costs to 6 complete was

going to be and that the loan covered it and that there were no problems with the relationship and that the overall cost of the works was viable/sufficient. That was not in fact true in each of those three ways. The amount we were 10 loaning was not sufficient to complete the works; the overall cost of the works was likely to be significantly more than the contract sum; and the relationship between the parties (which had given rise to this extraordinary target cost situation) was incredibly risky. So we lend 9.8 million plus more money to follow -- sorry, more accurately, we enter into a loan agreement on the basis that we are going to have to then lend 9.8 million plus more money to follow, on the basis of a collateral that was significantly different."

116. Mr Lawrence KC did not agree with this analysis. He submitted that:

(i) there was no evidence which would enable the court to conclude that loss was sustained at the point at which the loan was made;

(ii) the package of rights acquired by the Claimant in 2018 was therefore not a 'distressed asset';

(iii) the real question was whether loss was sustained subsequently (as to which he submitted, it was not: see further below).

117. It seems to me that Mr Brannigan's submissions are correct and in line with the *SAAMCO* principles. These principles were further explained in another round of the same litigation, which reached the House of Lords on the question of interest: *Nykredit Mortgage Bank Plc. v Edward Erdman Group Ltd. (No. 2)* [1997] 1 W.L.R. 1627. I am not at present concerned with interest, but it seems to me that the way in which Lord Nicholls set out (at p.1631) the context is helpful for the determination of the issue of damages:

"*When, then, does the lender first sustain measurable, relevant loss? The first step in answering this question is to identify the relevant measure of loss. It is axiomatic that in assessing loss caused by the defendant's negligence the basic measure is the comparison between (a) what the plaintiff's position would have been if the defendant had fulfilled his duty of care and (b) the plaintiff's actual position. Frequently, but not always, the plaintiff would not have entered into the relevant transaction had the defendant fulfilled his duty of care and advised the plaintiff, for instance, of the true value of the property. When this is so, a professional negligence claim calls for a comparison between the plaintiff's position had he not entered into the transaction in question and his position under the transaction. That is the basic comparison. Thus, typically in the case of a negligent valuation of an intended loan security, the basic comparison called for is between (a) the amount of money lent by the plaintiff, which he would still have had in the absence of the loan transaction, plus interest at a proper rate, and (b) the value of the rights acquired, namely the borrower's covenant and the true value of the overvalued property.*"

118. On this basis, it is unnecessary to investigate what happened to the project after the Loan Agreement was made. Eiger suffered recoverable loss on 30th November 2018, when they entered into the agreement with Signature, which agreement contained a significant risk that substantial costs would be incurred over and above those put forward by Signature. The quantification of that risk is dealt with below. The duty was to guard against precisely that risk. The loss suffered represents the fruition of that risk, because the Loan Agreement was a considerably less valuable asset than NWC/Eiger believed, in reasonable reliance upon the advice given by Ridge.

119. Thus, "the value of the rights acquired" (per Lord Nicholls) or "the package of rights acquired" (per Mr Lawrence KC) was substantially less than Eiger reasonably believed in the light of the advice given by Ridge. This is, therefore, a "distressed asset" case.

120. Mr Lawrence KC took a different line. He pointed out that little was known about the course of this project after 2020 and that many factors had contributed to Eiger's losses. This was expressed as follows in his speaking note for closing:

> *"Although C's case on loss (see below) is incomplete, miscalculated and generally opaque, it can be accepted that C ended up making a loss as a result of lending on the security of OHS. The loss crystallised when the property was sold in 2024. What caused it? C has chosen not to tell the tale. The available fragments of evidence enable the court to identify numerous causes which have nothing to do with the matters complained of against D: (i) bad work 2015-2018 (no case pleaded vs D, nor could there be); (ii) bad work 2019-20 (steel frame erected, needed replacement), etc; (iii) Signature inaction and worse; (iv) insolvency process; (v) development abandoned > water ingress and general dilapidation; (vi) impairment resulting from sale of flats; (vii) Covid."*

121. According to Mr Lawrence, Eiger can recover nothing unless they can disentangle a sum attributable to Ridge's negligence from all the other financial misfortunes which befell the project after 2019/2020. I do not think that this is a correct analysis for the reasons given above. I also think it sets an impossibly high bar for a claimant in a case such as the present. It would be necessary, to approach the matter in this way, for the Claimant to provide a blow by blow account of the project for a four to five year period. I do not think that the law requires this. The fact that it may be difficult, or even impossible, to measure precisely the amount of loss is no bar to awarding substantial damages to the claimant, where it is clear that a loss has been incurred. The court has to do the best it can: see *McGregor on Damages 22nd Ed.* para 11-014 and cases there cited.

122. However, if I am wrong about the "distressed asset" point, it does not seem to me that it makes any difference to the overall result. If the court is concerned with what happened after the loan was entered into, then it seems to me that the approach Mr Lawrence KC took in opening was more realistic, as appeared from the following exchange (Day 1, 88/14-89/1):

> *"THE JUDGE: Does it follow from that, Mr. Lawrence, that you say the claimant has to produce a full account of all the losses that it has sustained in relation to this transaction and then has to identify an element within that which is attributable to the breach of duty? Is that your submission?*
> *MR. LAWRENCE: It is effectively, my Lord. Of course I recognise that the courts do not require comprehensive fastidious precision when it comes to issues about the quantification of damages. I recognise that well-known line of authority. I recognise certainly that the courts will not expect a claimant -- accordingly will not expect a claimant to delve into all the minutiae in order to make good a claim of this sort"*

123. There is, I think, sufficient evidence led by Eiger to make good a case on this basis. As regards "a full account of all the losses that it has sustained in relation to this transaction", Eiger called evidence from Mr Lokkerbol. He explained in his second witness statement that there was here an unrecovered loss of £10,799,856, calculated as £14,109,298, the amount

outstanding as at 16 April 2020, less £3,309,442, the total recoveries made thereafter to date. This evidence was not seriously challenged or contradicted.

124. Eiger has also, in my view, been able "to identify an element within that which is attributable to the breach of duty", namely the extent to which the loan contained a risk element of a substantial cost overrun, as set out above. In other words, within the overall loss of £10,799,856, which has in fact been suffered, there is an ascertainable element which flows from this risk. Thus, there is a sufficient nexus between a particular element of the harm for which Eiger seeks damages (the fruition of this risk) and the subject matter of Ridge's duty of care.

125. As I have said, I do not think it is necessary for Eiger to provide a blow by blow account of what happened to the project from 2020 onwards. That would be to "require comprehensive fastidious precision when it comes to issues about the quantification of damages" and oblige the "claimant to delve into all the minutiae." The court, of course, requires proof of loss, but has also to take a realistic view of what is and is not necessary to provide that proof.

Quantum of loss

126. What then is the appropriate figure? This is not a scientific exercise, and one is having to weigh in the balance a number of imponderables. In the evidence, Eiger essentially relied on a comparison with benchmarked figures. As set out above, Mr Turnham took the view that Ridge should have advised that "net construction costs might well exceed circa £12,500,000 - £13,500,000 exclusive of professional fees and any contingency and VAT."

127. These figures were derived from a sheet provided by Mr Turnham of BCIS data for the cost of rehabilitation/conversion of apartments in Liverpool as at the fourth quarter of 2018. These suggest a median figure of £1131 per m2 for 5 storey developments and £1,381 per m2 for 6 storeys or above. Given the floor area of 10,075m2 this produces an overall estimate of between £11.4 million and £14 million, exclusive of professional fees and any contingency. This supports Mr Turnham's overall calculation, and one needs to bear in mind that this was in fact a "6 storeys or above" development, i.e. towards the top end of these estimates.

128. Mr Whitehead was unimpressed by this approach, observing in the experts' joint statement at para 2.13 that "comparison of a BCIS cost index rate to a measured cost plan is a false comparison, the BCIS index is an average of averages, very broad brush and as such a composite number." He also pointed out in oral evidence that rehabilitation/conversion projects differ greatly, so that without much more detail, the BCIS figures are of little value.

129. There was considerable discussion in the evidence about BCIS cost data. According to its website, the nature of this organisation is as follows (see https://www.bcis.co.uk/about-us/, accessed 20th February 2026):

> *"**Who we are***
> *For the past 60 years, we have been collecting, collating, analysing, modelling and interpreting cost information. With the Building Cost Information Service (BCIS), we make that information easily accessible through our online applications, data licensing and publications. We also provide consultancy and research support to clients from both the public and private sector*
> ***What we do***

BCIS offer trusted and reliable information from a wide range of property and construction related sources. From insurance to infrastructure, asset and facilities management to construction early cost advice, we deliver independent data so you can increase cost and performance certainty whilst helping manage and mitigate risks."

(I should say that this passage, from a publicly available source, is cited simply to give an indication of what BCIS do; I have not proceeded on the basis that this shows that their own estimation that they "offer trusted and reliable information" is to be accepted without more)

130. It seems to me that Mr Whitehead is quite correct to contend that the BCIS data would be of little use if someone was seeking to price up a particular project: a much more detailed approach would obviously be required. But I do not think that this really answers Mr Turnham's point. In the particular circumstances prevailing in November 2018, Ridge had, for all the reasons explained above, an inadequate basis upon which to give the cost reassurance which NWC were pressing them to provide. They should, therefore, have prudently informed NWC that Signature's construction costs and costs to complete were at significant variance from standard BCIS benchmarking figures and very low. That was the risk which NWC were concerned about. The quantum of that risk was that, absent more detailed information, the real costs to complete might well be in line with the BCIS figures.

131. If NWC had been so advised, they would not have proceeded as they did. They might have told Eiger to pull out entirely or they might have asked for further investigation of the costs. But they would not have simply swallowed a significant risk that substantial costs would be incurred over and above those put forward by Signature.

132. How is that risk to be valued? Mr Brannigan put forward a number of elaborate and ingenious calculations in his closing submissions, and yet other possibilities were offered in the pleadings and evidence. In arriving at the figures set out below, I have had in mind that the key figure which Mr Kontyaev was pursuing was that for the costs to complete as at November 2018. Mr Brannigan's first and second calculations are more focussed on the overall likely construction costs as at November 2018. I do not think these are an appropriate starting point, both because they were of lesser concern to Mr Kontyaev and because one is then left with the imponderable of how the works completed to that date should be valued/costed.

133. I therefore proceed on the basis of Mr Brannigan's "third and alternative calculation", somewhat adapted. The starting point is that Ridge should have advised that Signature's costs to complete were at significant variance from standard BCIS benchmarking figures and very low. There was, therefore, a risk that the project would have to be completed at open market prices. The most reliable cost to completion figure, for the purposes of assessing the risks for Eiger, was therefore one benchmarked against open market prices.

134. Ridge should therefore have advised that the cost of completion figure based on open market prices would be £5,416,200. This is on the basis that, as at the fourth quarter of 2018, the likely overall market price of the project was at least £13,500,000 and not the £7,614,500 price which Signature were claiming at as that date, or 77% more. I arrive at this figure for two reasons. Firstly, I accept Mr Turnham's evidence that net construction costs for the project might well exceed circa £ 12,500,000 - £13,500,000. Taking a midpoint figure of £13m, and allowing for professional fees etc., one can easily see that £13.5m is realistic. Secondly, £13.5m is very much in line with the BCIS data.

135. The likely market price of the works left to complete was therefore, similarly, likely to be 77% more than the sum of £3,060,000 which Signature was saying would still have to be incurred based on its price, or £5,416,200.

136. It follows that Eiger/NWC entered into the Loan Agreement with a risk, unknown to them, that the costs to complete would be this figure or something similar. The loss is the difference between this figure and the figure which Ridge advised would be the costs to complete. As to this Report 16 offered at least three possibilities: £2,935,458, £3,060,000 and £2,768,958. Doing the best I can, it seems to me that the most sensible interpretation of these somewhat baffling numbers is that Ridge were giving a cost to complete of circa £2.9 million. This results in a loss of £2.5m, after rounding.

137. For the avoidance of doubt, this figure represents the loss to Eiger on either of the bases set out above. Insofar as one is looking at the position as at the date of the Loan Agreement, this figure represents the degree to which that asset was "distressed" as at that date. Insofar as one is concerned with the unfolding losses from 2019 onwards, this figure forms the recoverable element within those losses.

138. In this connection, Ridge argue that Eiger have not attempted to prove the true value of the property as at the point at which the loan was made, nor attempted to evaluate the value of the collateral security as at that point. This, it is submitted, would prevent any award as at that date. I do not agree with this analysis: it seems to me that the calculations set out above show that the asset represented by the Loan Agreement was less valuable and damaged to that extent as soon as it was entered into.

J. Conclusions

139. For these reasons, I have concluded that Eiger are entitled to damages in the sum of £2.5m. Counsel should please seek to agree consequential matters, failing which a further hearing will be required.

140. For the sake of completeness, I should note that:

a. In addition to the matters discussed above, Ridge put forward on the pleadings and in their opening submissions various other defences (Report 16 addressed to the wrong "cell", low level of fee, non-payment of fee) but I did not understand these points still to be pursued by the end of the trial;
b. In their closing submissions, Ridge invited me to accept 23 "factual propositions and supporting references". I have not dealt with each of these points seriatim, but have made the findings of fact set out above, which are the ones, in my judgment, which are necessary to resolve the disputes between the parties.

141. Finally, I should say that the trial was conducted in a most efficient fashion, for which I would like to record my thanks to Counsel, their Instructing Solicitors and the transcribers.

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