

Spatial Initiative Limited (In Administration)

Joint Administrators' Progress
report for the period from 23
March 2025 to 22 September 2025

Pursuant to Rule 18.3 of the Insolvency
(England and Wales) Rules 2016

Ernst & Young LLP

TO ALL KNOWN CREDITORS

15 October 2025

Ref: SIL01/TGV/TH/BL/LJ
Email: siladministration@uk.ey.com

Dear Sir or Madam

Spatial Initiative Limited (In Administration) ("the Company")

High Court of Justice, The Business & Property Courts of England Wales
Court Case Number: CR-2024-005536

I write, in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016 ("the Rules"), to provide creditors of the Company with a report on the progress of the Administration. This report covers the period from **23 March 2025 to 22 September 2025** ("the Period") and should be read in conjunction with the Joint Administrators' statement of proposals ("the Proposals") which were deemed delivered on 18 November 2024, and our progress report dated 11 April 2025 (together our "Updates to Creditors"), both of which can be viewed and downloaded at the following web address, https://www.ey.com/en_uk/administrations/spatial-initiative-limited

The Company entered Administration on 23 September 2024 and C G J King and T G Vance were appointed to act as Joint Administrators ("the Administrators"). The appointment was made by the Company's directors under the provisions of paragraph 22(2) of Schedule B1 of the Insolvency Act 1986 ("the Act").

As licensed Insolvency Practitioners, we are bound by the Insolvency Code of Ethics when carrying out all professional work relating to the Administration. Certain statutory information about the Company, the Administration and the office holders is given at Appendix 1.

Should you require any further information about this report or wish to request a copy of the report, or either of our Updates to Creditors, and/or a proof of debt form, please contact us at siladministration@uk.ey.com.

Yours faithfully
for the Company



C G J King
Joint Administrator

T G Vance is licensed in the United Kingdom to act as an Insolvency Practitioner by The Institute of Chartered Accountants of Scotland. C G J King is licensed in the United Kingdom to act as an Insolvency Practitioner by The Institute of Chartered Accountants in England and Wales. As Insolvency Practitioners, they are bound by the Insolvency Code of Ethics in carrying out all professional work relating to the appointment.

The affairs, business and property of the Company are being managed by the Joint Administrators, T G Vance, and C G J King, who act as agents of the Company only and without personal liability.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

Abbreviations

The following abbreviations are used in this report:

£[X]m	£[X] million
Aon	Aon Risk Solutions
Cathexis	Investment companies which form a single member family office, including Cathexis UK Holdings Limited
CDDA	Company Directors Disqualification Act 1986
CIS	Construction Industry Scheme
CVL	Creditors' Voluntary Liquidation
Date of appointment	23 September 2024
DfE	Department for Education
DIO	Defence Infrastructure Organisation
ESUK	Extraspace Solutions (UK) Limited
EY	Ernst & Young LLP
FY[XX]	The financial year ended 31 December 20[XX]
HMRC	HM Revenue and Customs
Hilco	Hilco Appraisal Limited trading as Hilco Valuation Services
Leslie Keats	Francis Pearce Partnership Limited t/a Leslie Keats
MoD	Ministry of Defence
MoJ	Ministry of Justice
Moorcroft	Moorcroft Property Group Limited
PAYE	Pay As You Earn
Pinsent Masons	Pinsent Masons LLP
ROT	Retention of Title
Sanderson Weatherall	Sanderson Weatherall LLP
SIP XX	Statement of Insolvency Practice XX
the Act	The Insolvency Act 1986
the Company or SIL	Spatial Initiative Limited
The Companies	SIL and ESUK
the Court	The High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies
the directors	Matthew John Raymond Roche Joseph Rinando III
the Group / Kardomagh Group	Kardomagh Holdings Limited Extraspace Holdings Limited ESS Modular (Ireland) Limited Extraspace Solutions Limited Isopod Modular Limited Extraspace Solutions (UK) Limited

	Spatial Initiative Limited
	ESS Modular Limited
the ISG Group or ISG	ISG Limited and its subsidiaries
the Joint Administrators or the Administrators	Timothy Graham Vance and Charles Graham John King
the Property	Copenhagen Road / Oslo Road, Hull, East Yorkshire, HU7 0XQ
the Proposals	the Administrators' Statement of Proposals
the Rules	The Insolvency (England & Wales) Rules 2016
the Secured Lender / Cathexis UK Holdings	Cathexis UK Holdings Limited
VAT	Value Added Tax

1. Executive Summary

The purpose of this report is to update the Company's creditors on the progress of the Administration, focusing on these key areas:

- Update on the Administrators' actions to recover funds for the creditors.
- Update on the potential distributions to each class of creditor.
- Update on the Administrators' remuneration and expenses.

Below is a summary of the key messages for creditors. This should be read in conjunction with the full report herein along with the Updates to Creditors.

Commentary	
Trading / wind down (Section 2.1)	<ul style="list-style-type: none"> ▪ As previously reported, the Administrators have taken the decision to wind down the affairs of the Company and realise assets on a piecemeal basis.
Property (Section 2.2)	<ul style="list-style-type: none"> ▪ On 28 August 2025 the Property was sold to the preferred bidder for a sale price of £2,000,000 (plus VAT). ▪ This was after undertaking a detailed marketing process to deliver best value for the Property (both local and national campaigns undertaken). ▪ The sale proceeds have been received in full by the Company. ▪ Since completion, the Administrators have been working to notify relevant parties of the sale and settle outstanding liabilities associated with the Property for the post-appointment period.
Contract debtor realisations (Section 2.3)	<ul style="list-style-type: none"> ▪ The Company's records on appointment indicated there was c.£0.85m of outstanding (external) contract debt relating to retention balances on four contracts. ▪ It is unlikely that there will be any recoveries from these balances due to the level counterclaims which exceed the retention sums.
Other assets (Section 2.4)	<ul style="list-style-type: none"> ▪ Other assets realised in the Period relate to the recovery of a pre-appointment VAT receivable balance of £24,689 and a Terminal Loss Relief ("TLR") claim which was submitted by the Administrators. ▪ The receipt from the TLR claim in the Period was £54,314 but a further sum is expected and will be reported in the next progress report.
Extension of the Administration and Creditors' Committee (Sections 3 and 4)	<ul style="list-style-type: none"> ▪ The Administration was extended by the general body of creditors for a period of 12 months to 22 September 2026. ▪ To date, no Creditors' Committee has been formed.
Receipts and Payments (Section 5)	<ul style="list-style-type: none"> ▪ Details of the Administrators' receipts and payments in the Period are provided at Section 5 and Appendix 2 of this report.
Distributions to creditors (Section 9)	<ul style="list-style-type: none"> ▪ No creditor distributions have been made to date. ▪ Secured creditors: As previously reported, there was no secured indebtedness outstanding on the appointment of Administrators. ▪ Primary preferential creditors: The Company had no employees and consequently we estimate primary preferential claims will be nil.

	<ul style="list-style-type: none">▪ Secondary preferential creditors: The Directors' Statement of Affairs estimates that secondary preferential claims total £10,946 in relation to CIS deductions. Based on our latest correspondence with HMRC, it is unlikely to have a preferential claim against the Company.▪ Non-preferential unsecured claims: Non-preferential, unsecured creditors are estimated to exceed c.£80m (including contingent / guarantee claims). We have not formally adjudicated creditor claims at this stage and therefore it is noted that this quantum may be subject to change.▪ As there is no secured indebtedness, the Prescribed Part will not apply.
Remaining work (Section 10)	<ul style="list-style-type: none">▪ Key remaining work in the Administration includes: asset realisations, making creditor distributions including adjudicating claims and statutory / regulatory compliance.

Actions required by creditors

- No actions are required by creditors in respect of this document, which is for information purposes only.
- To the extent non-preferential, unsecured creditors have not yet made a claim in the Administration, please refer to the Administrators' initial letter to creditors dated 27 September 2024 for details on submitting a claim on the IPS Creditor Portal.

2. Summary of progress

Set out below is an update on the progress of the Administration during the Period.

2.1 *Trading / wind down*

As previously reported, it was not possible (or appropriate) to trade the Company in Administration.

Accordingly, the Administrators have sought to wind down the Company's affairs.

2.2 *Freehold / leasehold properties*

Key aspects relating to the Property and the marketing approach undertaken are set out in the Proposals and previous report to creditors dated 11 April 2025.

Following a protracted period, we completed the sale of the Property on 28 August 2025 for £2m. The offer was agreed following discussion with our agent who recommended its acceptance.

The sale proceeds have been received and are reflected in the receipts and payments account.

We are now working to finalise liabilities associated with the Property relating to the post-appointment period.

2.3 *Contract debt realisations*

During the Period the Administrators have continued to work with specialist quantity surveyors to recover value from the Company's contracts.

The Company's records on appointment indicated that there was c.£0.85m of outstanding (external) contract debt relating to retention balances on four contracts.

It is unlikely that there will be any recoveries from these balances due to the level counterclaims which far exceed the retention sums.

2.4 *Other assets*

Other asset realisations during the Period comprise:

- **VAT receivable:** The Company has received a VAT refund of £24,689 relating to input VAT for the period 1 September 2024 to 22 September 2024.
- **Terminal loss relief claim:** As a result of the Company ceasing to trade, the Administrators submitted a Terminal Loss Relief claim to HMRC totaling £66,975. During the Period, the Company has received a repayment of £54,314 from HMRC. Based on the latest correspondence from HMRC, a further payment is expected in the sum of £13,150. This will be covered in the next progress report.

2.5 *Other matters*

We would highlight that the Company was subcontractor to ESUK (another Group entity) on four contracts with the MoJ. Payments in respect of the contracts were governed by a project bank account. Salient points regarding the steps being taken to deal with the funds held in the ESUK project bank account are provided in the ESUK progress report to creditors.

The administrators of ESUK intend to apply to court for directions regarding the proposed approach for dealing with the funds held. Given SIL's role as subcontractor on the contracts (and therefore a potential beneficiary), it is anticipated that it will have an interest in the outcome of that process.

Accordingly, progressing the Administration of the Company will be subject to the outcome of the work being undertaken in the ESUK administration.

3. Extension of Administration

The Administration was extended for a period of 12 months by deemed consent of the creditors on 7 May 2025. The relevant statutory forms have been filed with Companies House and the Court.

The Administration is now due to expire on 22 September 2026.

The purpose of the extension is to provide further time to enable the Administrators to continue to realise the Company's assets.

4. Creditors' committee

To date, no creditors have expressed an interest in forming a Creditors' Committee.

5. Receipts and payments account

A summary of our receipts and payments for the Period is attached at Appendix 2. This is for receipts and payments in the Period and does not reflect estimated future realisations or costs.

6. Administrators' remuneration

The statutory provisions relating to remuneration are set out in Part 18 of the Rules. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to me.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Rules). Further information is provided in 'A Creditors' Guide to Administrators' Fees' referred to above.

In accordance with our fee estimate dated 18 November 2024 ("the Fee Estimate"), our remuneration of £427,335 was agreed on a time-cost basis by a resolution of the creditors on 16 January 2025.

During the Period, we have incurred time costs of £142,894. To date, our time costs incurred in respect of the Company are £573,021. No fees have been drawn to date.

An analysis of the time spent, and a comparison with the Fee Estimate is attached as Appendix 4 to this report.

The reasons why the Administrators' time costs have exceeded the Fee Estimate during the Period are:

- **Accounting & administration (variance to the Fee Estimate of £45,163 – costs incurred during the period £33,577):** Additional work during the Period has been required to progress the Administration and ensure that statutory requirements are met. This work has included general case management along with treasury and accounting functions including processing receipts and payments.
- **Legal Issues (variance to the Fee Estimate of £8,763 – costs incurred during the period £3,888):** The additional costs during the period primarily relate working with advisers to assess and respond to legal letters received from certain creditors.
- **Other Matters (variance to the Fee Estimate of £9,603 – costs incurred during the period £1,450):** Additional work has been required during the Period to correspond with third-party asset providers to arrange the collection of certain assets from the Company's property.
- **Property (variance to the Fee Estimate of £44,836 – costs incurred during the period £47,204):** The sale of the Property has been a protracted exercise which has been the primary factor behind the variance. The basis of the Fee Estimate anticipated the Property sale to complete in a shorter timescale.
- **Statutory Duties (variance to the Fee Estimate of £57,207 – costs incurred during the period £27,896):** Additional work has been undertaken during the Period. Most notably this related to preparing the Administrators progress report dated 11 April 2025, arranging relevant filings in relation to the extension of the administration and performing relevant tasks to ensure that the Administration remains compliant with Ernst & Young LLP's internal quality and risk management policies.
- **VAT & Taxation (variance to the Fee Estimate of £29,399 – costs incurred during the period £16,971):** Further work has been required in relation to the Company's tax affairs. Specifically, further work has been required to pursue the Company's Terminal Loss Relief claim totalling £66,975. This additional work was not anticipated at the time of preparing the Fee Estimate.

NB: We will not draw remuneration in excess of the Fee Estimate without the prior approval of creditors.

7. Administrators' statement of expenses incurred

During the Period, we have incurred expenses totalling £124,515 plus VAT including costs associated with the Property sale. There is a breakdown of expenses incurred in this Period and to date at Appendix 3 of this report.

At the date of this report, the Administrators have not exceeded the total estimate for expenses provided in their Fee Estimate, whilst certain cost lines have exceeded the amount detailed in the Fee Estimate e.g. third-party asset hire.

Third party asset hire costs have marginally exceeded the original estimate due to the Property sale taking longer than originally envisaged.

8. Pre-Administration costs

The Administrators sought approval for unpaid pre-Administration costs totaling £45,456 plus VAT.

Approval of these costs was obtained by decision of the general body of creditors on 16 January 2025. To date, Pinsent Masons' pre-appointment legal fees (£8,000 plus VAT) have been paid, however the Administrators' pre-appointment costs are yet to be paid.

9. Distributions to creditors

To date, there have been no creditor distributions.

9.1 Secured creditors

As noted in the Updates to Creditors, the Administrators have determined that whilst Cathexis UK Holdings Limited, was granted debenture security over the Company's assets and separate legal charges over the Property ("the Security"), no amounts were outstanding to Cathexis UK Holdings Limited at the date of the Administration which were subject to the Security.

Consequently, all assets realised in the Administration will be available for the general body of creditors.

9.2 Primary preferential creditors - Employees

The Company had no employees and therefore primary preferential claims are expected to be £nil.

9.3 Secondary preferential creditors

Claims from HMRC, in relation to VAT, PAYE and employees' National Insurance Contributions rank preferentially, but secondary to any employee primary preferential creditors. These claims are therefore referred to as 'secondary preferential claims.

The directors' Statement of Affairs estimates the amount of secondary preferential claims at the date of our appointment to be £10,946 in relation to CIS.

Based on our latest correspondence with HMRC we understand that they have no preferential claim against the Company.

9.4 Non-preferential, unsecured creditors

The Administrators continue to receive claims from non-preferential, unsecured creditors of the Company. It is estimated that non-preferential, unsecured creditors may be in the region of c.£80m (including contingent / guarantee / intercompany claims).

As previously reported, we anticipate that there will be sufficient funds available to enable a distribution to be made to the non-preferential, unsecured creditors.

At this stage, it is not yet possible to estimate the timing or quantum of the dividend that may be available to the non-preferential, unsecured creditors. Further information in this regard will be provided in the Joint Administrators' future progress reports.

9.5 The Prescribed Part

The Prescribed Part is a portion of floating charge assets set aside for non-preferential, unsecured creditors pursuant to section 176A of the Insolvency Act 1986.

As floating charge security does not apply in the Administration, section 176A of the Act also does not apply to this Administration. Accordingly, there is no Prescribed Part to be set aside for the benefit of the non-preferential, unsecured creditors.

10. Remaining work

We will continue to deal with the Administration in line with the stated objectives outlined in the Proposals. Future tasks will include, but may not be limited to, the following:

- Realising other assets of the Company (as applicable) and taking all such steps as the Administrators deem appropriate to realise value from the Company's assets;
- Settling associated holding costs for the Property associated with the post-appointment period;
- Preserving SIL's interests in funds held in the project bank account;
- Distributing amounts to the secondary preferential creditor of the Company (if applicable);
- Dealing with non-preferential, unsecured creditor queries;
- If applicable in the Administration, reviewing and adjudicating non-preferential, unsecured creditor claims;
- Dealing with client enquiries in respect of live or completed contracts;
- Dealing with corporation tax and VAT matters, which includes filling statutory returns;
- Ensuring all statutory reporting and compliance obligations are met;
- Finalising the Administration including payment of all Administration expenses and liabilities;
- Seeking further extensions to the Administration from the Court (as relevant);
- At the end of the Administration, to seek the Administrators' discharge from liability from the general body of creditors;
- If appropriate, take relevant steps to place the Company into Creditors' Voluntary Liquidation for the purpose of distributing amounts to the non-preferential, unsecured creditors; and
- Any other actions required to be undertaken by the Administrators in order to fulfil the purpose of the Administration.

11. Next report

We will report to you again in six months' time or on conclusion of the Administration (whichever is sooner).

In the meantime, if you have queries regarding the content of this report, please do not hesitate to contact us by email at siladministration@uk.ey.com.

Appendix 1

Information about the proceedings, the company and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

Company information

Registered name of the Company: Spatial Initiative Limited

Present registered office address: c/o Ernst & Young LLP, 12 Wellington Place, Leeds, LS1 4AP

Registered number: 10887709

Court information

Name of court: High Court of Justice, The Business & Property Courts of England Wales

Court reference: CR-2024-005536

Details of the Administration and the Administrators' appointment

Date of appointment: 23 September 2024

By whom appointed: The Company's directors

Details of any changes of Administrator: None

Full names of the Administrators: Timothy Graham Vance and
Charles Graham John King

Office holder numbers: 26710 and 8985

Administrators' address: Ernst & Young LLP, 12 Wellington Place, Leeds, LS1 4AP

Current Administration expiry date: 22 September 2026

Email: siladministration@uk.ey.com

Name of alternative person to contact with enquiries about the case: Laura Jones

Any of the functions to be performed or powers exercisable by the Administrators may be carried out/exercised by any one of them acting alone or by any or all of them acting jointly.

Appendix 2

Spatial Initiative Limited (In Administration)

Administrators' Summary of Receipts and Payments from 23 March 2025 to 22 September 2025

Estimated to Realise (£)		Period From 23 September 2024 To 22 March 2025	Period From 23 March 2025 To 22 September 2025	Total
Uncharged receipts				
111,564	Pre-appointment VAT receivable	111,564	24,689	136,253
	Pre-appointment debtor (supplier overpayment)	17,500	-	17,500
14,866	Cash at bank on appointment	7,541	-	7,541
	Prepayments	4,013	-	4,013
	Bank interest	752	885	1,637
	Terminal Loss Relief claim	-	54,314	54,314
	Property	-	2,000,000	2,000,000
	Contribution to search costs	-	2,944	2,944
14,866	Total receipts	141,369	2,082,833	2,224,203
Uncharged Payments				
	Legal fees	17,486	41,385	58,870
	Property holding costs	16,449	17,510	33,959
	Insurance	-	20,049	20,049
	Legal fees - pre-appointment	8,000	-	8,000
	Agent fees - contract debtors	5,607	-	5,607
	Hire of equipment	3,750	3,900	7,650
	Agent fees - plant & machinery	2,500	-	2,500
	Property sale costs	2,148	41,659	43,807
	Public notices	104	-	104
	Pre-appointment bank charges	44	-	44
	Bank charges	6	11	17
	Total payments	56,093	124,515	180,608
	Balances in hand	85,276	1,958,318	2,043,594
Represented by				
	Floating bank account	74,067	2,352,060	2,426,127
	VAT receivable / (payable)	11,209	(393,742)	(382,533)
		85,276	1,958,318	2,043,594

Notes

1. Receipts and payments are stated net of VAT.
2. The receipts and payments account has been prepared on a cash basis and does not take account of future receipts and payments.
3. All funds are held in interest bearing accounts.

Spatial Initiative Limited (In Administration)

Summary of Administrators' expenses incurred

Type of expense	Per fee estimate dated 18 November 2024	Paid during period To 22 March 2025	Paid in Period	Estimated future expenses	Total
Payments made from the estate which are not disbursements – (note 1)					
Corporation tax	225,000	-	-	225,000	225,000
Legal fees (post-appointment)	91,595	17,486	41,385	32,725	91,595
Property costs	67,000	16,449	17,510	33,041	67,000
Agents' fees (debt collection)	30,000	5,607	-	24,393	30,000
Agents' fees (other)	2,500	2,500	-	-	2,500
Agents' fees (property sale)	65,000	2,148	41,659	21,193	65,000
Third party asset hire	7,500	3,750	3,900	-	7,650
Insurance	22,000	-	20,049	1,951	22,000
Bank charges and fees	500	6	11	483	500
Advertising	230	104	-	126	230
Storage	350	-	-	350	350
Sundry costs	1,000	-	-	1,000	1,000
	512,675	48,049	124,515	340,261	512,825
Category 1 disbursements (notes 2 and 3)					
Copying, printing and postage	1,500	-	-	1,500	1,500
Specific penalty bond	1,111	-	-	1,111	1,111
	2,611	-	-	2,611	2,611
Category 2 disbursements (notes 2 and 3)					
Mileage	500	-	-	500	500
	500	-	-	500	500
Pre-administration costs unpaid as at date of administration					
Legal costs	8,000	8,000	-	-	8,000
	8,000	8,000	-	-	8,000
Total	523,786	56,049	124,515	343,372	467,887

Notes

- 1 Statement of Insolvency Practice No.9 defines expenses as any payments from the insolvency estate which are neither an office holder's remuneration or a distribution to a creditor or member.
- 2 Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do require prior approval (Category 2):
 - Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder
 - Category 2 expenses are payments to associates or which have an element of shared costs.
- 3 Expenses also include disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Disbursements fall into either Category 1 or Category 2.

Spatial Initiative Limited (In Administration)

Administrators' time costs for the period from 23 March 2025 to 22 September 2025

	Per Fee Estimate			Actual in this report period			Total actual to date		
	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)
Administration & Planning	44.4	25,640	578	53.1	33,577	632	111.8	70,803	633
Creditors	150.3	87,604	583	1.7	1,697	998	56.3	46,205	821
Debtors	50.1	39,742	793	-	-	-	8.6	9,316	1,083
Enquiries & Investigations	36.4	21,367	587	-	-	-	32.8	29,499	899
Environmental Issues	2.1	1,282	622	-	-	-	1.0	998	998
Immediate Tasks	28.7	20,085	700	-	-	-	42.2	37,409	886
Legal Issues	25.0	20,085	804	4.1	3,888	948	25.1	28,848	1,149
Other Assets	19.4	12,820	662	-	-	-	15.1	12,425	823
Other Matters	18.9	16,239	861	1.5	1,450	966	25.6	25,842	1,009
Property	111.2	73,074	657	58.3	47,204	810	132.3	117,911	891
Reporting	65.5	55,981	855	9.0	10,212	1,135	49.6	53,741	1,083
Statutory Duties	50.7	30,341	598	27.8	27,896	1,003	90.2	87,548	971
Trading	-	-	-	-	-	-	-	-	-
VAT & Taxation	35.4	23,076	653	34.3	16,971	495	87.6	52,475	599
Total	638.0	427,334.9	670	189.8	142,894	753	678.2	573,021	845

Appendix 5

Spatial Initiative Limited (In Administration)

Administrators' time costs – explanation of the work done for the period from 23 September 2024 to 22 September 2025

Category of work	Description of the work undertaken and proposed to be undertaken	Benefit for the creditors/ required under statute
Accounting & administration	<ul style="list-style-type: none"> Cashiering, treasury and accounting functions including the processing and recording of transactions, as well as the management of the Company's bank accounts Maintaining statutory diaries and time cost reporting Overall management of the case and the Administrators' files including ensuring compliance with the Administrators' firm's quality and risk management procedures and policies. 	Statutory
Creditors (inc. ROT)	<ul style="list-style-type: none"> Dealing with receiving and recording creditor claims Correspondence with creditors with regard to specific matters and the administration more generally including asset recovery, client sites etc. Assessment and settlement of claims for retention of title from the Company's suppliers. 	Statutory
Debtors & customers	<ul style="list-style-type: none"> Realising value from amounts outstanding under the Company's contracts at the date of administration. Discussions and correspondence with the Company's clients in respect of the implications of the administration on operational sites. 	Statutory
Enquiries & Investigations	<ul style="list-style-type: none"> Investigations into the Company's affairs in accordance with Statement of Insolvency Practice 2 "Investigations by Office Holders" The Administrators' report on the conduct of the directors under the Company Directors Disqualification Act 1986 	Statutory
Environmental issues	<ul style="list-style-type: none"> Discussions with property and health and safety advisors regarding requirements in respect of site clean-up and hazardous substances at the property (if applicable). 	Statutory
Immediate tasks and job acceptance	<ul style="list-style-type: none"> Completion of tasks requiring immediate attention following the appointment as required by statute including initial communications with directors and carrying out a site inspection. Notifying key parties (e.g. insurers and other advisers) of the appointment. Other matters relating to the appointment and initial planning of the Administration strategy. Formulating the strategy in the administration including asset realisation plans. Considering exit routes from Administration 	Asset realisation and Statutory
Legal issues	<ul style="list-style-type: none"> Dealing with general legal issues in the administration. Liaising with appointed legal advisors in relation to relevant matters including specific queries relating to the property, legal matters associated with the Company's contracts, treatment of creditor claims. Working to determine the position regarding the registered security granted by the Company and communicating the outcome. 	Statutory
Other assets	<ul style="list-style-type: none"> Realising value from the Company's other assets as applicable including other debtors, cash held on appointment, VAT reclaims etc. 	Asset realisations

- Assessing potential legal claims and disputes and options to recover value.
- Assessing, quantifying, and seeking to realise value from any assets not recorded in the management accounts of the Company at the date of appointment

Other matters	<ul style="list-style-type: none"> ▪ Dealing with any assets owned by third parties. ▪ Recovery of the Company's physical books and records and electronic records. ▪ Preservation of electronic records. ▪ Dealing with third party IT platform providers ▪ Other matters arising in the Administration ▪ Dealing with pre and post appointment insurance matters 	Statutory
Property	<ul style="list-style-type: none"> ▪ Dealing with all matters associated with the sale of the Company's freehold and long leasehold properties. ▪ Dealing with site clearance. ▪ Addressing security and vacant possession requirements, rectification of issues. ▪ Preparing and submitting an Opt to Tax the Property. ▪ Dealing with other matters relating to the Company's freehold and leasehold properties including corresponding with landlords, utility and business rate providers. ▪ Arranging appropriate insurance cover and security for the property and ensuring compliance with key requirements. 	Asset realisations
Reporting	<ul style="list-style-type: none"> ▪ Completion of statutory requirements of the Administration, including notifications to creditors and members, advertising the appointment, and sending relevant documents to creditors and filing at Companies House ▪ Preparing the Administrators' Statement of Proposals. ▪ Preparing progress reports to creditors. 	Statutory
Statutory duties	<ul style="list-style-type: none"> ▪ Completion of statutory requirements of the Administration, including notifications to creditors and members, advertising the appointment, and sending to creditors and filing at Companies House. ▪ Time spent obtaining a Statement of Affairs from the directors of the Company. ▪ Time spent working to ensure Company update the accounting records of the Company. ▪ Time spent engaging with various key stakeholders in respect of the administration and its implications. 	Statutory
VAT & Taxation	<ul style="list-style-type: none"> ▪ Preparing corporation tax and VAT returns, with input from EY VAT and tax specialists ▪ Assessment of the VAT and tax treatments of transactions and agreements entered into during the Administration ▪ Dealing with tax aspects associated with the sale of the property. ▪ Assessing the tax position of the Company and ability to realise value from any tax related assets. 	Statutory

Appendix 6

Spatial Initiative Limited (In Administration)

Statement of Administrators' charging policy for remuneration and disbursements pursuant to Statement of Insolvency Practice No.9

Administrators' charging policy for remuneration

The Administrators have engaged managers and other staff to work on the Administration. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the Company's bank accounts and statutory compliance diaries. Work carried out by all staff is subject to the overall supervision of the Administrators.

All time spent by staff working directly on case-related matters is charged to a time code established specifically for this engagement. Time is recorded in units of six minutes. Each member of staff has a specific hourly rate, which is subject to change over time.

We set out below the maximum charge-out rates per hour for the grades of our staff who already or are likely to work on the Administration.

Grade	From 1 July 2024 (£)
Partner	1,328
Director	1,145
Senior Manager	998
Manager	761
Executive	497
Analyst	383

Administrators' charging policy for expenses

Statement of Insolvency Practice No. 9 divides expenses into two categories.

- Category 1 expenses are defined as specific expenditure relating to the Administration of the insolvent's affairs and referable to payment to an independent third party. Such expenses can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with Statement of Insolvency Practice No. 9, it is our policy to disclose Category 1 expenses drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the expenses drawn.
- Category 2 expenses are charges made by the office holder's firm that include elements of shared or overhead costs. Statement of Insolvency Practice No. 9 provides that such expenses are subject to approval as if they were remuneration.

Approval of the Category 2 expenses was received from the general body of creditors on 16 January 2025. To date no Category 2 expenses have been drawn from the estate.

Category 2 expense	Description of expense incurred / likely to be incurred
Mileage	<ul style="list-style-type: none"> Those costs relating to mileage incurred by the Administrators and their staff in respect of their work on the administration, whilst operating from or attending the site operated by the Company and third party locations to attend meetings with key stakeholders. Current mileage rates are: <ul style="list-style-type: none"> 45p/mile for staff below manager using their own cars 18p/mile (non-electric vehicle) for managers and above using their own car or a company car. 20p/mile (electric vehicle) for managers and above using their own car or a company car.

Payments to associates

No payments have been made to associates or any party who could reasonably be perceived as an associate during the Period.

Professional advisors

The Administrators have engaged the professional advisors listed below to assist them. They were chosen on the basis of their experience in similar assignments and/or their specialist knowledge of the market.

Name of professional advisor	Nature of advisor	Basis of fee arrangement
Pinsent Masons LLP	Legal advisor	Time costs and expenses
Francis Pearce Partnership Limited t/a Leslie Keats	Quantity surveyor	Combination of time costs and contingent fees
Hilco Appraisal Limited	Asset agent	Time costs and expenses
Sanderson Weatherall LLP	Property sale	Contingent fees along with disbursements
Moorcroft Property Group Limited	Property management	Time costs and expenses and fixed fees
Aon Risk Solutions	Insurance broker	Fixed fees (based on levels of cover placed)

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