

**Spatial Initiative Limited  
(in Administration)  
(‘the Company’)**

**Joint Administrators’ Progress  
Report for the period from 23  
September 2024 to 22 March 2025**

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

TO ALL KNOWN CREDITORS

11 April 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 with a report on the progress of the Administration. This report covers the period from **23 September 2024 to 22 March 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, including the definitions contained therein.

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.

As licenced 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 the report or wish to request a hard copy of the report, the Proposals and/or proof of debt form, please contact us at [siladministration@uk.ey.com](mailto: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](http://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
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 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

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

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## 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:

- ▶ Approval of the Proposals.
- ▶ 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.
- ▶ Seek creditors' approval to extend the Administration for another 12 months (should it be required) by deemed consent.
- ▶ Seek nominations for a creditors' committee.

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

Commentary	
<b>Approval of the Proposals</b> <i>(Section Error! Reference source not found.)</i>	<ul style="list-style-type: none"><li>▶ The Proposals were deemed delivered on 18 November 2024 and were approved by deemed consent on 3 December 2024.</li></ul>
<b>Trading / wind down</b> <i>(Section 2.2)</i>	<ul style="list-style-type: none"><li>▶ The Company had no employees and relied on seconded staff from ESUK and ISG.</li><li>▶ It was not possible to trade the business due to the contractual nature of the Company's activities and the extent of the ongoing losses.</li><li>▶ The Administrators have taken the decision to wind down the affairs of the Company and realise assets on a piecemeal basis.</li></ul>
<b>Property</b> <i>(Section 2.3)</i>	<ul style="list-style-type: none"><li>▶ We have worked with our agents to undertake a marketing approach to achieve best value for the Property.</li><li>▶ Our agents have marketed the Property both locally and nationally.</li><li>▶ The offers received have ultimately reflected current market conditions, age and the condition of the Property and alternate use potential.</li><li>▶ A preferred bidder was selected following discussion and advice from our agent and in consideration of the price offered and deliverability of the offer.</li><li>▶ Heads of Terms are in the process of being finalised. It is expected the sale will complete in the coming weeks. Further detail regarding</li></ul>

	<p>the value generated from the sale and the outcome for creditors will be provided in the next report.</p>
<b>Contract debtor realisations (Section 2.4)</b>	<ul style="list-style-type: none"> <li>▶ The Company's records on appointed indicated there was c.£0.85m of outstanding (external) contract debt relating to retention balances on contracts.</li> <li>▶ No recoveries have been generated to date and at this stage, the extent of recoveries remains uncertain. We continue to work through the position on the contracts with the relevant counterparties and will provide updates in subsequent reports.</li> </ul>
<b>Other assets (Section 2.5)</b>	<ul style="list-style-type: none"> <li>▶ Other assets realised in the Period relate to VAT receivable (£111,564), recovery of prepayments (£4,013) and cash on appointment (£7,541).</li> <li>▶ In addition, the Administrators have submitted a Terminal Loss Relief claim to HMRC totalling £66,975. We await payment in relation to this sum.</li> </ul>
<b>Extension of the Administration and Creditors' Committee (Sections 3 and 4)</b>	<ul style="list-style-type: none"> <li>▶ Should it be necessary (and / or more appropriate) to continue the asset realisation process in the Administration, the Administrators will seek a 12-month extension of the Administration by decision of the creditors.</li> <li>▶ In conjunction with this report, the Administrators are therefore seeking a decision of the creditors by way of deemed consent as per the relevant statutory provisions. Please see <i>Section 3</i> for further information.</li> <li>▶ An invitation is also enclosed to form a Creditors' Committee at <i>Appendix 8</i>. Please see <i>Section 4</i> for further information.</li> </ul>
<b>Receipts and Payments (Section 5)</b>	<ul style="list-style-type: none"> <li>▶ Details of the Joint Administrators' receipts and payments in the Period are provided at <i>Section 5</i>.</li> </ul>
<b>Investigations (Section Error! Reference source not found.)</b>	<ul style="list-style-type: none"> <li>▶ Investigations have been concluded and our report was submitted to the Insolvency Service on 18 December 2024.</li> </ul>
<b>Distributions to creditors (Section 10)</b>	<ul style="list-style-type: none"> <li>▶ No distributions have been made to date.</li> <li>▶ <b>Secured creditors:</b> As previously reported, there was no secured indebtedness outstanding on the appointment of Administrators.</li> <li>▶ <b>Primary preferential creditors:</b> The Company had no employees and consequently we estimate primary preferential claims will be nil.</li> <li>▶ <b>Secondary preferential creditors:</b> The Directors' Statement of Affairs estimates that preferential creditors total £10,946 relating to CIS deductions. We anticipate this balance will be paid in full.</li> </ul>



## Remaining work (Section 11)

- ▶ **Non-preferential unsecured claims:** Non-preferential, unsecured creditors are estimated to exceed c.£70m noting that we have not formally adjudicated for creditor claims at this stage and therefore this is subject to change.
- ▶ As there is no secured indebtedness, the Prescribed Part will not apply.

- ▶ Key remaining work in the Administration includes: asset realisations (most notably concluding the sale of the Property), making creditor distributions including adjudicating claims, statutory compliance and any necessary court applications e.g. for further extensions of the Administration.

## 2. Summary of progress

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

### 2.1 *Approval of the Proposals*

The Proposals were delivered to all known creditors of the Company on 18 November 2024. As required by paragraph 51 of Schedule B1 to the Insolvency Act 1986 and Rules 3.38, 15.7 and 15.8 of the Rules, the Joint Administrators sought approval of the Proposals from the Company's creditors by deemed consent. The Proposals were approved by deemed consent on 3 December 2024.

### 2.2 *Trading / wind down*

For reasons previously set out in the Proposals, it was not possible (or appropriate) to trade the Company in Administration. Accordingly, the Administrators are undertaking a wind down of the Company's affairs.

### 2.3 *Freehold / leasehold properties*

Salient details regarding the Property are provided in the Proposals.

We have worked with our agents to undertake a marketing approach to achieve best value for the Property.

Our agents have marketed the Property over several months both locally and nationally which has generated initial interest from a range of parties. The interest has included those seeking long-term investment income, future redevelopment opportunities and owner-occupiers.

The marketing process resulted in a number of parties submitting first round offers. After a period of diligence, the parties were invited to submit best and final offers.

A preferred bidder was selected following discussion and advice from our agent and in consideration of the price offered and deliverability of the offer. Heads of Terms are in the process of being agreed.

During the Period, the Administrators also Opted to Tax the Property.

It is expected the sale will complete before the end of May 25. Further detail regarding the value generated from the sale and the outcome for creditors will be provided in the next report.

### 2.4 *Contract debt realisations*

As previously advised, the Administrators engaged a firm of quantity surveyor agents, Leslie Keats, to assist in realising value from the Company's live and completed contracts.

At the date of appointment, the Company's records indicated that there was c.£0.85m of value outstanding on contracts relating to retention balances. To date, there have been no recoveries and, at this stage, the timing and quantum of recoveries remains uncertain.

Negotiations remain ongoing with a number of counterparties to finalise outstanding positions, some of which remain subject to completion of the outstanding works and rectification of any defects.

## 2.5 Other assets

Other asset realisations comprise:

- **VAT receivable:** The Company has received a VAT refund of £111,564 relating to input VAT for the VAT quarter ending 31 August 2024.
- **Prepayments recovery:** The Administrators have recovered funds totalling £4,013 in relation to business rates payments made by the Company prior to the Administration.
- **Supplier overpayments:** We have recovered £17,500 in respect of a previous overpayment made to a supplier.
- **Cash on appointment:** The Company held cash at bank of £7,541 at appointment.
- **Terminal loss relief claim:** During the period, the Administrators have submitted pre-appointment corporation tax returns for the periods ended 31 December 2023, 22 September 2024 and one day cessation of trade return (being 23 September 2024). This has facilitated submission of a Terminal Loss Relief claim to HMRC totalling £66,975. This enables trading losses incurred in the final 12 months of trade to be carried back and offset against profits reported (and tax paid) in the previous three years. The claim relates to tax paid in the period ending December 2021. We await repayment of this sum from HMRC.

## 3. Extension of Administration

Insolvency legislation currently provides for an Administration to automatically come to an end after a period of 12 months.

There are likely to be a number of outstanding issues to resolve in the Administration beyond the 12 month anniversary. This includes the contract recovery exercise, finalising liabilities in relation to the Property and administration more generally. It may also include distributions to preferential and non-preferential creditors. We are therefore including seeking an extension to the initial period of the Administration with this report to creditors.

In accordance with Section 78(2A) of Schedule B1 of the Insolvency Act 1986 and Rules 3.54, 15.7 and 15.8 of the Rules, we are seeking the approval of the general body of creditors' consent to extend the period of the Administration by 12 months to 22 September 2026 and enclose at Appendix 7 Notice to creditors of deemed consent.

## 4. Invitation to establish a creditors' committee

The Rules require that whenever a decision is sought from creditors, they must also be invited to establish a creditors' committee if, as in this case, a committee is not already in existence. Accordingly, I also enclose an invitation to form a creditors' committee at Appendix 8. In order for a committee to be formed, at least 3 creditors must be willing to serve on the committee and they must give their consent in writing.

If you vote in favour of establishing a committee, please also complete the nomination section of the voting form and, unless you are nominating yourself, include the appropriate written consent(s) to act

with your completed voting form. If there are fewer than 3 valid nominations, a committee will not be established. If there are at least 3 and no more than 5 valid nominations, a committee will be formed with the nominated creditors. In the event that there are more than 5 valid nominations, I shall put the nominations to a vote by the general body of creditors.

## 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. Investigations

We have concluded our investigations into the Company's affairs, in accordance with Statement of Insolvency Practice Number 2 (Investigations by Office Holders) ('SIP2'), and the Company Directors Disqualification Act 1986, with the necessary conduct report being made to the Insolvency Service on 18 December 2024.

The Joint Administrators can advise that there are no ongoing investigations and no third-party funding has been provided.

## 7. Joint 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, 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 £430,127. No fees have been drawn to date.

An analysis of the time spent, and a comparison with the fee estimate dated 18 November 2024 ("Fee Estimate") is attached as Appendix 4 to this report.

The reasons why the Joint Administrators' fees have exceeded the fee estimate are:

- **Accounting & administration (variance to the Fee Estimate of £11,586):** Additional work, versus that anticipated at the time of preparing the Fee Estimate, has been required to progress the Administration and ensure that statutory requirements are met. This work has included treasury and accounting functions including processing receipts and payments.

- **Enquiries & Investigations (variance to the Fee Estimate of £8,132):** Additional senior resource has been required versus that originally estimated to conduct the investigations into the Company and its Office Holders in accordance with Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986.
- **Immediate Tasks and Job acceptance (variance to the Fee Estimate of £17,324):** Additional work has been required by the Administrators and their team in respect of on appointment matters including, ensuring adequate insurance cover was in place, dealing with sensitive client data in an appropriate manner and liaising with clients regarding site matters and asset recovery following appointment.
- **Legal Issues (variance to the Fee Estimate of £4,875):** The additional cost primarily relates to spending time working with legal advisers to assess the validity of the Security and to determine whether there is any secured indebtedness subject to the Security. Whilst overall hours remain below the Fee Estimate, this has required more senior team involvement giving rise to additional time costs.
- **Other Matters (variance to the Fee Estimate of £8,154):** The administrators received a significant volume of communications and correspondence in respect of third-party assets which were at operational sites. Dealing with these enquiries has been more extensive than originally envisaged.
- **Statutory Duties (variance to the Fee Estimate of £29,312):** Additional work has been undertaken. Most notably this related to working with Management to bring the Company's accounting, VAT and tax records up to date, obtaining a Statement of Affairs from the directors, obtaining responses to director questionnaires and taking possession of the Company's electronic books and records.
- **VAT & Taxation (variance to the Fee Estimate of £12,429):** Further work has been required in relation to the Company's tax affairs. Specifically, additional work has been required to prepare and submit a Terminal Loss Relief claim to HMRC totalling £66,975 along with Opting to Tax the Property. 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.

## **8. Joint Administrators' statement of expenses incurred**

During the Period, we have incurred expenses totalling £56,093 plus VAT. 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 Joint Administrators have not exceeded the total (or any individual expense items) estimate for expenses provided in their fee and expense estimate dated 18 November 2024.

## **9. Pre-Administration costs**

As detailed in the Proposals, the Joint Administrators sought approval for unpaid pre-Administration costs totaling £45,456 plus VAT which comprised:

- ▶ Joint Administrators' pre-appointment fees of £37,456 plus VAT;
- ▶ Pinsent Masons' pre-appointment fees of £8,000 plus VAT which were associated with placing the Company into Administration.

The payment of unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 3.52 of the Rules. Approval of these costs was obtained by decision of the general body of creditors on 16 January 2025.

## **10. Distributions to creditors**

To date, there have been no distributions to any creditors.

### ***10.1 Secured creditors***

As noted in the Proposals, Cathexis UK Holdings Limited, was granted debenture security over the Company's assets and separate legal charges over the Property ("the Security"). The Security was created on 4 April 2024.

The Company had also provided a guarantee ("the Guarantee") in respect of amounts owed to Cathexis UK Holdings Limited from other companies in the ESS corporate group. It was intended that amounts owed under the Guarantee would be subject to the Security.

After investigation by the Administrators, it has been determined that there are no amounts outstanding at the date of Administration which are subject to the Security. This has been communicated to the relevant parties.

It is therefore envisaged that all assets realised in the Administration will be available for the general body of creditors.

### ***10.2 Primary preferential creditors - Employees***

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

### ***10.3 Secondary preferential creditors***

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

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. We anticipate this balance will be paid in full.

### ***10.4 Non-preferential, unsecured creditors***

The Joint 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.£70m.

We anticipate that there will be sufficient funds available to enable a distribution to be made to the non-preferential, unsecured creditors. The timing and quantum of the dividend is dependent on realising the assets of the Company and adjudication of claims being completed.

It is currently too early to quantify the funds that may be available and the associated dividend rate. However, further information in this regard will be provided in the Joint Administrators' future progress reports.

#### **10.5 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. The prescribed part applies to floating charges created on or after 15 September 2003. It should, however, be noted that on 6 April 2020, the Insolvency Act 1986 (Prescribed Part) (Amendment) Order 2020 came into force. It increased the maximum amount of the prescribed part from £600,000 to £800,000, however the increase will only apply where the floating charge affected was created on or after 6 April 2020.

As noted above, the Company's floating charges will not apply in the Administration. Consequently, section 176A of the Insolvency Act 1986 does not apply to this Administration and there is no prescribed part to be set aside for the non-preferential, unsecured creditors.

### **11. 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:

- ▶ Completing the sale of the Property and settling associated holding costs associated with the post-appointment period;
- ▶ Realising other assets of the Company (as applicable) and taking all such steps as the Joint Administrators deem appropriate to realise value from the Company's assets;
- ▶ Distributing amounts to the preferential creditors of the Company (if applicable);
- ▶ Dealing with unsecured creditor queries;
- ▶ If applicable in the Administration, reviewing and adjudicating unsecured creditor claims and making a distribution to the unsecured creditors;
- ▶ 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;
- ▶ If the Joint Administrators deem it appropriate, to seek an extension and/or further extensions to the Administration from the Company's creditors and/or the Court;
- ▶ If appropriate, take steps to place the Company into Creditors' Voluntary Liquidation; and

- ▶ Any other actions required to be undertaken by the Joint 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](mailto: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**

Name of court:	High Court of Justice, The Business & Property Courts of England Wales
Court reference:	CR-2024-005536
Registered name of the Company:	Spatial Initaitive Limited
Registered office address of the Company:	c/o Ernst & Young LLP, 12 Wellington Place, Leeds, LS1 4AP
Registered number:	10887709
Country of incorporation (for a company incorporated outside the United Kingdom):	N/A
Date of appointment of the Joint Administrators:	23 September 2024
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
Email:	<a href="mailto:siladministration@uk.ey.com">siladministration@uk.ey.com</a>
Name of alternative person to contact with enquiries about the case:	Laura Jones

## Appendix 2

### Spatial Initiative Limited (In Administration)

#### Joint Administrators' Summary of Receipts and Payments from 23 September 2024 to 22 March 2025

		Period from 23 September 2024 to 22 March 2025 (£)
Estimated to Realise (£)		
	<b>Uncharged receipts</b>	
111,564	Pre-appointment VAT receivable	111,564
	Pre-appointment debtor (supplier overpayment)	17,500
14,866	Cash at bank on appointment	7,541
	Prepayments	4,013
	Bank interest	752
<b>14,866</b>	<b>Total receipts</b>	<b>141,369</b>
	<b>Uncharged Payments</b>	
	Legal fees	17,486
	Property holding costs	16,449
	Legal fees - pre-appointment	8,000
	Agent fees - contract debtors	5,607
	Hire of equipment	3,750
	Agent fees - plant & machinery	2,500
	Property sale costs	2,148
	Public notices	104
	Pre-appointment bank charges	44
	Bank charges	6
	<b>Total payments</b>	<b>56,093</b>
	<b>Balances in hand</b>	<b>85,276</b>
	<b>Represented by</b>	
	Floating bank account	74,067
	VAT receivable	11,209
		<b>85,276</b>

#### 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.

## Appendix 3

### Spatial Initiative Limited (In Administration)

#### Summary of Joint Administrators' expenses incurred

Type of expense	Per fee estimate dated 18 November		Paid in Period	Outstanding	Total
	2024				
<b>Payments made from the estate which are not disbursements – (note 1)</b>					
Corporation tax	225,000		-	225,000	225,000
Legal fees (post-appointment)	91,595		17,486	74,110	91,595
Property costs	67,000		16,449	50,551	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	62,852	65,000
Third party asset hire	7,500		3,750	3,750	7,500
Insurance	22,000		-	22,000	22,000
Bank charges and fees	500		50	450	500
Advertising	230		104	126	230
Storage	350		-	350	350
Sundry costs	1,000		-	1,000	1,000
	<b>512,675</b>		<b>48,093</b>	<b>464,582</b>	<b>512,675</b>
<b>Category 1 disbursements (notes 2 and 3)</b>					
Copying, printing and postage	1,500			1,500	1,500
Specific penalty bond	1,111			1,111	1,111
	<b>2,611</b>		<b>-</b>	<b>2,611</b>	<b>2,611</b>
<b>Category 2 disbursements (notes 2 and 3)</b>					
Mileage	500			500	500
	<b>500</b>		<b>-</b>	<b>500</b>	<b>500</b>
<b>Pre-administration costs unpaid as at date of administration</b>					
Legal costs	8,000		8,000	-	8,000
	<b>8,000</b>		<b>8,000</b>	<b>-</b>	<b>8,000</b>
<b>Total</b>	<b>523,786</b>		<b>56,093</b>	<b>467,693</b>	<b>523,786</b>

#### Notes

- 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.
- 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.
- 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.

## Appendix 4

### Spatial Initiative Limited (In Administration)

Joint Administrators' time costs for the period from 23 September 2024 to 22 March 2025

	Per Fee Estimate dated 18 Nov 2024			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 (£)
Accounting & Administration	44.4	25,640	578	58.7	37,226	634	58.7	37,226	634
Creditors (inc. ROT)	150.3	87,604	583	54.6	44,508	815	54.6	44,508	815
Debtors & customers	50.1	39,742	793	8.6	9,316	1,083	8.6	9,316	1,083
Enquiries & Investigations	36.4	21,367	587	32.8	29,499	899	32.8	29,499	899
Environmental Issues	2.1	1,282	622	1.0	998	998	1.0	998	998
Immediate Tasks and Job acceptanc	28.7	20,085	700	42.2	37,409	886	42.2	37,409	886
Legal Issues	25.0	20,085	804	21.0	24,960	1,189	21.0	24,960	1,189
Other Assets	19.4	12,820	662	15.1	12,425	823	15.1	12,425	823
Other Matters	18.9	16,239	861	24.1	24,392	1,012	24.1	24,392	1,012
Property	111.2	73,074	657	74.0	70,707	955	74.0	70,707	955
Reporting	65.5	55,981	855	40.6	43,529	1,072	40.6	43,529	1,072
Statutory Duties	50.7	30,341	598	62.4	59,652	956	62.4	59,652	956
VAT & Taxation	35.4	23,076	653	53.3	35,505	666	53.3	35,505	666
<b>Total</b>	<b>638.0</b>	<b>427,335</b>	<b>670</b>	<b>488.4</b>	<b>430,127</b>	<b>881</b>	<b>488.4</b>	<b>430,127</b>	<b>881</b>

## Appendix 5

### Spatial Initiative Limited (In Administration)

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

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

Other assets	<ul style="list-style-type: none"> <li>Realising value from the Company's other assets as applicable including other debtors, cash held on appointment, VAT claims etc.</li> <li>Assessing potential legal claims and disputes and options to recover value.</li> <li>Assessing, quantifying, and seeking to realise value from any assets not recorded in the management accounts of the Company at the date of appointment</li> </ul>	Asset realisations
Other matters	<ul style="list-style-type: none"> <li>Dealing with any assets owned by third parties.</li> <li>Recovery of the Company's physical books and records and electronic records.</li> <li>Preservation of electronic records.</li> <li>Dealing with third party IT platform providers</li> <li>Other matters arising in the Administration</li> <li>Dealing with pre and post appointment insurance matters</li> </ul>	Statutory
Property	<ul style="list-style-type: none"> <li>Dealing with all matters associated with the sale of the Company's freehold and long leasehold properties.</li> <li>Dealing with site clearance.</li> <li>Addressing security and vacant possession requirements, rectification of issues.</li> <li>Preparing and submitting an Opt to Tax the Property.</li> <li>Dealing with other matters relating to the Company's freehold and leasehold properties including corresponding with landlords, utility and business rate providers.</li> <li>Arranging appropriate insurance cover and security for the property and ensuring compliance with key requirements.</li> </ul>	Asset realisations
Reporting	<ul style="list-style-type: none"> <li>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</li> <li>Preparing the Joint Administrators' Statement of Proposals.</li> <li>Preparing progress reports to creditors.</li> </ul>	Statutory
Statutory duties	<ul style="list-style-type: none"> <li>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.</li> <li>Time spent obtaining a Statement of Affairs from the directors of the Company.</li> <li>Time spent working to ensure Company update the accounting records of the Company.</li> <li>Time spent engaging with various key stakeholders in respect of the administration and its implications.</li> </ul>	Statutory
VAT & Taxation	<ul style="list-style-type: none"> <li>Preparing corporation tax and VAT returns, with input from EY VAT and tax specialists</li> <li>Assessment of the VAT and tax treatments of transactions and agreements entered into during the Administration</li> <li>Dealing with tax aspects associated with the sale of the property.</li> <li>Assessing the tax position of the Company and ability to realise value from any tax related assets.</li> </ul>	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

##### Joint Administrators' charging policy for remuneration

The Joint 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 Joint 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

##### Joint 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.

Category 2 expense	Description of expense incurred / likely to be incurred
Mileage	<ul style="list-style-type: none"> <li>▶ Those costs relating to mileage incurred by the Joint 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.</li> <li>▶ Current mileage rates are: <ul style="list-style-type: none"> <li>▶ 45p/mile for staff below manager using their own cars</li> <li>▶ 18p/mile (non-electric vehicle) for managers and above using their own car or a company car.</li> <li>▶ 20p/mile (electric vehicle) for managers and above using their own car or a company car.</li> </ul> </li> </ul>

### 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	Property sale	Contingent fees along with disbursements
Moorcroft	Property management	Time costs and expenses and fixed fees
Aon Risk Solutions	Insurance broker	Fixed fees (based on levels of cover placed)

## Appendix 7

### Notice to creditors of deemed consent

#### Paragraph 78(2A) of Schedule B1 to the Insolvency Act 1986 and Rules 15.7 and 15.8 of the Insolvency (England and Wales) Rules 2016

Name of court: High Court of Justice Business and Property Courts of England and Wales Insolvency Companies (ChD)

Case number: CR-2024-005536

Registered name of the Company: Spatial Initiative Limited

Other trading name(s) or style(s) of the Company: ESS Modular

Any other registered name in the 12 months prior to Administration: N/A

Registered number: 10887709

Registered office address: c/o Ernst & Young LLP, 12 Wellington Place, Leeds, LS1 4SP

Principal trading address (if different from above): 31 Copenhagen Road, Hull, HU7 0XG

Date on which the company entered Administration: 23 September 2024

Date of appointment of Joint Administrators: 23 September 2024

#### Details of the Joint Administrators

Timothy Graham Vance  
Ernst & Young LLP  
12 Wellington Place  
Leeds  
LS1 4AP  
United Kingdom

Charles Graham John King  
Ernst & Young LLP  
12 Wellington Place  
Leeds  
LS1 4AP  
United Kingdom

Office holder numbers: 26710 / 8985

Email: siladministration@uk.ey.com

Name of alternative person to contact about the Administration: Laura Jones

NOTICE IS HEREBY GIVEN that the Joint Administrators of the above-named Company are seeking an extension of the Administration for a period of 12 months to 22 September 2026 by deemed consent.

Creditors will be deemed to have given consent to the extension unless by the end of 7 May 2025 at least 10% in value of creditors who would be entitled to vote in a qualifying decision procedure have objected to approval and their objections have been made in accordance with the procedure set out below.

### **Objections**

Any creditor wishing to object to the proposed decision to extend the Administration, including any creditor who has opted out from receiving notices about the Administration, must deliver to me, at the above address, a notice stating that the creditor so objects. The notice must be delivered to me at the above address not later than the end of 7 May 2025 together with a proof in respect of the creditor's claim which complies with the requirements of Rules 15.28 to 15.35 of the Insolvency (England and Wales) Rules 2016 failing which the objection will be disregarded.

Please note that creditors whose debts may be treated as small debts in accordance with Rule 14.31(1) of the Insolvency (England and Wales) Rules 2016 must still deliver a proof of claim if they wish to object.

It is my responsibility, as Joint Administrator convening the deemed consent procedure, to aggregate any objections to see if the threshold is met for the decision to be taken as not having been made.

If the threshold is met the deemed consent procedure will terminate without a decision being made on the request for an extension and if a decision is sought again on the same matter it will be sought by a decision procedure.

### **Requests for a physical meeting to be held**

Creditors who meet the thresholds in s.246ZE(7) of the Insolvency Act 1986, namely 10% in value of creditors, 10% in number of creditors or 10 creditors, may, within five business days from the date of delivery of this notice, make a request to me in writing for a physical meeting of creditors to be held to consider the request for an extension of the Administration.



Signed

C G J King, Joint Administrator

Date 11 April 2025

## Appendix 8

### Notice to creditors – invitation to form a creditors' committee

#### Rule 3.39, Insolvency (England and Wales) Rules 2016

Name of court: High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies

Case number: CR-2024-005536

Registered name of the Company Spatial Initiative Limited

Other trading name(s) or style(s) of the Company: ESS Modular

Any other registered name in the 12 months prior to Administration: N/A

Registered number: 10887709

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

Principal trading address (if different from above): 31 Copenhagen Road, Hull, HU7 0XQ

Date on which the company entered Administration: 23 September 2024

Date of appointment of Joint Administrators: 23 September 2024

#### Details of the Joint Administrators

Timothy Graham Vance Ernst & Young LLP 12 Wellington Place Leeds LS1 4AP United Kingdom	Charles Graham John King Ernst & Young LLP 12 Wellington Place Leeds LS1 4AP United Kingdom
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26710 / 8985

Office holder numbers: siladministration@uk.ey.com

Email:

Name of alternative person to contact about the Administration: Laura Jones

## **Invitation to form a creditors' committee**

Creditors are invited to decide whether a creditors' committee should be formed if sufficient creditors are willing to be members of the committee. Information on the role of committees can be found at <https://www.r3.org.uk/media/documents/publications/professional/R3-Guide-to-Creditors-Committees.pdf>

To be validly established, a committee must have at least three and not more than five members, who must have agreed to act.

Should you wish to form a committee, please follow the instructions in the nomination form attached to this notice and return the completed nomination form, with written agreements to act where appropriate, to me at the above address to arrive no later than 7 May 2025.

Nominations can only be accepted if I am satisfied as to the creditor's eligibility under Rule 17.4 of the Insolvency (England and Wales) Rules 2016.

Signed



C G J King, Joint Administrator

Date 11 April 2025

## **Spatial Initiative Limited (in Administration)**

### **Nominations for creditors' committee**

*You may nominate up to five creditors of the Company. Please note that before a person can act as a member of a creditors' committee that person must agree to do so.*

*In the event that more than five valid nominations are received, the five receiving the most votes will be appointed.*

*When you have completed this form, please return it with the creditor's written agreement to act to Spatial Initiative Limited (In Administration) at Ernst & Young LLP, 12 Wellington Place, Leeds, LS1 4AP or by email to [siladministration@uk.ey.com](mailto:siladministration@uk.ey.com) to arrive no later than the closing date stated on the notice of invitation to form a committee.*

I nominate:

(Name of creditor) \_\_\_\_\_ of \_\_\_\_\_

(Address) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Name of creditor) \_\_\_\_\_ of \_\_\_\_\_

(Address) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Name of creditor) \_\_\_\_\_ of \_\_\_\_\_

(Address) \_\_\_\_\_

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(Name of  
creditor) \_\_\_\_\_  
of

(Address) \_\_\_\_\_

---

(Name of  
creditor) \_\_\_\_\_  
of

(Address) \_\_\_\_\_

to be appointed as (a) member(s) of the creditors' committee.

Signature \_\_\_\_\_

Name of signatory \_\_\_\_\_

On behalf of  
(name of creditor) \_\_\_\_\_

Date \_\_\_\_\_