

Spatial Initiative Limited (In Administration)

Joint Administrators' Progress
report for the period from 23
September 2025 to 22 March
2026

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

Ernst & Young LLP



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TO ALL KNOWN CREDITORS

14 April 2026

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 September 2025 to 22 March 2026 ("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 reports dated 11 April 2025 and 15 October 2025 (together our "Updates to Creditors"). These documents 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 Fees Estimate	The estimate of the Joint Administrators' remuneration and expenses dated 18 November 2024, approved by a resolution of

	the creditors on 16 January 2025, on a time-cost basis
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 Period	23 September 2025 to 22 March 2026
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
TLR	Terminal Loss Relief
Updates to Creditors	the Joint Administrators' Statement of Proposals and our progress reports to creditors dated 11 April 2025 and 15 October 2025
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"> ▪ Following their appointment, the Administrators took 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"> ▪ As previously reported, the Property was sold for a total sale price of £2m and the sale proceeds have been received in full.
Contract debtor realisations (Section 2.3)	<ul style="list-style-type: none"> ▪ We do not consider that there will be any recoveries from the outstanding retention balances (c.£0.85m) at the date of appointment.
Other assets / matters (Section 2.4 and 2.5)	<ul style="list-style-type: none"> ▪ Other assets realised in the Period relate to a receipt of £12,661 relating to a Terminal Loss Relief claim which was previously submitted by the Administrators. ▪ SIL may have an entitlement to funds held in a project bank account in the ESUK Administration (ESUK being another entity in the Group). The Administrators of ESUK have applied to court for directions to deal with the funds held in the project bank account. ▪ The matter is expected to be heard by the end of April 2026 following which, it is anticipated there will be a process for potential beneficiaries to participate in a distribution process. It is one of the key matters outstanding in the SIL insolvency process, however the value of SIL's entitlement is unclear at this stage.
Extension of the Administration and Creditors' Committee (Sections 3 and 4)	<ul style="list-style-type: none"> ▪ As previously reported, the Administration was extended by the general body of creditors for a period of 12 months to 22 September 2026. The requirement for a further extension will be reviewed in due course. ▪ 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)

- 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.
- Secondary preferential creditors: HMRC has confirmed by email that it has no pre-appointment preferential liabilities and does not intend to submit a claim in the Administration.
- 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. It is anticipated that there will be insufficient funds to enable the non-preferential unsecured creditors to be paid in full.
- As there is no secured indebtedness, the Prescribed Part will not apply.
- Once the position regarding the ESUK PBA is finalised, steps will be taken to formally commence the claims adjudication process for unsecured creditors (including payment of a dividend).

Remaining work
(Section 10)

- Key remaining work in the Administration includes assessing potential asset realisations, making creditor distributions (if applicable) 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 set out in the Updates to Creditors, the Administrators have sought to wind down the Company's affairs and realise its assets on a piecemeal basis.

2.2 *Freehold / leasehold properties*

As previously reported, the Property was sold for £2m following a detailed marketing exercise. The sale proceeds have been received by the Company in full.

During the Period, the Administrators have worked to finalise and pay the outstanding liabilities associated with the Property.

2.3 *Contract debt realisations*

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.

As previously reported, due to the level of counterclaims on each of the four contracts, we do not consider that there will be any recoveries available to the Company.

2.4 *Other assets*

Other asset realisations during the Period comprise:

- *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. The Company previously received a payment of £54,314 from HMRC and the balance of £12,661 was received during the Period.
- *Bank interest:* Bank interest totaling £29,691 has been received during the Period. The Administrators hold all estate funds in interest bearing accounts.

2.5 *Other matters*

As previously reported, the Company was subcontracted to ESUK (another Group entity) on four contracts with the MoJ. Payments in respect of the contracts were governed by a project bank account. Key points regarding the steps being taken to deal with the funds held in the ESUK project bank account are provided in the ESUK progress reports to creditors.

The Administrators of ESUK have applied to court for directions regarding the proposed approach for dealing with the funds held. It is anticipated that this application will be heard by the end of April 2026.

As SIL was a subcontractor to ESUK under the contracts, it may well have an entitlement to a portion of the funds in relation to certified (and paid for) work undertaken prior to it (and ESUK) entering Administration. However, this position is yet to be determined and the Company's information and financial records do not clearly demonstrate the quantum of SIL's entitlements.

The overall approach for dealing with the funds in the ESUK project bank account will be subject to the outcome of the ESUK directions hearing. The outcome of this process and potential for recoveries in SIL is the key outstanding task ahead of declaring an unsecured dividend.

3. Extension of Administration

The Administration period was extended by deemed consent of the creditors on 7 May 2025 and is now due to expire on 22 September 2026.

At present, it is unclear whether a further extension will be required. In due course, it is anticipated that the Company will be placed into Creditors' Voluntary Liquidation for the purpose of distributing funds to the Company's creditors.

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 includes 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 fees estimate dated 18 November 2024 ("the Fees 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 £76,164. To date, our time costs incurred in respect of the Company are £649,185. Fees of £250,000 have been drawn to date. The Administrators do not expect to recover their time costs in full.

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

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

- Accounting & administration (variance to the Fees Estimate of £73,304 – costs incurred during the Period of £28,141): Additional work has been undertaken in the Period relating to general case management along with treasury and accounting functions including processing receipts and payments.
- Other Assets (variance to the Fees Estimate of £1,323 – costs incurred during the Period of £1,718): Initial work undertaken to commence reviewing SIL's interest in potential entitlements to the ESUK project bank account monies.
- Other Matters (variance to the Fees Estimate of £14,388 – costs incurred during the Period of £4,785): Additional work has been required (which was not envisaged) to decommission certain third-party data-platform services.
- Property (variance to the Fees Estimate of £48,430 – costs incurred during the Period of £3,594): Additional work has been required to finalise and pay the outstanding property costs for the post-appointment period.
- Reporting (variance to the Fees Estimate of £12,064 – costs incurred during the Period of £14,304): Additional time costs have been prepared in relation to preparation of statutory reports to creditors. Time costs are expected to exceed the fee estimate as a result of extending the administration giving rise to ongoing reporting requirements.
- Statutory Duties (variance to the Fees Estimate of £64,499 – costs incurred during the period £7,292): Latest costs incurred relate to performing relevant tasks to ensure that the Administration remains compliant with insolvency legislation and Ernst & Young LLP's internal quality and risk management policies e.g. periodic case reviews.
- VAT & Taxation (variance to the Fees Estimate of £40,837 – costs incurred during the period £11,437): Further work has been required during the Period to pursue the balance of the Company's Terminal Loss Relief claim totalling £66,975 which not anticipated at the time of preparing the Fees Estimate. In addition, work has also been undertaken in relation preparing and filing VAT and corporation tax returns.

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

A statement of the Administrators' policy in relation to charging time is attached at Appendix 6.

7. Administrators' statement of expenses

During the Period, we have incurred and paid expenses totaling £84,219 plus VAT which principally relate to property related costs. There is an analysis 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 Fees Estimate. Certain cost lines have exceeded the amount detailed in the Fees Estimate e.g. third-party asset hire (which we have previously reported on) and property holding costs.

Property holding costs have exceeded the sum in the Fees Estimate, primarily due to the Property sale transaction taking longer than originally envisaged.

8. Pre-Administration costs

The Administrators have paid unpaid pre-administration costs of £44,253.

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 there was no secured indebtedness at the date of appointment and therefore, 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.'

HMRC has confirmed in writing that it does not intend to submit a preferential claim in the Administration.

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 advise the precise timing or quantum of the dividend that may be available to the non-preferential, unsecured creditors. Further information will be provided in 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:

- Determining (and pursuing) SIL's interests (if applicable) in funds held in the ESUK project bank account;
- Dealing with unsecured creditor queries;
- If applicable in the Administration, reviewing and adjudicating non-preferential, unsecured creditor claims;
- Dealing with corporation tax and VAT matters, which includes filing statutory returns and obtaining tax clearance for the administration period;
- Ensuring all statutory reporting and compliance obligations are met;
- Finalising the Administration including payment of all Administration expenses and liabilities;
- If applicable, seeking further extensions to the Administration from the Court;
- 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 either of them acting alone or by both of them acting jointly.

Appendix 2

Spatial Initiative Limited (In Administration)

Administrators' Summary of Receipts and Payments from 23 September 2025 to 22 March 2026

Estimated to Realise as per Statement of Affairs (£)	Period from 23 September 2024 to 22 September 2025		Period from 23 September 2025 to 22 March 2026	Total
	Uncharged receipts			
111,564	Pre-appointment VAT receivable	136,253	-	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	1,637	28,054	29,691
	Terminal Loss Relief claim	54,314	12,661	66,975
3,015,000	Property	2,000,000	-	2,000,000
	Contribution to search costs	2,944	-	2,944
3,141,430	Total receipts	2,224,202	40,715	2,264,917
	Uncharged Payments			
	Joint Administrators' pre-appointment fees	-	36,253	36,253
	Joint Administrators' fees	-	250,000	250,000
	Joint Administrators' disbursements	-	152	152
	Legal fees	58,870	-	58,870
	Property holding costs	33,959	3,368	37,327
	Rates	-	31,158	31,158
	Utilities	-	49,214	49,214
	Insurance	20,049	-	20,049
	Legal fees - pre-appointment	8,000	-	8,000
	Agent fees - contract debtors	5,607	-	5,607
	Hire of equipment	7,650	225	7,875
	Agent fees - plant & machinery	2,500	-	2,500
	Property sale costs	43,807	-	43,807
	Public notices	104	-	104
	Pre-appointment bank charges	44	-	44
	Bank charges	17	12	30
	Corporation Tax	-	90	90
	Total payments	180,608	370,472	551,080
	Balances in hand	2,043,594	(329,757)	1,713,837
	Represented by			
	Floating bank account			1,713,837
	VAT receivable / (payable)			-
				1,713,837

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

Type of expense	Per fee estimate dated 18 November 2024	Paid during period To 22 September 2025	Paid in Period	Estimated future expenses	Total
Payments made from the estate which are not disbursements – (note 1)					
Corporation tax	225,000	-	90	224,910	225,000
Legal fees (post-appointment)	91,595	58,870	-	32,725	91,595
Property holding costs	67,000	33,959	83,740	-	117,699
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	43,807	-	21,193	65,000
Third party asset hire	7,500	7,650	225	-	7,875
Insurance	22,000	20,049	-	1,951	22,000
Bank charges and fees	500	61	13	426	500
Advertising	230	104	-	126	230
Storage	350	-	-	350	350
Sundry costs	1,000	-	-	1,000	1,000
	<u>512,675</u>	<u>172,608</u>	<u>84,067</u>	<u>307,074</u>	<u>563,749</u>
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
	<u>2,611</u>	<u>-</u>	<u>-</u>	<u>2,611</u>	<u>2,611</u>
Category 2 disbursements (notes 2 and 3)					
Mileage	500	-	152	348	500
	<u>500</u>	<u>-</u>	<u>152</u>	<u>348</u>	<u>500</u>
Pre-administration costs unpaid as at date of administration					
Legal costs	8,000	8,000	-	-	8,000
	<u>8,000</u>	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>8,000</u>
Total	<u>523,786</u>	<u>180,608</u>	<u>84,219</u>	<u>310,033</u>	<u>394,252</u>

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.

* Note: The summary of Administrators' expenses now includes pre-administration bank charges causing a small positive variance of £44 to our previous progress report.

Spatial Initiative Limited (In Administration)

Administrators' time costs for the period from 23 September 2025 to 22 March 2026

	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	577.5	48.8	28,141	577	160.6	98,944	616
Creditors	150.3	87,604	582.9	6.0	4,895	816	62.3	51,099	820
Debtors	50.1	39,742	793.3	-	-	-	8.6	9,316	1,083
Enquiries & Investigations	36.4	21,367	587.0	-	-	-	32.8	29,499	899
Environmental Issues	2.1	1,282	610.5	-	-	-	1.0	998	998
Immediate Tasks	28.7	20,085	699.8	-	-	-	42.2	37,409	886
Legal Issues	25.0	20,085	803.4	-	-	-	25.1	28,848	1,149
Other Assets	19.4	12,820	660.8	1.5	1,718	1,145	16.6	14,143	852
Other Matters	18.9	16,239	859.2	4.5	4,785	1,063	30.1	30,627	1,018
Property	111.2	73,074	657.1	7.3	3,594	492	139.6	121,504	870
Reporting	65.5	55,981	854.7	15.2	14,304	941	64.8	68,045	1,050
Statutory Duties	50.7	30,341	598.4	7.9	7,292	923	98.1	94,840	967
VAT & Taxation	35.4	23,076	651.9	19.3	11,437	593	106.9	63,913	598
Total	638.0	427,335	670	110.5	76,164	689	788.7	649,185	823

Spatial Initiative Limited (In Administration)

Administrators' time costs – explanation of the work done in the Period and proposed to be undertaken

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. ▪ 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 	Asset realisations
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 Option 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. ▪ Settle outstanding liabilities associated with the Property for the post-appointment occupation period. 	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. 	Statutory

- Time spent working to ensure the Company updated the accounting records of the Company.
- Time spent engaging with various key stakeholders in respect of the administration and its implications.

VAT & Taxation

- Preparing corporation tax and VAT returns, with input from EY VAT and tax specialists Statutory
- 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.

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 Category 2 expenses totaling £152.50 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 • 16p/mile (non-electric vehicle) for managers and above using their own car or a company car. • 11p/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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