

Company Registration No. SC188687 (Scotland)

GLACIER ENERGY SERVICES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

PAGES FOR FILING WITH REGISTRAR

GLACIER ENERGY SERVICES LIMITED

COMPANY INFORMATION

Directors	S Martin A Scott	(appointed 7 January 2021)
Secretary	Blackwood Partners LLP	
Company number	SC188687	
Registered office	Blackwood House Union Grove Lane ABERDEEN AB10 6XU	
Auditor	Johnston Carmichael LLP Bishop's Court 29 Albyn Place ABERDEEN AB10 1YL	

GLACIER ENERGY SERVICES LIMITED

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GLACIER ENERGY SERVICES LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	5		36,821		-
Tangible assets	6		165,650		114,112
Investments	7		100		100
			<u>202,571</u>		<u>114,212</u>
Current assets					
Stocks		412,345		169,612	
Debtors	9	4,579,295		3,324,121	
Cash at bank and in hand		3,221		10,155	
		<u>4,994,861</u>		<u>3,503,888</u>	
Creditors: amounts falling due within one year	10	<u>(4,878,428)</u>		<u>(5,858,318)</u>	
Net current assets/(liabilities)			116,433		(2,354,430)
Total assets less current liabilities			<u>319,004</u>		<u>(2,240,218)</u>
Capital and reserves					
Called up share capital	11		2		2
Profit and loss reserves			319,002		(2,240,220)
Total equity/ (deficit)			<u>319,004</u>		<u>(2,240,218)</u>

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and signed by the director and authorised for issue on 29 March 2022

S Martin
Director

Company Registration No. SC188687

GLACIER ENERGY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

Glacier Energy Services Limited (SC188687) is a private company limited by shares incorporated and domiciled in Scotland. The registered office is Blackwood House, Union Grove Lane, ABERDEEN, AB10 6XU.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Glacier Energy Services Limited is a wholly owned subsidiary of Glacier Energy Services Holdings Limited and the results of Glacier Energy Services Limited are included in the consolidated financial statements of Glacier Energy Services Holdings Limited, which are available from its registered office at Companies House, 4th Floor, Edinburgh, Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.

1.2 Going concern

The company meets its day to day working capital requirements with the support of a group Confidential Invoice Discounting ("CID") facility, which is expected to remain in place for the foreseeable future. As part of the directors' assessment of going concern, prepared at group level, detailed projections have been prepared for the forthcoming 12 months beyond the anticipated signing date of these financial statements, which demonstrate the group is able to generate sufficient cashflow to allow for adequate headroom within its existing invoice discounting facility.

As part of these projections, the directors have also considered the impact of the global COVID-19 pandemic, which continues to create uncertainty for global economies, coupled with the ongoing fluctuations to oil price. The company has continued to trade through the associated disruption and, while impacted, has appropriately managed the risks from the pandemic, both financial and non-financial, including undertaking a reduction of the group's overheads, utilisation of government support schemes and adoption of robust working environments for employees, following government guidance. The directors are confident that they can continue to manage any further short term operational or commercial challenges presented by the pandemic and oil price. Whilst the directors are confident in these projections, it should be noted that projections by their very nature are uncertain and require a degree of estimation.

Furthermore, the group has now put in place new working capital arrangements with IGF Business Credit Limited, which has taken on the £4m CID facility from the Clydesdale Bank and also provided an additional £1m loan under the Coronavirus Recovery Loan Scheme ("CRLS"), from 23 December 2021. The CID facility runs for a minimum of 3 years and the CRLS loan is repayable over 4 years. Management are satisfied with the group's working capital funding arrangements for the foreseeable future.

Based on the above considerations, the directors have reasonable assurance over the company's resilience going forward and as such, have adopted the going concern basis of accounting in preparing these financial statements.

GLACIER ENERGY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

1.3 Turnover

Turnover represents amounts invoiced during the year in respect of the provision of heat exchanger products and services and onsite machining and consultancy.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Where the outcome of a contract can be assessed with reasonable certainty, profit is recognised as the difference between revenue and related costs. Any foreseeable loss is recognised immediately in profit or loss.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Intellectual property & customer lists	10 years
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1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

GLACIER ENERGY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Plant and machinery	20% on cost
Office equipment	10% to 50% on cost
Motor vehicles	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the profit and loss account.

1.7 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss account.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Work in progress

Work in progress is valued at the lower of cost and net realisable value, and includes direct expenditure and an appropriate proportion of fixed and variable overheads.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the profit and loss account. Reversals of impairment losses are also recognised in the profit and loss account.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

GLACIER ENERGY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, amounts due from group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the profit and loss account.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and overdrafts and amounts due to fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

GLACIER ENERGY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

The company participates in the defined contribution pension scheme operated by the group. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

GLACIER ENERGY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.17 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

GLACIER ENERGY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful lives of tangible assets

Tangible fixed assets are measured at cost and then depreciated over the estimated useful life of the asset. The company has used estimation to determine a useful life for each asset, and as such the depreciation charge is based on this estimation.

Engineering contract accounting

Management assess the stage of completion for each engineering contract on a monthly basis in order to allocate an appropriate level of revenue within each given period. The estimate is calculated by comparing costs incurred as a proportion of total budgeted costs. Total budgeted costs are calculated by individuals with relevant experience to enable them to estimate such values and are reviewed against actual costs incurred on a regular basis.

3 Exceptional item

	2021	2020
	£	£
Release of amounts due to group	(3,760,683)	-

Amounts above relate to the release of amounts due to fellow group members company which the counterparties have released the company from.

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was 33 (2020 - 26).

GLACIER ENERGY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Intangible fixed assets	Goodwill	Intellectual property & customer lists	Total
	£	£	£
Cost			
At 1 April 2020	-	-	-
Transfers	13,821	23,000	36,821
At 31 March 2021	13,821	23,000	36,821
Amortisation and impairment			
At 1 April 2020 and 31 March 2021	-	-	-
Carrying amount			
At 31 March 2021	13,821	23,000	36,821
At 31 March 2020	-	-	-

Transfers represent the transfer of intangible fixed assets from a fellow subsidiary, Glacier Whiteley Read Limited.

6 Tangible fixed assets	Plant and machinery etc
	£
Cost	
At 1 April 2020	2,221,597
Additions	85,067
Disposals	(540,077)
Transfers from group companies	173,535
At 31 March 2021	1,940,122
Depreciation and impairment	
At 1 April 2020	2,107,485
Depreciation charged in the year	94,836
Eliminated in respect of disposals	(540,077)
Transfers from group companies	112,228
At 31 March 2021	1,774,472
Carrying amount	
At 31 March 2021	165,650
At 31 March 2020	114,112

GLACIER ENERGY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Tangible fixed assets (Continued)

Transfers represent the transfer of fixed assets from a fellow subsidiary, Glacier Whitely Read Limited, which has ceased trading during the year ended 31 March 2021.

7 Fixed asset investments

	2021	2020
	£	£
Investments	100	100
	<u>100</u>	<u>100</u>

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 April 2020 & 31 March 2021	100
	<u>100</u>
Carrying amount	
At 31 March 2021	100
	<u>100</u>
At 31 March 2020	100
	<u>100</u>

8 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held Direct
Aberdeen Radiators Limited	1	Manufacture of radiator cores and complete radiators	Ordinary	100.00

Registered Office addresses:

1 Blackwood House, Union Grove Lane, Aberdeen, AB10 6XU

GLACIER ENERGY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Debtors	2021	2020
Amounts falling due within one year:	£	£
Trade debtors	1,970,068	1,274,546
Corporation tax recoverable	83,439	213,696
Amounts owed by group undertakings	2,276,042	1,555,481
Other debtors	249,746	280,398
	<u>4,579,295</u>	<u>3,324,121</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

10 Creditors: amounts falling due within one year	2021	2020
	£	£
Bank loans and overdrafts	1,154,217	649,886
Trade creditors	595,857	651,405
Amounts owed to group undertakings	2,404,302	4,127,715
Taxation and social security	-	9,575
Other creditors	724,052	419,737
	<u>4,878,428</u>	<u>5,858,318</u>

Bank loans and overdrafts represent an invoice finance liability which is secured.

Included within other creditors are obligations due under finance leases amounting to £nil (2020 - £32,189). Finance leases are secured against the assets to which they relate.

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

11 Called up share capital	2021	2020
	£	£
Ordinary share capital		
Issued and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

12 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.
The senior statutory auditor was Stephen McIlwaine.
The auditor was Johnston Carmichael LLP.

GLACIER ENERGY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

13 Financial commitments, guarantees and contingent liabilities

The company has provided an unlimited cross guarantee to the company's bankers between itself and its associated companies, Glacier Energy Services Holdings Limited, Glacier Welding Solution Limited, Glacier Machining Solutions Limited, Glacier Inspection Services Limited, Glacier Whiteley Read Limited and Aberdeen Radiators Limited. At 31 March 2021 the potential liability to the company under this guarantee was £1,549,253 (2020 - £2,765,963).

The company has provided a guarantee on behalf of Glacier Energy Services Holdings Limited in relation to secured loan notes. At the period end the amount due on the loan notes including accrued interest and redemption premium was £16,958,505 (2020 - £16,080,381).

The company has provided a guarantee on behalf of Glacier Energy Services Holdings Limited in relation to a secured loan. At the year end the amount due on the loan including accrued interest was £3,691,617 (2020 - £3,507,567).

14 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2021	2020
£	£
397,563	1,101,465
<u>397,563</u>	<u>1,101,465</u>

15 Related party transactions

The company has taken the exemption in FRS 102 Section 33.1A of the requirement to disclose transactions with other wholly-owned companies within the same group.

16 Parent company

The company's parent and ultimate holding company is Glacier Energy Services Holdings Limited.

Glacier Energy Services Holdings Limited has its registered office at Blackwood House, Union Grove Lane, Aberdeen, AB10 6XU.

Glacier Energy Services Holdings Limited is the smallest and largest group of companies into which the company is consolidated. Group accounts are available from Companies House, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh. EH3 9FF.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.