

Lucas Bowland (No.2) Limited

Annual report and financial statements

Registered number 8347365

For the year ended 30 June 2018



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Strategic report

Lucas Bowland (No.2) Limited ("the Company") has a 13.75% working interest in UK Onshore licence PEDL 165. The licence covers an area in Bowland, Lancashire where exploration and appraisal works for on-shore oil and gas have commenced.

The result for the year is a loss of \$882,000 (2017: \$479,000). The Directors do not recommend the payment of a dividend.

Principal risks and uncertainties

As a 100% subsidiary of AJ Lucas Group Limited ("AJL"), the principal risks and uncertainties of the Company are integrated with the principal risks and uncertainties of AJL. The AJL Board has established policies on risk management. The AJL Board and the Audit and Risk Committee monitor risk exposure and ensure that the risk management system is operating effectively. A copy of the risk statement is available in the shareholder information section of AJL's website - www.lucas.com.au.

The principal risks and uncertainties of the Company are summarised as follows:

- Exploration and appraisal risk - The assessment of resources and reserves is inherently uncertain and AJL manages this risk by forming joint operating agreements with partners who have extensive expertise and experience. Through the collection and extensive analysis of geological and seismic data, geomechanical studies, physical and chemical laboratory analyses and reservoir engineering data, the exposure to geological uncertainties in the exploration and appraisal phase is mitigated.
- Regulatory risk – Through its drilling, hydraulic fracture stimulation and well testing operations, there is exposure to planning, licensing, regulatory, environmental and other legislative risks. Although a very robust legislative and regulatory framework is in place in the UK, the challenge is in ensuring the co-ordination between all regulators for timely and efficient decision making. The Board places considerable importance on maintaining the highest standards of regulatory compliance and developing successful working relationships with local communities and local and national government authorities.
- Currency, interest rate and credit risks are not considered to be significant at this stage.

Key Performance Indicators ("KPIs")

The directors of AJL manage the group's operations on a combined basis. For this reason, the company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company.

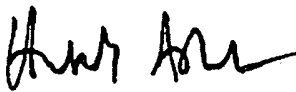
Strategic report *(continued)*

Going concern

The financial statements have been prepared on the going concern basis, notwithstanding net liabilities of \$2,073,000, which the directors believe to be appropriate.

The Company is dependent for its working capital on funds provided to it by AJL, the Company's parent. AJL has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to provide the necessary financial support to enable the Company to trade and meet its liabilities as they fall due and in particular will not seek repayment of the amounts currently made available.

By order of the board



Hubert Ashton
Director



2019

Directors' report

The directors of the Company present their strategic report, directors' report and financial statements for the year ended 30 June 2018.

Principal activities

The principal activity of the Company is the exploration and appraisal of onshore oil and gas projects in the United Kingdom.

Directors

The directors who held office in the period to the date of this report were as follows:

Phillip Amall
Hubert Ashton

Disclosure of information to auditor

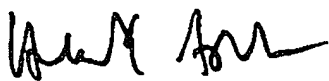
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

During the period Ernst Young LLP was appointed as auditor to the company.


Pursuant to Section 487 of the Companies Act 2006, Ernst Young LLP will be deemed to be reappointed and will therefore continue in office.

By order of the board



Hubert Ashton
Director

95 Aldwych
London
WC2B 4JF



2019

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUCAS BOWLAND (No.2) LIMITED

Opinion

We have audited the financial statements of Lucas Bowland (No.2) Limited for the year ended 30 June 2018 which comprise of the Income Statement and Comprehensive Income and Balance Sheet, and the related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 June 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUCAS BOWLAND (No.2) LIMITED *(continued)*

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUCAS BOWLAND (No.2) LIMITED *(continued)*

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Jamie Dixon (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester
22nd March 2019

Income statement and comprehensive income
for the year ended 30 June 2018

	<i>Note</i>	<i>Year ended 30 June 2018 \$000</i>	<i>Year ended 30 June 2017 \$000</i>
<i>Operating expenses</i>		<i>(826)</i>	<i>(455)</i>
<i>Administrative expenses</i>		<i>(56)</i>	<i>(24)</i>
		<hr/>	<hr/>
<i>Operating loss</i>	<i>4</i>	<i>(882)</i>	<i>(479)</i>
<i>Taxation</i>	<i>5</i>	<i>-</i>	<i>-</i>
		<hr/>	<hr/>
<i>Loss for the year</i>		<i>(882)</i>	<i>(479)</i>
		<hr/>	<hr/>

The results above relate to continuing operations.

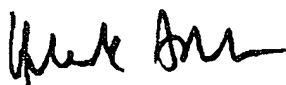
The Company has no other income or expenses recognised in the year, other than those shown in the 'Income Statement and Comprehensive Income' above.

The accompanying notes on pages 10 to 18 form an integral part of these financial statements.

Balance sheet
at 30 June 2018

	Note	2018 \$000	2017 \$000
Non-current assets			
Intangible exploration and evaluation costs	6	10,490	4,868
Current assets			
Trade and other receivables	7	270	379
Total assets		<u>10,760</u>	<u>5,247</u>
Current liabilities			
Trade and other payables	8	(12,266)	(6,037)
Provisions	9	(208)	-
Non-current liabilities			
Provisions	9	(359)	(401)
Total liabilities		<u>(12,833)</u>	<u>(6,438)</u>
Net liabilities		<u>(2,073)</u>	<u>(1,191)</u>
Equity attributable to equity holders of the parent			
Share capital	10	-	-
Retained losses	10	(2,073)	(1,191)
Total deficit		<u>(2,073)</u>	<u>(1,191)</u>

These financial statements were approved by the board of directors on 24 March 2019 and were signed on its behalf by:



Hubert Ashton
Director

Company registered number: 8347365

The accompanying notes on pages 10 to 18 form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Lucas Bowland (No.2) Limited (the "Company") is a company incorporated in and domiciled in the United Kingdom.

The financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") and applied in accordance with the provisions of the Companies Act 2006.

The Company's financial statements are presented in US dollars, which is the Company's functional and presentation currency.

Measurement convention

The financial statements are prepared on the historical cost basis. Non-current assets are stated at the lower of previous carrying amount and fair value less costs to sell.

Going concern

The Company's business activities, together with the factors likely to affect its future developments, performance and position are set out in the strategic report on page 1.

Notwithstanding that at the year end the Company had net liabilities of \$2,073,000 the statutory accounts have been prepared on a going concern basis, which the directors believe to be appropriate for the following reasons:

The Company is dependent for its working capital on funds provided to it by AJ Lucas Group Limited, the Company's parent. AJ Lucas Group Limited has indicated that for at least 12 months from the date of approval of these financial statements, it will continue provide the necessary financial support to enable the Company to trade and meet its liabilities as they fall due for the foreseeable future and in particular will not seek repayment of the amounts currently made available.

Cash flow statement

The Company has not prepared a cash flow statement as it has not engaged in any cash transactions during the year. Expenses have been paid by the parent company and settled through intercompany account.

Foreign currency

Transactions in foreign currencies are translated to the functional currencies of Company at the foreign exchange rate issued at by Her Majesty's Revenue & Customs at the beginning of the month in which the transaction occurs. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Notes (continued)

I Accounting policies (continued)

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Exploration and evaluation expenses

The Company applies the successful efforts method of accounting for exploration and evaluation expenses having regard to IFRS 6, "Exploration for and Evaluation of Mineral Resources".

Pre-licence costs and costs incurred prior to a determination process are expensed directly to the income statement as incurred.

Subsequent exploration and evaluation costs directly associated with an identifiable exploration project area are capitalised as an intangible asset until the project has been evaluated. If hydrocarbons are found and, subject to further appraisal, the project is likely to be capable of commercial development, the costs continue to be carried as an asset.

The costs of unsuccessful projects are written off to the income statement: this is in accordance with the successful efforts accounting policy but is also compatible with IAS 36, "Impairment of Assets", on the basis that the asset is impaired.

Once appraisal is complete and commercial reserves are established then the relevant cost is transferred (following an impairment review as described below) from intangible exploration and evaluation assets to development and production assets within tangible assets. Expenditures incurred after the commerciality of the field has been established are capitalised within development and production assets.

Exploration and evaluation assets are amortised from the date they are available for use.

Impairment test

Exploration and evaluation expenditures which are held under IFRS 6 are reviewed at each reporting date for indicators of impairment. Such circumstances include, but are not limited to:

- i. Expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- ii. Exploration for and evaluation of mineral resources in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- iii. Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Notes (continued)

1 Accounting policies (continued)

Decommissioning costs

Where a material liability for the removal of production facilities and site restoration at the end of the field life exists, a provision for decommissioning is recognised. The amount recognised is the net present value of estimated future expenditure determined in accordance with local conditions and requirements. Discounting is used to the extent it is material. An asset, of an amount equivalent to the provision, is also added to the tangible cost and depreciated as part of the cost of the asset. Changes in estimates are recognised prospectively, with corresponding adjustments to the provision and associated asset.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting, where material, the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Adopted IFRS not yet applied

At the date of the approval of these financial statements, the following Standards and Interpretations, which have not yet been applied in these financial statements, were in issue, but not yet effective:

- IFRS 9 - Financial Instruments
- IFRS 14 - Regulatory Deferral Accounts
- Annual improvements to IFRS 2010-2012 cycle
- Annual improvements to IFRS 2011-2013 cycle
- Annual improvements to IFRS 2012-2014 cycle
- Amendments to IFRS 11 - Accounting for Acquisitions of Interests in Joint Operations
- Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation
- IFRS 15 - Revenue Recognition
- IFRS 16 – Leases

The Directors anticipate that adoption of these Standards and Interpretations in future periods will not have a material impact on the financial statements of the Company.

Notes (continued)

2 Business and geographical segments

The Company has a single class of business which is oil and gas exploration in the UK. The Company acts in one geographical area.

3 Staff costs and directors' remuneration

The Company had no employees during the year. No directors received any remuneration in respect of services to the Company. Mr Ashton's directors fees are payable to Peachey & Co LLP and are met by AJ Lucas Group Limited.

4 Expenses and auditor's remuneration

Included in loss for the year are the following:

	Year ended 30 June 2018 \$000	Year ended 30 June 2017 \$000
Foreign exchange losses	45	13
Audit of the financial statements – KPMG LLP	-	6
Audit of the financial statements – Ernst Young LLP	7	-
	<hr/>	<hr/>

Notes (continued)

5 Taxation

Recognised in the income statement

	2018 \$000	2017 \$000
Current tax expense	-	-
Deferred tax expense	-	-
Total tax expense	-	-

Reconciliation of effective tax rate

	2018 \$000	2017 \$000
Loss before tax for the year	882	479
Tax using the UK Ring-fence corporation tax rate of 40%	353	192
Current year losses for which no deferred tax asset was recognised	(353)	(192)
Total tax expense	-	-

The ring fence corporation tax rate of 40% comprises the main rate of corporation tax on ring fence profits of 30% and an additional supplementary charge of 10%. An onshore allowance may also be available to reduce the supplementary charge and this will reduce the company's tax charge accordingly.

No provision for tax has been made as the Company has estimated accumulated pre-trading expenses \$2,073,000 (2017: \$1,191,000) which are available for offset against future taxable income. A deferred tax asset has not been recognised as it is uncertain when the Company will be able to utilise the pre-trading expenses.

Notes (continued)

6 Intangible exploration and evaluation assets

	Exploration and evaluation costs \$000
<i>Cost and net book value</i>	
Balance at 1 July 2016	3,431
Additions	1,437
	<hr/>
Balance at 30 June 2017	4,868
	<hr/>
Balance at 1 July 2017	4,868
Additions	5,622
	<hr/>
Balance at 30 June 2018	10,490
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7 Trade and other receivables

	2018 \$000	2017 \$000
<i>Current</i>		
Trade receivables	-	260
Other receivables	270	119
	<hr/>	<hr/>
	270	379
	<hr/>	<hr/>

8 Trade and other payables

	2018 \$000	2017 \$000
<i>Current</i>		
Trade payables due to related parties (note 13)	1,633	596
Amounts due to ultimate parent company (note 13)	2,954	2,954
Amounts due to immediate parent company (note 13)	7,666	2,475
Accrued expenses	13	12
	<hr/>	<hr/>
	12,266	6,037
	<hr/>	<hr/>

Amounts due to the parent company relate to the settlement of liabilities on behalf of the Company. The amounts bear no interest and are repayable on demand. See Note 1 relating to the parent company's ongoing financial support.

Notes (continued)

9 Provisions

<i>Decommissioning provision</i>	2018 \$000	2017 \$000
<i>Balance at 1 July</i>	401	468
<i>Additional provisions in the year</i>	359	-
<i>Provision released in the year</i>	(22)	(67)
<i>Provision utilised in the year</i>	(171)	-
Balance at 30 June	567	401
<i>Included in:</i>		
<i>Current liabilities (less than one year)</i>	208	-
<i>Non-current liabilities (between one and five years)</i>	-	401
<i>Non-current liabilities (after five years)</i>	359	-
Balance at 30 June	567	401

Discounting is used to the extent it is material.

10 Capital and reserves

Reconciliation of movement in capital and reserves

	Share capital \$000	Retained losses \$000	Total equity \$000
<i>Balance at 1 July 2016</i>	-	(712)	(712)
<i>Total recognised income and expense</i>	-	(479)	(479)
Balance at 30 June 2017	-	(1,191)	(1,191)
<i>Balance at 1 July 2017</i>	-	(1,191)	(1,191)
<i>Total recognised income and expense</i>	-	(882)	(882)
Balance at 30 June 2018	-	(2,073)	(2,073)

Share capital

<i>Ordinary Shares</i>	2018 Number	2017 Number
<i>On issue at 30 June – fully paid</i>	100	100
<i>Authorised, allotted, called up and fully paid</i>	\$	\$
<i>100 Ordinary shares of \$1.50 each</i>	150	150

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Notes (continued)

11 Financial instruments

11(a) Fair value of financial instruments

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

Trade and other payables

The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

Fair values

The fair values of financial assets and liabilities are considered to be the same as the carrying amounts.

11(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company has no significant exposure to credit risk.

11(c) Liquidity risk

Financial risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's most significant creditor is an intercompany balance with its parent company, which although it is documented as repayable on demand, the parent company has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts currently made available.

11(d) Market risk

Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

Exposure to interest rate risks arise in the normal course of the Company's business. Exposure to foreign currency risk is not considered significant.

11(e) Capital management

The Company is dependent for its working capital on funds provided to it by AJ Lucas Group Limited, the Company's parent. Management have reviewed the forecast cash requirements of the Company for the following 12 months and have satisfied themselves that the Company will be able to meet its external liabilities as they fall due for payment.

Notes (continued)

12 Contingencies

The Company is part of a group registration for VAT.

13 Related parties

The Company has entered into a joint operating agreement with Cuadrilla Bowland Limited (the operator during the reporting period) and other partners. The ultimate parent company of Cuadrilla Bowland Limited is Cuadrilla Resources Holdings Limited, in which AJ Lucas Group Limited has a 47% shareholding.

For the year ended 30 June 2018, the following related party transactions took place on an arms length basis:

	<i>Purchases from 2018 \$000</i>	<i>2017 \$000</i>	<i>Payables outstanding 2018 \$000</i>	<i>2017 \$000</i>
<i>Joint operating agreement</i>				
Cuadrilla Bowland Limited	9,887	3,661	1,633	596
<i>Group companies</i>				
Ultimate parent company – AJ Lucas Group Limited	-	-	2,954	2,954
Immediate parent company – Lucas Holdings (Bowland) Limited	-	-	7,666	2,475

14 Ultimate parent company and parent company of larger group

The company is a subsidiary undertaking of Lucas Holdings (Bowland) Limited, a company incorporated in the United Kingdom.

The largest and smallest consolidated financial statements into which the results of the Company are consolidated are those of the ultimate parent company and controlling party, AJ Lucas Group Limited, a company registered in Australia. Copies of the consolidated financial statements are available from Level 6 Elizabeth Plaza, North Sydney, NSW, 2060, Australia.