**BOARD OF DIRECTORS**

**REPORT AND FINANCIAL STATEMENTS**



**[YEAR]**

(The contents of each section are for illustrative purposes only. Please change accordingly. The author shall remove this note upon the use of this Board of Directors Report.



**LETTER TO SHAREHOLDERS**

[DATE]

Dear Shareholders,

[NAME OF CORPORATION] hereby presents this Annual Report of [YEAR] detailing the Corporation’s level of productivity and annual financial statements.

The Corporation continues to deliver positive revenues, sturdy oil production growth, excellent performance and lesser generated production costs. With the lesser production costs, the Corporation is now able to close numerous exportation deals from different petroleum exporters such as [ENUMERATE EXPORT PARTNERS]. The Corporation’s production grew by [PERCENTAGE], a commendable increase compared to the previous year, which was primarily driven by the hard work and consistent perseverance of staff and employees. This strong performance, reflected a very solid balance sheet and a positive overall performance.

It shall also be noted that terms of re-negotiation are renewed by lending investors, showing an increased confidence in the Corporation’s ability to nurture and fund its growth and expansion.

[NAME OF CORPORATION] is all the more focused in optimizing the development of one of its biggest assets by increasing pipeline transportation capacity and further increase the petroleum shipment from [NUMBER] barrels to [NUMBER].

Thanks to its success, the Corporation shall remain focused and be resilient to reach this year’s target plan. By steadily increasing the pace of low-cost drilling, it shall be expected that the Corporation will be able to deliver robust cash flow growth and further improve our corporate returns. Continuous efforts regarding environmental initiatives shall also be pursued to reduce the percentage of spills.

In closing, the corporation has successfully managed its targets with continuous efforts for lower petroleum prices.

All the best,

[NAME OF PRESIDENT OR CHIEF EXECUTIVE OFFICER]

[POSITION]

**BOARD OF DIRECTORS’ REPORT**

1. REVIEW OF OPERATIONS

The Corporation’s operations are on the upstream industry, which is primarily concerned with producing crude oil and natural gas.

Following the long years of challenging market conditions, the upstream industry remains very competitive in finding reservoirs, with the environmental conditions affecting the supply of oil. Thus, adoption of sustainable business strategies such as investing in manpower and sophisticated drilling technologies improved its ability to create a positive position in the industry.

1. FINANCIAL RESULTS

Positive results in its operations equate to positive financial results thus shown below:

**KEY FINANCIAL RESULTS**

|  |  |  |
| --- | --- | --- |
|  | **Previous Year** | **Present Year** |
| Revenue |  |  |
| Investments |  |  |
| Raw Earnings (Without Tax) |  |  |
| Net Income With Tax |  |  |
| Earnings per Share |  |  |
| Operation Profit |  |  |
| Operation Costs |  |  |
| **Total Comprehensive Income** | **USD 0.00** | **USD 0.00** |

**OPERATIONAL INFORMATION**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Previous Year** | **Present Year** | **Percentage Difference** |
| Oil Production |  |  |  |
| Gas Production |  |  |  |
| Oil Price Per Barrel |  |  |  |
| Power Production |  |  |  |

The above disclosure is an illustration of a positive outcome in the implementation of the work plan by the Corporation, resulting to a lesser percentage of operating costs and a higher comprehensive income compared with the previous year.

Further, better production of oil is manifested in the present year with its [PERCENTAGE] difference, indicating a higher productivity for the present year.

1. COMPETITIVE ASPECTS OF THE CORPORATION

|  |  |  |
| --- | --- | --- |
| **AREA OF OPERATION** | **PREVIOUS YEAR OPERATIONS** | **PRESENT YEAR OPERATIONS** |
| Exploration | * Haphazard geologic analysis resulting in inaccurate viable areas, leading to costly operations * No assessments conducted on viable areas | - Improved geologic analysis leading to better finds and viable areas  - Better assessment of available exploration areas and efficient request of license permission |
| Drilling and Production | * Operational and efficient but lapses detected * No estimated personnel count | - Maximized operational efficiency with the availability of advanced technology.  -Better asset and personnel management resulting in lesser costs of production |
| Market Pricing and Forecast | * No studies conducted | - Conducted Study and Analysis regarding the trends in the oil industry. |

The Corporation has better operational efficiency in the present year as lapses in the previous year were duly noted and taken into consideration. It is to be noted that the previous year was a test year and recorded inconsistencies in its operations were significantly improved for a better performance.

The noticeably improved conduct of operations was applied in the majority of the Corporation’s upstream reserves located in [ENUMERATE THE DIFFERENT COUNTRY RESERVES]. The Board recommends securing the positive operations and growth in the succeeding years. Better strategic workforce planning is recommended to solidify its reputation as a competitor in the oil industry.

**SHAREHOLDER’S INFORMATION**

After payment of shares, the shareholders as listed in the table below have the right to:

1. Receive dividends from the corporation;
2. Be notified about the shareholders’ meetings;
3. Vote in the shareholder’s meeting;
4. Elect and dismiss directors;
5. Approve or reject by-laws;
6. Receive shares of the property when Corporation is dissolved;
7. Receive annual financial statements;
8. Examine corporate records, financial statements, and pertinent corporate information; and
9. Appoint the auditors for the financial statements of the Corporation.

|  |  |  |
| --- | --- | --- |
| **Name of Shareholder** | **Number of Shares** | **Percentage of Shareholdings** |
|  |  |  |
|  |  |  |
|  |  |  |

**FINANCIAL STATEMENTS**

* + - 1. INCOME STATEMENT

|  |  |  |
| --- | --- | --- |
|  | **PREVIOUS YEAR** | **PRESENT YEAR** |
| Revenue |  |  |
| Other Generated Income |  |  |
| **Total Revenue and Income** |  |  |
| Exploration of raw material expense |  |  |
| Purchases during the financial year |  |  |
| Staff Expenses |  |  |
| Wage and Salaries |  |  |
| Other Operating Expenses |  |  |
| **Total Operating Expenses** |  |  |
| Earnings before financial items and tax |  |  |
|  |  |  |
| Financial Income |  |  |
| Income from continuing operations |  |  |
|  |  |  |
| **Net Income attributable to minority interests** | **(USD)** | **(USD)** |
| **Net Income attributable to Corporation shareholders** | **(USD)** | **(USD)** |

1. CASH FLOW STATEMENT

|  |  |  |
| --- | --- | --- |
|  | **PREVIOUS YEAR** | **PRESENT YEAR** |
| **Cash Flow from Operations** | | |
| Net Income |  |  |
| Exploration operations profit |  |  |
| Adjustments   1. Depreciation and amortization 2. Other Adjustments |  |  |
| Interests and expenses paid for other financing costs of operations |  |  |
| Direct taxes paid |  |  |
| **Total Cash flow from operations** |  |  |
| **Cash Flow from Investments** | | |
| Capital Expenditure in Corporation’s assets |  |  |
| Investment Subsidies |  |  |
| Proceeds from Corporation’s assets |  |  |
| Repayment of loan receivables |  |  |
| **Total Cash flow from Investments** |  |  |

1. BALANCE SHEET

|  |  |  |
| --- | --- | --- |
| **ASSETS** | | |
|  | **PREVIOUS YEAR** | **PRESENT YEAR** |
| **Non-current Assets** | | |
| Intangible Assets |  |  |
| Tangible Assets |  |  |
| Property, Plant, and Equipment |  |  |
| Machinery and Equipment |  |  |
| Advance payments and constructions in progress |  |  |
| Investments |  |  |
| **Current Assets** | | |
| Stocks  Raw materials and supplies |  |  |
| Other Stocks |  |  |
| Receivables |  |  |
| Loan receivables |  |  |
| Other receivables |  |  |
| **TOTAL ASSETS** | **USD 0.00** | **USD 0.00** |

|  |  |  |
| --- | --- | --- |
| **LIABILITIES AND EQUITIES** | | |
|  | **PREVIOUS YEAR** | **PRESENT YEAR** |
| Bank loans |  |  |
| Taxes payable |  |  |
| Other current financial liabilities |  |  |
| **Total Liability** |  |  |
| Share capital |  |  |
| Retained earnings |  |  |
| Other components of equity |  |  |
| Equity attributed to Corporation shareholders |  |  |
| **Total Equity** |  |  |
| **Total Liabilities and Equity** | **USD 0.00** | **USD 0.00** |

All financial statements are approved by the Board of Directors. Attached herein are the signatures of approval:

[NAME OF CHAIRMAN]

**Chairman**

[NAME OF DIRECTOR]

**Director**

[NAME OF DIRECTOR]

**Director**

[NAME OF PRESIDENT AND CHIEF-EXECUTIVE-OFFICER]

**President and Chief-Executive-Officer**