

Quarterly Profit Statement Variance Analysis

Company: ABC Manufacturing Ltd.

Quarter: Q1 2024
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Variance Analysis Table

Particulars	Actual (Q1 2024)	Budget (Q1 2024)	Variance	% Variance	Remarks
Revenue	2,500,000	2,400,000	+100,000	+4.2%	Higher sales in North region
Cost of Goods Sold	1,450,000	1,400,000	-50,000	-3.6%	Raw material price hike
Gross Profit	1,050,000	1,000,000	+50,000	+5.0%	-
Operating Expenses	320,000	300,000	-20,000	-6.7%	Increased marketing spend
Operating Profit	730,000	700,000	+30,000	+4.3%	-
Other Income	50,000	45,000	+5,000	+11.1%	Interest income
Net Profit Before Tax	780,000	745,000	+35,000	+4.7%	-
Tax	195,000	186,000	-9,000	-4.8%	Tax rate change
Net Profit After Tax	585,000	559,000	+26,000	+4.7%	-

Summary of Key Variances

- Revenue exceeded budget due to strong regional sales.
- Cost of goods sold increased due to external market factors.
- Operating expenses are higher mainly because of additional marketing campaigns.
- Net profit after tax is 4.7% above the budgeted figure.

Important Notes

- This statement compares actual financial performance against the budget for the same quarter.
- Variance analysis helps in identifying areas of significant deviation from expected results.
- Remarks column is used to provide brief reasons for notable variances.
- Regular variance analysis supports effective management decisions and timely corrective actions.