

Budget vs Actual Operating Profit Statement

For the period ended 30 June 2024

Description	Budget (USD)	Actual (USD)	Variance (USD)	Variance (%)
Revenue	500,000	480,000	-20,000	-4.0%
Cost of Goods Sold	320,000	315,000	-5,000	-1.6%
Gross Profit	180,000	165,000	-15,000	-8.3%
Selling Expenses	30,000	28,000	-2,000	-6.7%
Administrative Expenses	25,000	27,000	+2,000	+8.0%
Other Operating Expenses	15,000	10,000	-5,000	-33.3%
Total Operating Expenses	70,000	65,000	-5,000	-7.1%
Operating Profit	110,000	100,000	-10,000	-9.1%

Important Notes:

- The statement compares budgeted and actual performance to monitor financial efficiency.
- Negative variance indicates underperformance; positive variance reflects overperformance or savings.
- Helps in identifying areas requiring managerial intervention or further analysis.
- Should be regularly reviewed to facilitate informed decision-making and corrective actions.
- Ensure consistency in accounting policies when preparing both budget and actual figures.