

then it was discovered that they had budgeted 32500 whilst their actual value was 32700, because they mainly believed that since it was winter they thought that their ice cream would not sell on that specific month. But people bought an ice cream anyway because since it's near Christmas, and if Tutti Brothers distributed in a popular place, sales would increase. This led to more employment and overpaid wages for each day of the week to keep the company running, which means part – time staff are hired as much as full – time. The primary reason of this over – expenditure is the cost of sales whereas this would lead to goods being more expensive since they are difficult to sell, making the company look over their budget. But they were able to sell more products than interpreted whilst knowing that they can do better during summer since they sell ice cream, so they planned for higher budgets. Tutti Brothers have made a reasonable amount of sales, but the overall goods they make wouldn't be suitable for that time of year. In January, the business had to make payments on assets such as stock and staff wages with only the amount of 500 between the budgeted and actual figures. This could be because of lack of staff, which is why they hired full, part and temporary timed staff, and are hoping that they're budget will recover since they recruited during last month. Advertising was an added cause of this and was expensive although the business didn't gain as many sales from it as they thought and instead had considered other forms of making sales before creating adverts. Later the net profit they budgeted was 8100 with their actual figure being 6500, because during December they realised they had to reduce their budget figure by attempting people to buy their ice – cream products despite the season, as well as not wanting to pay for those months where they are most unsuccessful. Tutti Brothers can recover with higher sales and advertising during the summer. This shows that a lack of managing costs and budgets can cause great set backs for an organisation.

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