Worked example - a fictional business and made-up figures. Replace every detail with your own.

# Profit and loss statement

Period: 1 October 2026 to 31 October 2026

**Business name** Willow Lane Studio **Prepared by** Alex Morgan

| Income | Amount |
|---|---|
| Design work | £2,400.00 |
| Printing jobs | £1,850.00 |
| Workshops and other income | £250.00 |
| | |

| | |
|---|---|
| **Total income** | **£4,500.00** |

| Cost of sales (direct costs) | Amount |
|---|---|
| Paper and ink | £620.00 |
| Outsourced printing | £380.00 |
| Delivery costs | £95.00 |
| | |

| | |
|---|---|
| **Total cost of sales** | £1,095.00 |
| **Gross profit (income minus cost of sales)** | **£3,405.00** |

| Running costs (expenses) | Amount |
|---|---|
| Studio rent | £450.00 |
| Software subscriptions | £68.00 |
| Electricity and heating | £92.00 |
| Insurance | £35.00 |
| Phone and internet | £48.00 |
| Marketing | £120.00 |
| Travel | £64.00 |
| Accountancy fees | £75.00 |
| | |

| | |
|---|---|
| **Total running costs** | £952.00 |
| **Net profit or loss (before tax)** | **£2,453.00** |

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## How to use this template

A profit and loss statement shows what a business earned and spent over a period, and what was left. Use it to see how a month, quarter or year went.

1. **Choose a period.** Pick the dates you are looking at, such as one month, and keep every figure within them.
2. **List your income.** Add the money you earned in the period, by type of work or product.
3. **List the direct costs.** These are costs of making or delivering what you sold. Subtract their total from income to get gross profit.
4. **List the running costs.** Add rent, software, insurance and other overheads, then total them.
5. **Work out the result.** Gross profit minus running costs gives net profit or loss before tax.

*This is a simple summary for your own use, not statutory accounts and not tax advice. For what you must report, see GOV.UK or ask an accountant.*