**Profit and Loss Statement Template**

We have a large number of templates to assist our users when making professional and business related documents and one of them is profit and loss statement template. This template is formatted in Microsoft excel so a user can simply change contents and elements of the template as per business needs to create immaculate profit and loss statement. Profit and loss statement can be elucidated as a financial report of the business that provides comprehensive summary of the revenues, costs and expenses incurred by the business or company during a particular time period. Profit and loss statement is usually prepared by the business at the end of an accounting year. It reflects the overall financial performance of the business and is the report most often used by almost all business owners and companies to track how their business is performing. A profit and loss statement is also known as statement of financial performance. Major purpose of this document is to measures the profit or loss of a business over a specified period of time.

Preparing a profit and loss statement is a professional and recommended way to reveal financial health of a business or company in front of concerned entities like business management, shareholders, customers and government authorities etc. Sole proprietors, partnership businesses and small proprietary companies are not required to prepare a profit and loss statement. However, an accurate and error free profit and loss statement is very useful in helping you to objectively determine the financial performance of your small business or company. It tells you in details that how much real profit your company is making or losing each year. Profit and loss statement gives the actual information about net profit or net loss of the business for a particular accounting period if prepared well and based on facts. According to experts, one simple and easiest way to improve your business’s operations or performance is to closely monitor your profit and loss statement so consider use of a profit and loss statement template to create spic and span profit and loss statement for your business or company.

Profit and loss statement is one of the most important financial reports of the business. It is one of the best indicators of overall health of the business. Without a carefully prepared profit and loss statement, a business management may guess that the business is producing profit but never really knows for sure. It has a lot of advantages for companies as well as for concerned departments and entities. A main advantage of a profit and loss statement is that the performance of a company or business can be compared to past accounting periods to track improvement in the business. It also helps business management in taking decisions for upcoming times. As it is mentioned above that profit and loss statement is a vital business document, it should be formatted carefully using a proper format. Below mentioned profit and loss statement template not only provides a road map to make profit and loss statement but enough instructions also to complete the task efficiently.