CV Bookkeeping
Corrie Verheijen

FREE GUIDE · UNDERSTANDING YOUR NUMBERS

Read your P&L, plus a *20-minute check-in*

Your profit and loss report (P&L for short) answers one question: did the business earn more than it spent? Below is a sample for a made-up yoga studio, laid out like the monthly reports we send our clients. Page 2 is a short monthly routine you can do with a cup of tea and a timer.

Birch Lane Yoga (sample) — Prepared by CV Bookkeeping

Profit and Loss

March 1 to 31 1

Name	March
INCOME 2	
Memberships	9,840.00
Drop-in classes	3,275.00
Workshops	1,450.00
Total Income	**14,565.00**
COST OF GOODS SOLD 3	
Teacher contractor fees	4,860.00
Payment processing fees	421.80
Total Cost of Goods Sold	**5,281.80**
GROSS PROFIT 4	9,283.20
EXPENSES 5	
Rent	4,200.00
Marketing 6	350.00
Utilities and internet	310.00
Cleaning and studio supplies	275.00
Software (booking and accounting)	234.00
Insurance	185.00
Total Expenses	**5,554.00**
NET INCOME 7	3,729.20

Sample figures for a made-up studio, shown before sales tax.

The short answer: the studio brought in 14,565.00 in March and kept 3,729.20 after all its costs, about 26 cents of every dollar.

1 The dates at the top

A P&L always covers a stretch of time, here one month. Check the dates first: a report for the wrong month, or one that stops partway through, tells the wrong story.

2 Income: what you earned

Also called revenue: money from selling your services, split by type. Here, memberships bring in about two-thirds. Sales tax you charged (GST/HST, PST, or RST) isn't included, because it isn't yours to keep.

3 Cost of goods sold: what it costs to deliver

Costs that rise and fall with how much you sell. For this studio, that's teacher fees and card processing fees. If only the money that lands in your bank gets recorded, processing fees can quietly go missing.

4 Gross profit: what each dollar leaves

Income minus cost of goods sold: 9,283.20, about 64 cents of every dollar. Watch this percentage over time. If it slips, a class may be costing more to run than it brings in.

5 Expenses: start with the big lines

The day-to-day costs of running the studio. Rent alone is about three-quarters of expenses, so start there.

6 Marketing: ask "did it work?"

This is spending you choose. Look at it next to your income lines over a few months: did new members follow?

7 Net income: what's left, on paper

Gross profit minus expenses: 3,729.20, about 26% of income. This is profit before income tax, not your bank balance or your pay (see page 2).

MY NOTES

Want a second set of eyes on your P&L?

Book a free 30-minute consult at cvbookkeeping.ca/consult/

cvbookkeeping.ca

What is *not* on your P&L

Some money moves never show up on your P&L. They live on the **balance sheet**, the P&L's partner report, which shows what the business owns and owes on a single day. That's one reason a month can show a profit and still feel tight.

- **Owner draws.** Money you take out for yourself as a sole proprietor isn't a business expense, so it doesn't lower net income. (If you're incorporated, it works differently. Your accountant can help you decide how to pay yourself.)
- **Loan principal payments.** The interest on a loan is an expense. The part of the payment that pays down the loan itself is not.
- **Sales tax you collected (GST/HST, PST, or RST).** You're holding it until you send it to the government, so it shows as money owed, not as income.
- **Equipment and big purchases.** Things like a sound system or a studio renovation usually go on the balance sheet rather than straight onto the P&L. Your accountant decides how assets are claimed.

Your *20-minute* monthly money check-in

Pick the same day each month, once last month's books are done. Set a timer for 20 minutes. You don't need to fix anything today: you're just looking, and making one or two small decisions.

1. **Open your P&L and compare** — 5 min
   Put last month next to the month before and the same month last year. The same month last year matters because most businesses have seasons. Circle any line that moved a lot.
2. **Check your bank balance against your tax savings** — 3 min
   Look at what's in the bank. Take away the sales tax you've collected and what you've set aside for income tax. What's left is the money you can actually use. No set-aside yet? Write down that you'd like to start one.
3. **Look at money owed to you** — 3 min
   Check unpaid invoices and any declined or failed payments (memberships, packages, payment plans). Pick the ones you'll follow up on this week.
4. **Question one expense** — 3 min
   Scan your expenses and pick just one: a subscription you forgot about, a price that crept up, an ad that didn't bring anyone in. Decide: keep it, cancel it, or look into it.
5. **Decide your own pay, on purpose** — 4 min
   Using what you saw in steps 1 to 4, choose what you'll pay yourself this month, even if it's a small amount. Choosing ahead of time is easier than taking whatever happens to be left.
6. **Write one money note or question for your bookkeeper** — 2 min
   A line you didn't recognize, a big change coming up (a new teacher, a new lease), or a simple "why is this so high?" Send it, or save it for your next conversation.

Total: 20 minutes

Corrie's take: I'd rather you do a quick, imperfect check-in every month than a perfect one twice a year. Put it in your calendar like any other appointment, and let it be short.

Sample figures for a made-up business, for illustration only. General information, current as of September 2026; not tax or legal advice. Talk to your accountant about your situation.