

**WILLKOMMEN! BIENVENUE! WELCOME!**

to the world of

**MagicWorkbooks®**

## **BalanceManipulator**

This is a **Magic**Workbook: a controlling tool in the form of a Microsoft Excel file.

No macros, no write protection. All formulas used are visible.

All formats used are standard Excel which transform into your country's Excel formats.

You can import your DATA from any source that supports MS Excel.

You can also add your own worksheets as you see fit.

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**[www.MagicWorkbooks.com](http://www.MagicWorkbooks.com)**

## System requirements

Platform: Windows 98 or later operating system  
Microsoft Excel Version: 2007 or later  
(You need a xls format (excel 2003) – send us a short information after you placed the order – [support@magicworkbooks.com](mailto:support@magicworkbooks.com) - we'll send you the ordered xls MagicWorkbook by email)

## Product Survey

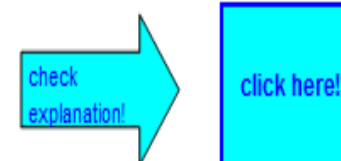
- BalanceManipulator is a tool for calculating the future effects of balance sheet manipulations ("cooking the books").
- It shows these effects for a total of up to 6 years in regard to future balance sheets, future income statements and liquidity.

Sheet	Type	contains:	click to go!
WELCOME	Text	General Introduction	
INTRODUCTION	Text	Working with BalanceManipulator	
DATA	Spreadsheet	DATA INPUT	
Ismanipulated	Spreadsheet	Income Statement (manipulated)	
Isreal	Spreadsheet	Income Statement (real)	
balancemanipulated	Spreadsheet	Balance Sheet (manipulated)	
balancereal	Spreadsheet	Balance Sheet (real)	
C1	Spreadsheet	Comparison Real vs. Manipulated Year 1	
C2	Spreadsheet	Comparison Real vs. Manipulated Year 2	
C3	Spreadsheet	Comparison Real vs. Manipulated Year 3	
C4	Spreadsheet	Comparison Real vs. Manipulated Year 4	
C5	Spreadsheet	Comparison Real vs. Manipulated Year 5	
C6	Spreadsheet	Comparison Real vs. Manipulated Year 6	
bchanges	Spreadsheet	Year-to-Year changes in the balance sheet (manipulated)	
brealchanges	Spreadsheet	Year-to-Year changes in the balance sheet (real)	
demanipulation	Spreadsheet	Demanipulation Survey	
Cdemanipulation	Graph	Demanipulation Survey	
Y1	Graph	Graph Comparison Real vs. Manipulated Year 1	
Y2	Graph	Graph Comparison Real vs. Manipulated Year 2	
Y3	Graph	Graph Comparison Real vs. Manipulated Year 3	
Y4	Graph	Graph Comparison Real vs. Manipulated Year 4	
Y5	Graph	Graph Comparison Real vs. Manipulated Year 5	
Y6	Graph	Graph Comparison Real vs. Manipulated Year 6	
history	Graph	Real Balance Sheet Development at a glance	
LQ	Graph	Liquid assets development	
Lcover	Graph	Coverage of long-term debt	
cashAR	Graph	Coverage of accounts payable	
cashOP	Graph	Coverage of operational business by current assets	

## DATA INPUT

Enter your data in the yellow cells ONLY; using the demo-data as orientation. Do not overwrite any other cells as they may contain formulas which operate this tool.  
Do not delete cells, rows or columns. You may hide rows and columns if you want to.

Company name	<input type="text" value="Fraud Ltd."/>		
Year of Manipulation	<input type="text" value="2024"/>		
Actual Year (for assessing liquid reserves)	<input type="text" value="2025"/>		
Reporting Currency:	<input type="text" value="US \$"/>		
Manipulation Total (-)	<input type="text" value="-2.000.000"/>		
percentage of yearly manipulation increase = increase in expense	<table border="1"> <tr> <td><input type="text" value="10%"/></td> <td><input type="text" value="110%"/></td> </tr> </table>	<input type="text" value="10%"/>	<input type="text" value="110%"/>
<input type="text" value="10%"/>	<input type="text" value="110%"/>		
average income tax percentage	<input type="text" value="40%"/>		



0054-01 BalanceManipulator

**Balance Sheet DATA**

		<b>2024</b>
Intangible Assets / Goodwill		
Property, Plant and Equipment		
Financial Assets		
Other		3.000.000
<b>Total Fixed Assets</b>		3.000.000
Inventories, materials and supplies		500.000
Deposits		
Accounts Receivable		2.020.000
Other Receivables		
Other		100.000
	Subtotal	2.620.000
Short-term financial assets		
Liquid Assets		500.000
<b>Total Current Assets</b>		3.120.000
prepaid expenses		
negative capital		0
<b>TOTAL ASSETS</b>		6.120.000
Capital stock + additional paid-in capital		5.020.000
Retained earnings (previous years)		-900.000
Unappropriated net income		-1.200.000
<b>Negative capital (-)</b>		0
<b>Capital Employed</b>		2.920.000
Pensions and similar obligations		200.000
Deferred Taxation		
Other accruals		300.000
<b>Total Accruals</b>		500.000
Long-Term Debt		2.000.000
Other		
<b>Total Long-Term Liabilities</b>		2.000.000
Deposits		
Accounts Payable		400.000
Intercompany Debt		
Short-Term Debt		
Other		300.000
<b>Total Short-Term Liabilities</b>		700.000
Deferred income		
<b>Total Cap &amp; Liabilities</b>		6.120.000
check control = 0		0

0054-01 BalanceManipulator

<b>INCOME STATEMENT DATA</b>	
	<b>2024</b>
Net Revenue	10.000.000
Cost of Sales	-1.700.000
Gross Operating Profit	8.300.000
Other operating income	5.000
Operating Expenses	-3.000.000
Depreciation and amortization	-500.000
a. Normal depreciation	-500.000
b. extraordinary depreciation	
Other expenses	-5.000.000
Profit / Loss (-) from associates	
Income from Investments	
Interest Income	1.000
Interest and related charges net	-1.006.000
Financial Profit / Loss (-)	-1.005.000
<b>Profit on ordinary activities before taxation</b>	<b>-1.200.000</b>
Extraordinary Income / Loss (-)	0
Income tax expense	0
Other taxes	
Total tax expense	0
<b>Net Income</b>	<b>-1.200.000</b>

0054-01 BalanceManipulator

**Income Statement real**

 Comp. **Fraud Ltd.**

 Reporting Currency: **US \$**
**Income Statements**

	2024	2025	2026	2027	2028	2029
Net Revenue	10.000.000	10.000.000	10.000.000	10.000.000	10.000.000	10.000.000
Cost of Sales	-1.700.000	-1.700.000	-1.700.000	-1.700.000	-1.700.000	-1.700.000
<b>Gross Operating Profit</b>	<b>8.300.000</b>	<b>8.300.000</b>	<b>8.300.000</b>	<b>8.300.000</b>	<b>8.300.000</b>	<b>8.300.000</b>
Other operating income	5.000	5.000	5.000	5.000	5.000	5.000
Operating Expenses	-3.000.000	-3.000.000	-3.000.000	-3.000.000	-3.000.000	-3.000.000
Depreciation and amortization	-500.000	-500.000	-500.000	-500.000	-500.000	-500.000
a. Normal depreciation	-500.000	-500.000	-500.000	-500.000	-500.000	-500.000
b. extraordinary depreciation	0	0	0	0	0	0
Other expenses	-5.000.000	-5.000.000	-5.000.000	-5.000.000	-5.000.000	-5.000.000
Profit / Loss (-) from associates	0	0	0	0	0	0
Income from Investments	0	0	0	0	0	0
Interest Income	1.000	1.000	1.000	1.000	1.000	1.000
Interest and related charges net	-1.006.000	-1.006.000	-1.006.000	-1.006.000	-1.006.000	-1.006.000
Financial Profit / Loss (-)	-1.005.000	-1.005.000	-1.005.000	-1.005.000	-1.005.000	-1.005.000
<b>Profit on ordinary activities before taxation</b>	<b>-1.200.000</b>	<b>-1.200.000</b>	<b>-1.200.000</b>	<b>-1.200.000</b>	<b>-1.200.000</b>	<b>-1.200.000</b>
Extraordinary Income / Loss (-)	0	0	0	0	0	0
Income tax expense	0	0	0	0	0	0
Other taxes	0	0	0	0	0	0
Total tax expense	0	0	0	0	0	0
<b>Net Income</b>	<b>-1.200.000</b>	<b>-1.200.000</b>	<b>-1.200.000</b>	<b>-1.200.000</b>	<b>-1.200.000</b>	<b>-1.200.000</b>



0054-01 BalanceManipulator

**Income Statement manipulated**

 Comp. Fraud Ltd.

 Reporting Currency: **US \$**
**Income Statements**

	2024	2025	2026	2027	2028	2029
Net Revenue	10.000.000	10.000.000	10.000.000	10.000.000	10.000.000	10.000.000
Cost of Sales	-1.700.000	-1.700.000	-1.700.000	-1.700.000	-1.700.000	-1.700.000
<b>Gross Operating Profit</b>	<b>8.300.000</b>	<b>8.300.000</b>	<b>8.300.000</b>	<b>8.300.000</b>	<b>8.300.000</b>	<b>8.300.000</b>
Other operating income	5.000	5.000	5.000	5.000	5.000	5.000
Operating Expenses	-3.000.000	-3.000.000	-3.000.000	-3.000.000	-3.000.000	-3.000.000
Depreciation and amortization	-500.000	-500.000	-500.000	-500.000	-500.000	-500.000
a. Normal depreciation	-500.000	-500.000	-500.000	-500.000	-500.000	-500.000
b. extraordinary depreciation	0	0	0	0	0	0
Other expenses	-5.000.000	-5.000.000	-5.000.000	-5.000.000	-5.000.000	-5.000.000
<b>Manipulation amount</b>	<b>2.000.000</b>	<b>2.200.000</b>	<b>2.420.000</b>	<b>2.662.000</b>	<b>2.928.200</b>	<b>3.221.020</b>
Profit / Loss (-) from associates	0	0	0	0	0	0
Income from Investments	0	0	0	0	0	0
Interest Income	1.000	1.000	1.000	1.000	1.000	1.000
Interest and related charges net	-1.006.000	-1.006.000	-1.006.000	-1.006.000	-1.006.000	-1.006.000
Financial Profit / Loss (-)	-1.005.000	-1.005.000	-1.005.000	-1.005.000	-1.005.000	-1.005.000
<b>Profit on ordinary activities before taxation</b>	<b>800.000</b>	<b>1.000.000</b>	<b>1.220.000</b>	<b>1.462.000</b>	<b>1.728.200</b>	<b>2.021.020</b>
Extraordinary Income / Loss (-)	0	0	0	0	0	0
Income tax expense	-320.000	-400.000	-488.000	-584.800	-691.280	-808.408
Other taxes	0	0	0	0	0	0
Total tax expense	-320.000	-400.000	-488.000	-584.800	-691.280	-808.408
<b>Net Income</b>	<b>480.000</b>	<b>600.000</b>	<b>732.000</b>	<b>877.200</b>	<b>1.036.920</b>	<b>1.212.612</b>



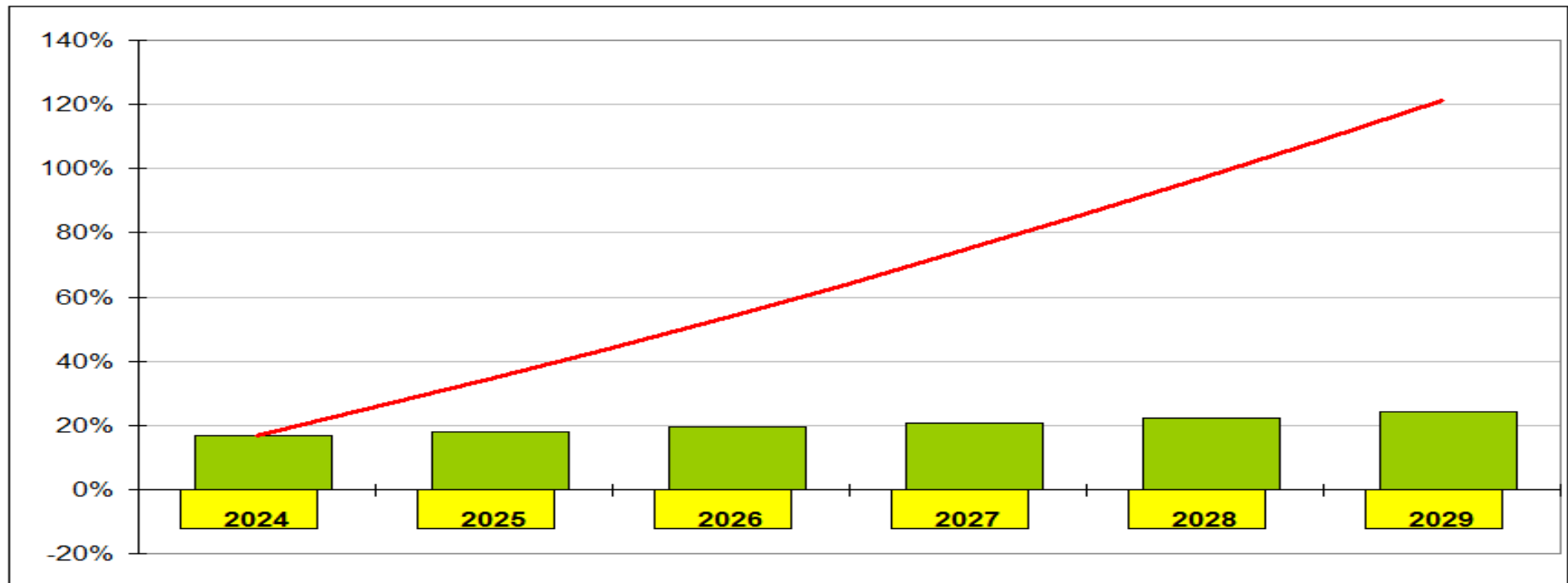
0054-01 BalanceManipulator

**Balance Sheet manipulated**

<b>Fraud Ltd.</b>		<b>Reporting Currency: US \$</b>					
<b>BALANCE SHEETS</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	
Intangible Assets / Goodwill	0	0	0	0	0	0	
Property, Plant and Equipment	0	0	0	0	0	0	
Financial Assets	0	0	0	0	0	0	
Other	3 000 000	3 000 000	3 000 000	3 000 000	3 000 000	3 000 000	
Depreciation future years	0	-500 000	-1 000 000	-1 500 000	-2 000 000	-2 500 000	
<b>Total Fixed Assets</b>	<b>3 000 000</b>	<b>2 500 000</b>	<b>2 000 000</b>	<b>1 500 000</b>	<b>1 000 000</b>	<b>500 000</b>	
Inventories, materials and supplies	500 000	500 000	500 000	500 000	500 000	500 000	
Subtotal	500 000	500 000	500 000	500 000	500 000	500 000	
Deposits	0	0	0	0	0	0	
Accounts Receivable	2 020 000	2 020 000	2 020 000	2 020 000	2 020 000	2 020 000	
Other Receivables	0	0	0	0	0	0	
Other	100 000	100 000	100 000	100 000	100 000	100 000	
manipulation amount	2 000 000	2 200 000	2 420 000	2 662 000	2 928 200	3 221 020	
Subtotal	4 120 000	4 320 000	4 540 000	4 782 000	5 048 200	5 341 020	
Short-term financial assets	0	0	0	0	0	0	
adjustments	320 000	580 000	1 592 000	2 727 200	3 997 920	5 417 712	
Liquid Assets	500 000	500 000	500 000	500 000	500 000	500 000	
<b>Total Current Assets</b>	<b>4 800 000</b>	<b>5 900 000</b>	<b>7 132 000</b>	<b>8 509 200</b>	<b>10 046 120</b>	<b>11 758 732</b>	
prepaid expenses	0	0	0	0	0	0	
negative capital	0	0	0	0	0	0	
<b>Total Assets</b>	<b>7 800 000</b>	<b>8 400 000</b>	<b>9 132 000</b>	<b>10 009 200</b>	<b>11 046 120</b>	<b>12 258 732</b>	
Capital stock + additional paid-in capital	5 020 000	5 020 000	5 020 000	5 020 000	5 020 000	5 020 000	
Retained earnings (previous years)	-900 000	-420 000	180 000	912 000	1 789 200	2 826 120	
Unappropriated net income	480 000	600 000	732 000	877 200	1 036 920	1 212 612	
Negative capital (-)	0	0	0	0	0	0	
<b>Capital Employed</b>	<b>4 600 000</b>	<b>5 200 000</b>	<b>5 932 000</b>	<b>6 809 200</b>	<b>7 846 120</b>	<b>9 058 732</b>	
Pensions and similar obligations	200 000	200 000	200 000	200 000	200 000	200 000	
Deferred Taxation	0	0	0	0	0	0	
Other accruals	300 000	300 000	300 000	300 000	300 000	300 000	
<b>Total Accruals</b>	<b>500 000</b>	<b>500 000</b>	<b>500 000</b>	<b>500 000</b>	<b>500 000</b>	<b>500 000</b>	
Long-Term Debt	2 000 000	2 000 000	2 000 000	2 000 000	2 000 000	2 000 000	
Other	0	0	0	0	0	0	
<b>Total Long-Term Liabilities</b>	<b>2 000 000</b>	<b>2 000 000</b>	<b>2 000 000</b>	<b>2 000 000</b>	<b>2 000 000</b>	<b>2 000 000</b>	
Deposits	0	0	0	0	0	0	
Accounts Payable	400 000	400 000	400 000	400 000	400 000	400 000	
Intercompany Debt	0	0	0	0	0	0	
Short-Term Debt	0	0	0	0	0	0	
Other	300 000	300 000	300 000	300 000	300 000	300 000	
<b>Total Short-Term Liabilities</b>	<b>700 000</b>	<b>700 000</b>	<b>700 000</b>	<b>700 000</b>	<b>700 000</b>	<b>700 000</b>	
Deferred income	0	0	0	0	0	0	
<b>Total Cap &amp; Liabilities</b>	<b>7 800 000</b>	<b>8 400 000</b>	<b>9 132 000</b>	<b>10 009 200</b>	<b>11 046 120</b>	<b>12 258 732</b>	
check control = 0	0	0	0	0	0	0	

**Supposing that a manipulation were to be reversed: what would be the necessary profit margin to undo the manipulation? And can you realistically expect to achieve that profit margin?**

	2024	2025	2026	2027	2028	2029
profit margin REAL	-12%	-12%	-12%	-12%	-12%	-12%
profit margin FAKE	17%	18%	19%	21%	22%	24%
<b>necessary "demanipulation" profit margin</b> <small>on stable revenue</small>	<b>17%</b>	<b>35%</b>	<b>54%</b>	<b>75%</b>	<b>97%</b>	<b>121%</b>



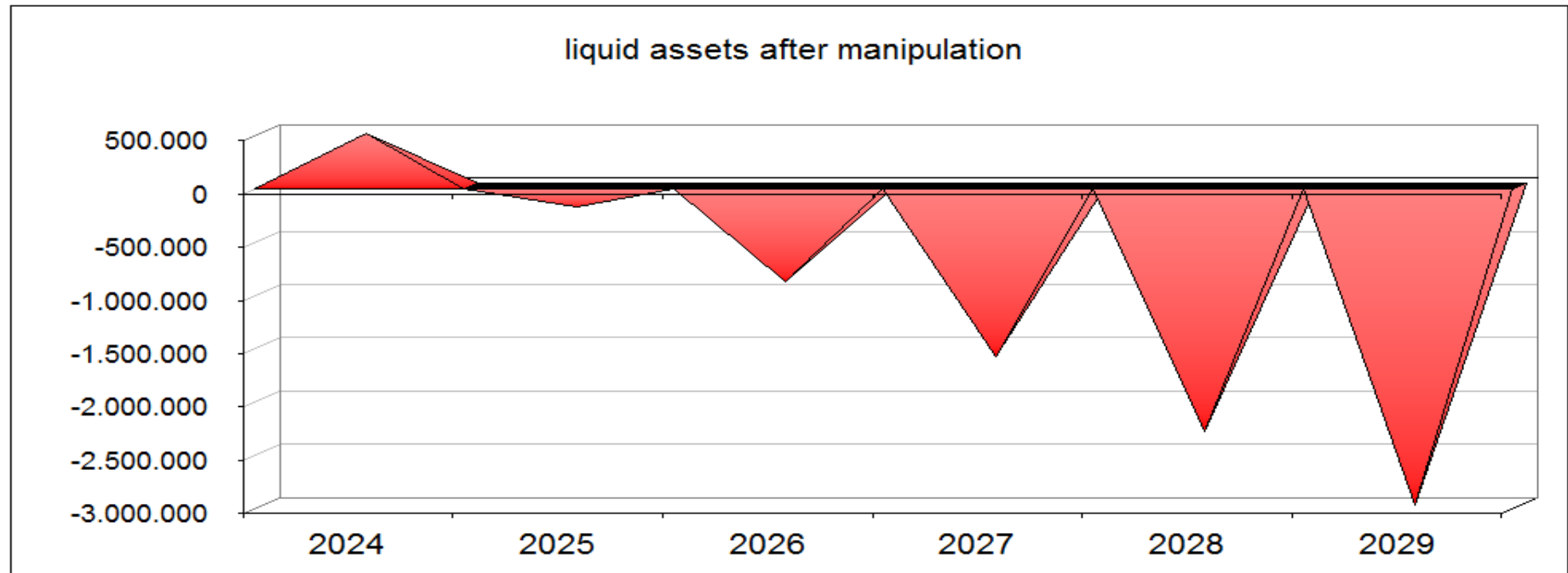
0054-01 BalanceManipulator

**Development of Liquid Assets at a glance**  
 (without additional financing and without sales of assets)

**Fraud Ltd.**

Reporting Currency: **US \$**

	2024	2025	2026	2027	2028	2029
liquid assets	500.000	-200.000	-900.000	-1.600.000	-2.300.000	-3.000.000



0054-01 BalanceManipulator

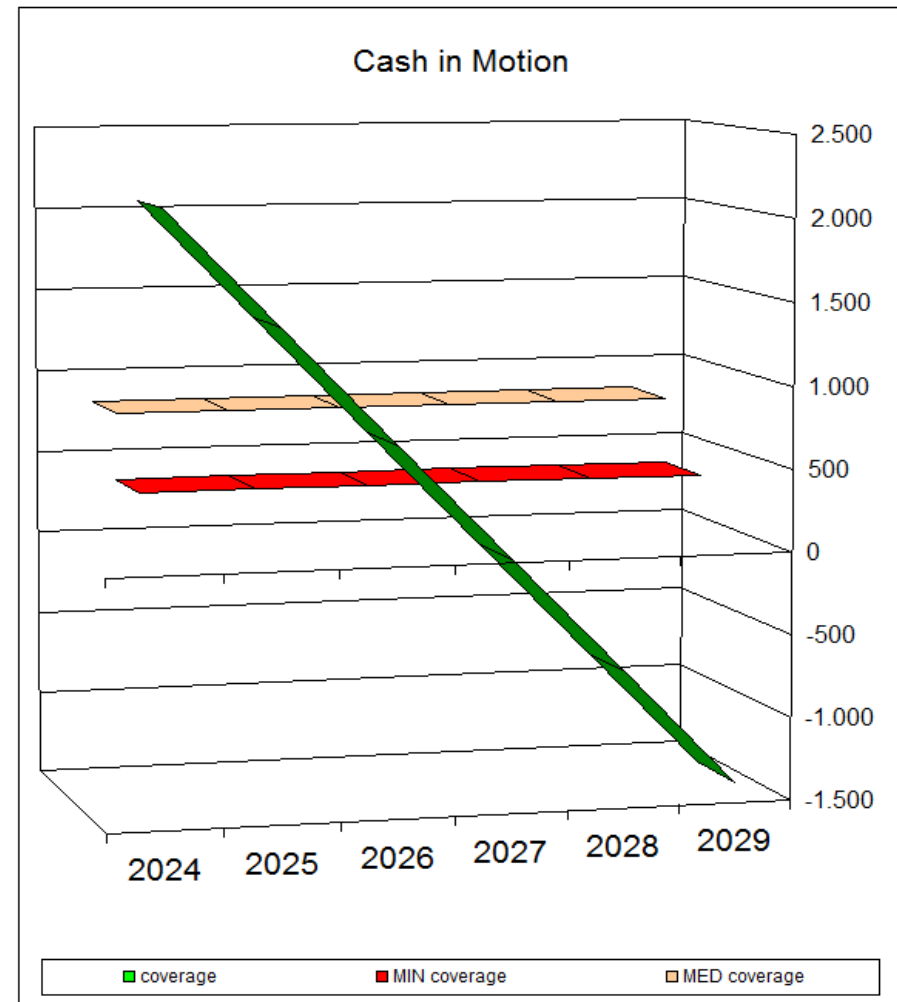
### Degree of Coverage of Accounts Payable by Liquid Assets and Accounts Receivable

**Fraud Ltd.**

Manipulation + 5 years figures in 000's

Reporting Currency: US \$

	liquid assets	A / R	A / P	coverage	MIN	MED	in %	liquid assets STATUS
					coverage	coverage		
					100%	200%		
2024	500	2.020	-400	2.120	400	800	530%	OK
2025	-200	2.020	-400	1.420	400	800	355%	OK
2026	-900	2.020	-400	720	400	800	180%	STRAINED
2027	-1.600	2.020	-400	20	400	800	5%	CRISIS
2028	-2.300	2.020	-400	-680	400	800	-170%	CRISIS
2029	-3.000	2.020	-400	-1.380	400	800	-345%	CRISIS



0054-01 BalanceManipulator

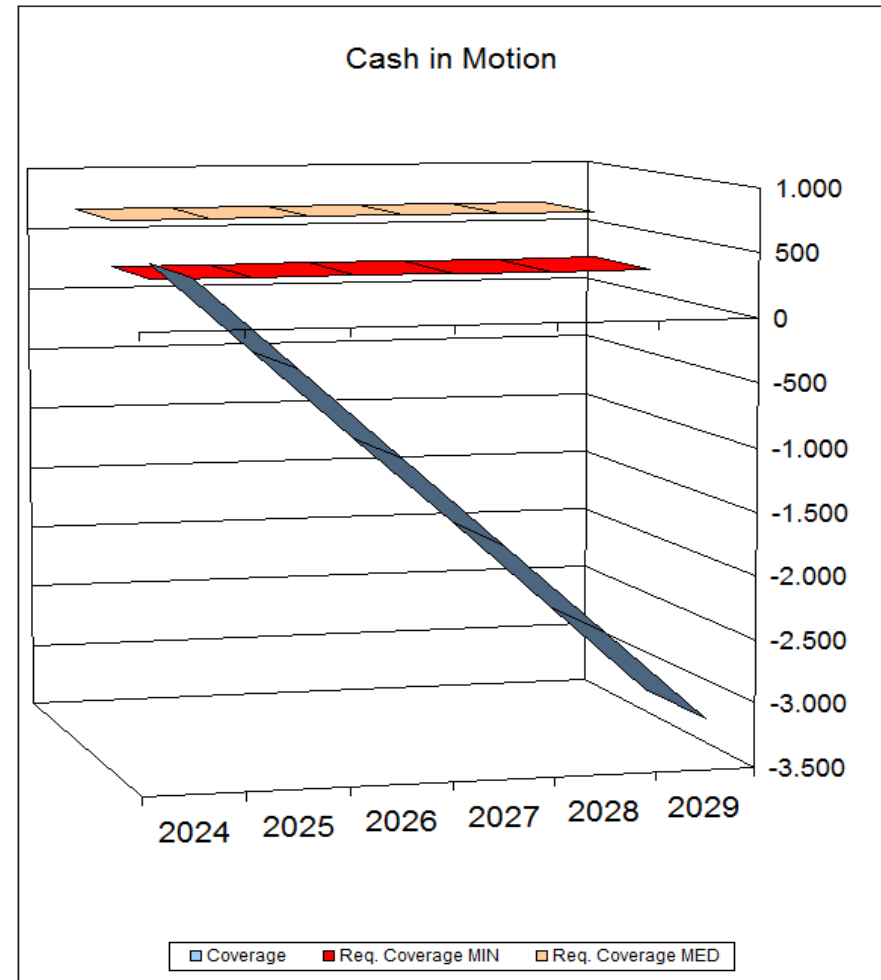
## Operational liquidity

Manipulation + 5 years figures in 000's

Fraud Ltd.

Reporting Currency: US \$

	liquid assets	Revenue (month)	Expense s less deprec. (month)	Coverage	Req. Coverage MIN	Req. Coverage MED	in %	liquid assets STATUS
					30%	70%		
2024	500	833	-933	400	280	653	43%	STRAINED
2025	-200	833	-933	-300	280	653	-32%	CRISIS
2026	-900	833	-933	-1.000	280	653	-107%	CRISIS
2027	-1.600	833	-933	-1.700	280	653	-182%	CRISIS
2028	-2.300	833	-933	-2.400	280	653	-257%	CRISIS
2029	-3.000	833	-933	-3.100	280	653	-332%	CRISIS



additional cash requirement MIN :	2025	-580
additional cash requirement MED :	2025	-953

0054-01 BalanceManipulator

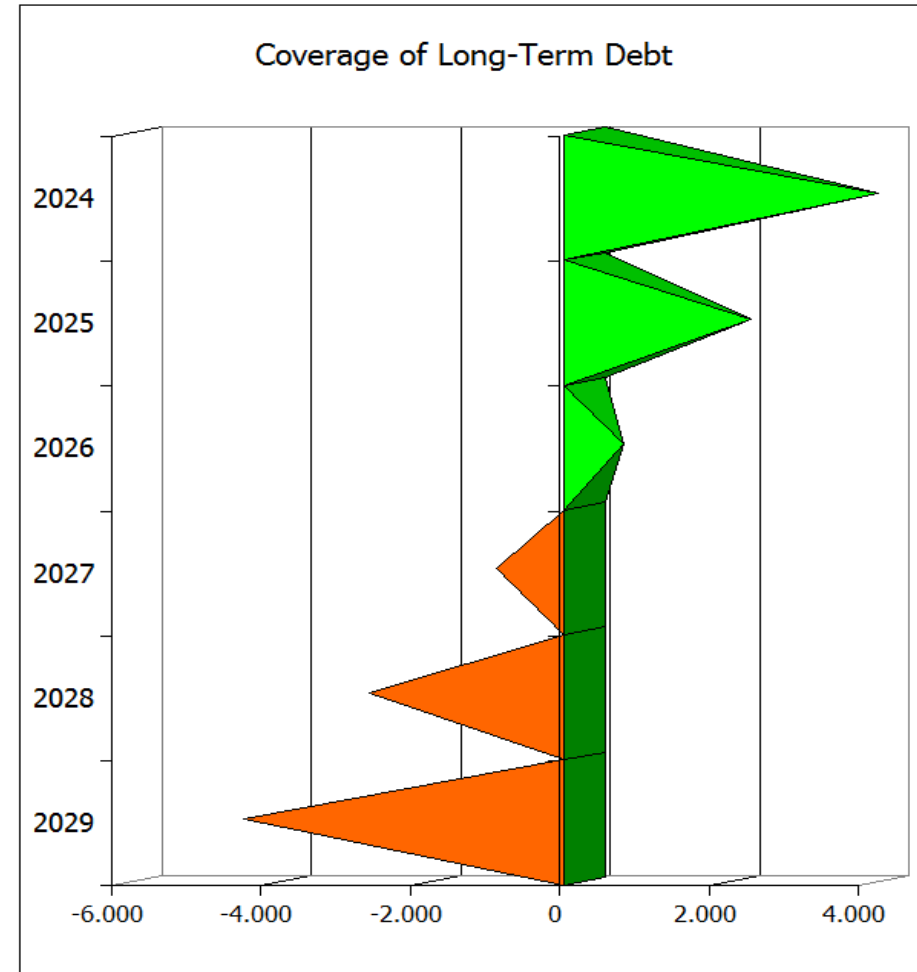
Coverage of Long-Term Debt by Capital and Fixed Assets  
five years following manipulation

Fraud Ltd.

Reporting Currency: US \$  
in 000's

REAL BALANCE-SHEET !

	Fixed Assets	Capital Employed	Long-Term Debt	coverage	non-coverage
2024	3.000	2.920	2.000	3.920	0
2025	2.500	1.720	2.000	2.220	0
2026	2.000	520	2.000	520	0
2027	1.500	-680	2.000	0	-1.180
2028	1.000	-1.880	2.000	0	-2.880
2029	500	-3.080	2.000	0	-4.580



In what way do **MagicWorkbooks**<sup>®</sup> differ from normal Excel workbooks?

**MagicWorkbooks** are easier to use:

- Easy-to-handle data input with demo data for orientation
- All data to be entered only once
- No programming knowledge required
- No detailed knowledge of Microsoft Excel required
- No work on spreadsheets or charts required
- No scrolling for sheets thanks to a Hyperlink-table of contents

**MagicWorkbooks** are faster:

- A monthly report with 20 spreadsheets and 20 charts in 20 minutes?
- Calculate year-end liquid reserves with changes in revenue prediction for every month in half an hour?
- Compute balance sheets for the next five years in one hour?
- Decision on a \$ 50 million sale-and-lease-back operation: Prepare all relevant data in one hour?
- Determine capital re-investment requirements (fixed assets) for the next year in 10 minutes?
- Prepare a comprehensive company presentation for your bank in one hour?

With **MagicWorkbooks** all that is „business as usual“!

This was just a brief survey ...

if you have further questions regarding this workbook, email us!

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