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Analysis Table 3

May 1991 **Case 1: An 18 Year Repayment Mortgage** **£35,000 Borrowed over 18 Years @ 11.85% p.a.** **Analysis Table 3**

A	B	C	D	E	F	G	H	I	J	K	L	
Year	Gross Cash Flow Out	Interest Paid	Principal Repaid	Interest Applicable for Tax Relief	Tax Relief on Interest	Tax Relief on Premium	Net Cash Flow Out	→ @ x% Internal Rate of Return				Tax Relief at 29% p.a.
								@ 12%	@13%	@13.3%	**13.276%**	
								pv	pv	pv	pv	
1	4932.88	4147.50	637.42	3200.00	928.00	5.36	3999.52	3571.00	3539.40	3530.03	3530.77	
2	4932.88	4071.97	712.95	3200.00	928.00	5.36	3999.52	3188.39	3132.21	3115.65	3116.97	
3	4932.88	3987.48	797.44	3189.98	925.09	5.36	4002.43	2848.85	2773.88	2751.91	2753.66	
4	4932.88	3892.98	891.94	3114.38	903.17	5.36	4024.35	2557.55	2468.21	2442.17	2444.24	
5	4932.88	3787.29	997.63	3029.83	878.65	5.36	4048.87	2297.44	2197.56	2168.62	2170.92	
6	4932.88	3669.07	1115.85	2935.26	851.23	5.36	4076.29	2065.18	1957.92	1927.02	1929.47	
7	4932.88	3536.84	1248.08	2829.47	820.55	5.36	4106.97	1857.78	1745.71	1713.61	1716.15	
8	4932.88	3388.95	1395.97	2711.16	786.24	5.36	4141.28	1672.59	1557.78	1525.09	1527.68	
9	4932.88	3223.52	1561.40	2578.82	747.86	5.36	4179.66	1507.23	1391.39	1358.54	1361.13	
10	4932.88	3038.50	1746.42	2430.80	704.93	5.36	4222.59	1359.56	1243.93	1211.38	1213.95	FV = P(1 + i)^n
11	4932.88	2831.55	1953.37	2265.24	656.92	5.36	4270.60	1227.70	1113.34	1081.33	1083.86	= £35,000 (1.1185)^{18}
12	4932.88	2600.07	2184.85	2080.06	603.22	5.36	4324.30	1109.94	997.64	966.40	968.86	i.e. FV = £262,733.73
13	4932.88	2341.17	2443.75	1872.94	543.15	5.36	4384.37	1004.78	895.13	864.81	867.19	
14	4932.88	2051.58	2733.34	1641.26	475.97	5.36	4451.55	910.88	804.29	774.98	777.29	
15	4932.88	1727.68	3057.24	1382.14	400.82	5.36	4526.70	827.01	723.78	695.56	697.77	
16	4932.88	1365.40	3419.52	1092.32	316.77	5.36	4610.75	752.11	652.40	625.31	627.43	
17	4932.88	960.18	3824.74	768.14	222.76	5.36	4704.76	685.22	589.12	563.16	565.19	
18	4932.88	506.95	4277.97	405.56	117.61	5.36	4809.91	625.48	533.00	508.16	510.10	
						PV = ∑pv →		30,068.69	28,316.69	27,823.73	27,862.63	
						yields FV →		231,227.20	255,537.40	263,362.37	262,726.81	
											OK	