

Analysis Table 6

May 1991 Case 2: An 18 Year Repayment Mortgage £40,000 Borrowed over 18 Years @ 11.85% p.a. Analysis Table 6

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 52% p.a.
								@ 14.5%	@14.6%	@14.641%		
								pv	pv	pv	pv	
1	5636.48	4740.00	728.48	3200.00	1664.00	10.92	3961.56	3459.88	3456.86	3455.62		
2	5636.48	4653.68	814.80	3200.00	1664.00	10.92	3961.56	3021.73	3016.46	3014.30		
3	5636.48	4557.12	911.36	3200.00	1664.00	10.92	3961.56	2639.06	2632.16	2629.34		
4	5636.48	4449.12	1019.36	3200.00	1664.00	10.92	3961.56	2304.86	2296.82	2293.54		
5	5636.48	4328.33	1140.15	3200.00	1664.00	10.92	3961.56	2012.98	2004.21	2000.63		
6	5636.48	4193.22	1275.26	3200.00	1664.00	10.92	3961.56	1758.06	1748.87	1745.12		
7	5636.48	4042.11	1426.37	3200.00	1664.00	10.92	3961.56	1535.42	1526.07	1522.25		
8	5636.48	3873.08	1595.40	3098.46	1611.20	10.92	4014.36	1358.85	1349.40	1345.54		
9	5636.48	3684.03	1784.45	2947.22	1532.55	10.92	4093.01	1210.02	1200.55	1196.69		
10	5636.48	3472.57	1995.91	2778.06	1444.59	10.92	4180.97	1079.50	1070.12	1066.30		
11	5636.48	3236.05	2232.43	2588.84	1346.20	10.92	4279.36	964.98	955.76	952.00		
12	5636.48	2971.51	2496.97	2377.21	1236.15	10.92	4389.41	864.45	855.44	851.78		
13	5636.48	2675.62	2792.86	2140.50	1113.06	10.92	4512.50	776.15	767.39	763.83		
14	5636.48	2344.66	3123.82	1875.73	975.38	10.92	4650.18	698.54	690.06	686.61		
15	5636.48	1974.49	3493.99	1579.59	821.39	10.92	4804.17	630.28	622.08	618.76		
16	5636.48	1560.45	3908.03	1248.36	649.15	10.92	4976.41	570.20	562.29	559.08		
17	5636.48	1097.34	4371.13	877.87	456.49	10.92	5169.07	517.27	509.65	506.56		
18	5636.48	579.37	4889.11	463.50	241.02	10.92	5384.54	470.60	463.26	460.29		
							PV = $\sum pv \rightarrow$	25,872.83	25,727.45	25,668.24		
							yields FV \rightarrow	296,034.75	299,033.51	300,272.44		
										OK		

FV = P(1 + i)ⁿ
 = £40,000 (1.1185)¹⁸
 i.e. FV = £300,267.12