

Purchase	Year 1		
Maturity	Year 3	Yield	3.15%
Cost	1,040,700	Coupon Interest Rate	4.625%
Coupon Value	1,000,000	Effective Interest Rate	3.181%

<u>Year</u>	<u>Investment</u>	<u>Coupon</u> <u>Int Rate*</u>	<u>Int Earned</u>	<u>Cashflow</u>	<u>Amortised</u> <u>Cost 01/04</u>	<u>Effective</u> <u>Int Rate**</u>	<u>Income</u> <u>to I&E***</u>	<u>Amortised</u> <u>Cost 31/03</u>
	<u>£'000</u>		<u>£'000</u>	<u>£'000</u>	<u>£'000</u>		<u>£'000</u>	<u>£'000</u>
1	1,000,000	4.625%	46,250	46,250	1,040,700	3.181%	33,106	1,027,556
2	1,000,000	4.625%	46,250	46,250	1,027,556	3.181%	32,688	1,013,993
3	1,000,000	4.625%	46,250	1,046,250	1,013,993	3.181%	32,256	-1
			138,750	1,138,750			98,049	

Notes

* Coupon Interest Rate - Face Value Interest Rate

** Effective Interest Rate - Adjusted Interest Rate to Take Account of Any Premium Paid on Purchasing the Bond

*** Income to Income & Expenditure - Actual Interest Credited to the Council's Revenue Account