

## The Long Way

Year	Amount	Interest Rate	Calculation	Amount at the end of the year
1	£200	3%	200 x 1.03	£206
2	£206	3%	206 x 1.03	£212.18
3	£212.18	3%	212.18 x 1.03	£218.55
4	£218.55	3%	218.55 x 1.03	£225.10

If you invested £200 at 3% compound interest, after 4 years the amount at the end would be £225.10 and you would earn £25.10 in interest.

## The Quick Way

Amount x (Percentage Multiplier + 1)<sup>number of years</sup>

$$£200 \times (0.03 + 1)^4 = £225.10$$

