Suppose a car costs £20000 new and each year it devalues by 20% of its value at the beginning of that year

$$
\begin{array}{lll}
\text{New} & £20000 & \\
& \underline{4000} & 20\% \\
\text{Yr1} & £16000 & \\
& \underline{3200} & 20\% \\
\text{Yr2} & £12800 & \\
& \underline{2560} & 20\% \\
\text{Yr3} & £10240 & \\
& \underline{2048} & 20\% \\
\text{Yr4} & \underline{£8192} &
\end{array}
$$

After 4 years it is worth £8192

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By calc to take off 20% we multiply by 0.8

$$\therefore £20000 \times 0.8^4 = £8192$$

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Could use a formula similar to compound interest formula

$$\text{Value} = \text{Original} \times \left(1 - \frac{r}{100}\right)^n$$