

Royal Institution for the Advancement of Learning

Re: \$25,000. Canadian Cottons Limited  
 First 5s due 2nd July 1940  
 Payable at the option of  
 the holder in Canada, London  
 and New York  
 Callable at 105.  
 Sinking Fund from 1913 at 1%  
 per annum.

<u>Book Value</u>	<u>Yield</u>	<u>Present Price</u>	<u>Yield</u>
92.67	6.12	90	6.75%

Capitalization - 31st March 1932

First 5s of 1940	-	\$3,906,000.
Less held by Company	-	<u>1,387,000.</u>
In Hands of Public	-	2,519,000.
Preferred Stock	-	3,662,000.
Common and Surplus	-	<u>4,738,000.</u>
Total		<u>\$10,919,000.</u>

Current Assets

Bonds and Shares at market or less	-	\$1,863,000.
Cash		73,000.
Receivables Net, Call Loans, etc.-		2,201,000.
Inventories	-	<u>1,704,000.</u>
Total		5,841,000.
Less Current Liabilities		<u>1,104,000.</u>
Working Capital		<u>\$4,737,000.</u>

After providing for depreciation, interest charges were earned 2.77, 1.51, 1.95 and 2.19 times respectively in the years ended 31st March 1929, 1930, 1931 and 1932.

Current assets, as indicated in the annual report include \$2,301,000 in "open accounts, bills receivable, call loans and government bonds"; after deducting a reservation of \$100,000 for bad debts, this item, viz., \$2,201,000., together with cash holdings and marketable investments, (carried at market value or lower,) amounted to \$4,137,000., - sufficient, after deducting the amount of the current liabilities, \$1,104,000., - to cover with a margin of over \$500,000., bonds of Canadian Cottons Limited in the Hands of the public.

It is our opinion that, under present conditions, no fears need be entertained regarding Canadian Cottons Limited first 5s of 1940.

A.J. L. HASKELL

H. A. CRAIG

B. OUTERBRIDGE

G. W. SPINNEY

E. D. GLASSCO

5th January, 1933.