

Cash: what to do with it?

Press Release for immediate release

Awash with cash, 212 of the UK's leading Freight Forwarding companies face a strategic dilemma suggests a new report from industry analysts Plimsoll Publishing.

An abundance of unused cash is sitting on the books of just 212 cash rich Freight Forwarders.

However David Pattison, senior analyst, says that this "cash asset" needs to be out to work. Pattison added: "It sounds strange, but putting this cash to good use for the development of the company can be a very difficult problem. Just letting it sit in the bank, although comforting, is not going to have a huge benefit on the business. Do you make an acquisition, make a large capital investment, or return in to the shareholders through dividends? These are not easy decisions for these companies with improving cash to make. I look forward to seeing what they do in the coming months."

Pattison goes on to say: "Many of the 1000 companies researched have improved their liquidity and have increased their cash levels, which is a surprise given that margins are still under severe competitive pressure."

Findings from the study highlight the split between rich and poor and concluded.

Rich

- 546 of the 1000 firms can be considered as having improving cash reserves
- These 546 firms have seen their cash volumes rise by 34% on average
- 29 firms are now holding more than £5 million of cash
- How can they spend this cash and enhance the value and future of the business

Poor

- 454 of the 1000 firms have seen their cash levels fall
- These 454 firms have seen their cash volumes fall by 25 % in 12 months
- 86 firms are running dangerously low levels of cash cover. Can they generate enough profits to improve the overall financial health?

Copies of the report are available by calling Plimsoll Publishing Ltd on 01642 626 419 or emailing c.glancey@plimsoll.co.uk