



Libyan International Medical University
Faculty of Business Administration
Department of Finance and Bank Management

Graduation Project

**The Impact of Working Capital Management on
Profitability of UK Retail Firms**

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Declaration

I, Amhamed Ghanem Bashir, hereby declare that the work in this dissertation was carried out in accordance with the requirements and regulations of the Libyan International Medical University LIMU. This dissertation is the result of my own work, and has not been submitted by or to any other academic institution for any other degree or qualifications. It is therefore, the property of the Faculty of Business Administration at LIMU, and it is not allowed to be reused neither completely nor partially in any form without a written permission from the faculty.

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Dedication

It is with genuine gratitude and warm regard that I dedicate this dissertation to everyone who helped and supported me in the process of writing the gradation project. My supervisors, parents: Dr. Ghanem Bashir Amhamed and Laila salim muftah, my siblings, Asma, Bashir, Esra, Salha, Ayaat. I would also like to dedicate my project to all my friends, colleagues, and staff members of Faculty of Business Administration at the Libyan International Medical University as without their constant encouragement I would have not accomplished this project.

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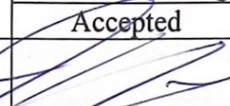

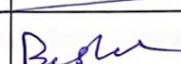
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Acceptance and Approval

The graduation project entitled "The Impact of Working Capital Management on Profitability in UK Retail" was prepared by Amhamed Ghanem Bashir and it has been:

Project Committee	Signature	
	Accepted	Rejected
Dr. Hatem Elfitouri (Main Supervisor)		
Prof.Dr. Sabri Elkrghli (Co-Supervisor)		
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Abstract

This research aims to investigate the impact of working capital management on the profitability of UK retail enterprises listed on the London Stock Exchange for the period 2001 - 2022. The research methodology involved analyzing a sample of 27 firms using panel data obtained from the Bloomberg database. Regression models, including OLS and random effects models, were employed to examine the impact of working capital variables on profitability. The results show that the cash conversion cycle, turnover inventory, account payables in time, the current ratio, debit to equity ratio and the COVID-19 pandemic have major impact on profitability. The research offers insightful information that may be useful to many stakeholders, such as retail firms, shop managers, investors, financial experts, policymakers, academics, and entrepreneurs. Improving the management of working capital and taking into account the influence of external variables such as the COVID-19 epidemic as a dummy variable are both essential for the retail business in the UK is to see an increase in profitability. The first and major limitation of this study is the availability of data prior to the year 2000.

Keywords: Working capital management, profitability, UK retail enterprises.

ملخص البحث باللغة العربية

يهدف هذا البحث إلى التحقيق كيفية تأثير إدارة رأس المال العامل على ربحية شركات التجزئة البريطانية المدرجة في بورصة لندن للفترة 2001-2022. تضمنت منهجية البحث تحليل عينة من 27 شركة باستخدام بيانات الفريق التي تم الحصول عليها من قاعدة بيانات بلومبرج. واستخدمت نماذج الانحدار، بما في ذلك المربعات الصغرى العادية ونماذج التأثيرات العشوائية، لدراسة أثر متغيرات رأس المال المتداول على الربحية. ووفقاً لنتائج النتائج التجريبية، تبين أن دورة التحويل النقدي، ومخزون الدوران، والحسابات المستحقة الدفع في الوقت المناسب، والنسبة الحالية، ونسبة الخصم إلى الأسهم، ووباء كوفيد - 19، لها تأثير كبير على الربحية. يقدم البحث معلومات ثاقبة قد تكون مفيدة للعديد من أصحاب المصلحة، مثل شركات البيع بالتجزئة ومديري المتاجر والمستثمرين والخبراء الماليين وصانعي السياسات والأكاديميين ورجال الأعمال. يعد تحسين إدارة رأس المال العامل ومراعاة تأثير المتغيرات الخارجية مثل وباء COVID-19 كمتغير وهمي أمرًا ضروريًا لأعمال البيع بالتجزئة في المملكة المتحدة من أجل التحقق عن زيادة في الربحية. ويتمثل القيد الأول والرئيسي لهذه الدراسة في توافر البيانات قبل عام 2000.

الكلمات المفتاحية: إدارة رأس المال العامل، الربحية، المؤسسات التجارية في المملكة المتحدة.