

Business performance

	2015 £m	2014 £m
Revenue	567.2	609.1
Operating profit	77.9	107.0
Acquisition costs	–	0.2
Reorganisation costs	20.0	–
Operating profit prior to exceptional items	97.9	107.2
Amortisation of acquired intangible fixed assets	4.2	3.9
Headline operating profit	102.1	111.1

Group revenue was £567.2m, a decrease of 6.9%, with revenues at constant exchange rates down 4.1% and foreign exchange rate movements having a negative impact of 2.8%.

Headline operating profit for the year decreased by 8.1% from £111.1m to £102.1m, and headline operating margin was 18.0% (2014: 18.2%). Headline operating profit at constant exchange rates decreased by £6.7m, whilst adverse foreign exchange rate movements decreased headline operating profit by a further £2.3m.



Cash flow is analysed as follows:

	2015 £m	2014 £m
Headline operating profit	102.1	111.1
Add back non-cash items:		
Depreciation and amortisation	49.6	51.2
Impairment of fixed assets	–	2.7
Share-based payments	(0.4)	1.9
Profit on disposal of property, plant and equipment	(2.1)	(1.4)
Headline EBITDA¹	149.2	165.5
Net capital expenditure	(61.3)	(53.8)
Net working capital movement	(6.3)	(11.7)
Headline operating cash flow	81.6	100.0
Cash cost of restructuring	(8.4)	(3.0)
Acquisition costs	–	(0.2)
Operating cash flow	73.2	96.8
Interest	(2.6)	(2.7)
Taxation	(23.2)	(19.0)
Free cash flow	47.4	75.1

Operating cash flow was £73.2m (2014: £96.8m) with the decrease, compared to prior year, attributable to a reduction in profits, increased capital investment and reorganisation costs. Group net cash at 31 December 2015 was £12.3m (2014: £35.7m).

Capital spend (net of asset sales) in 2015 was £61.3m (2014: £53.8m), being 1.2 times depreciation² (2014: 1.0 times). There has been a continued focus on cash collection and receivable days at 31 December 2015 were 62 days (31 December 2014: 60 days). There was a working capital outflow in the year mainly due to an increase in receivable days caused by lower than anticipated cash collection in December and a decrease in payables, arising primarily due to a reduction in accruals for variable staff costs.

1. Earnings before interest, tax, depreciation, amortisation, share-based payments, impairment of fixed assets, profit or loss on disposal of property, plant and equipment and exceptional items.
2. Net capital expenditure to depreciation ratio is defined as capital expenditure less proceeds from asset disposals as a proportion of depreciation and amortisation plus impairment of fixed assets.