

Chairman's Interim report as at 31 May 2009

I am pleased to present the fifth interim report for Radio Taxis Group Limited for the six months ended 31 May 2009.

Key financial information

The Group recorded an operating loss in the six months to May 2009 of (£531k) compared to the previous half year ended, May 2008: £105k, operating profit.

Despite weak performance, due to the downturn, the Group still managed to generate £587k of cash from its operating activities.

Ongoing downturn

The period under review saw an unyielding continuation of the downturn with Group turnover falling by 28%. Market conditions are challenging.

Taxi businesses

The Group's taxi businesses, which are directly in the mid-price value proposition, have endured testing times as a result.

The downturn has especially affected the usage of many of the Groups larger taxi clients most of whom are from or connected to the financial services industry. As a consequence and because of this variation to both the mix of taxi business (a relatively higher percentage from medium sized and smaller clients) and mix of overall Group business the Group gross margin has improved to 27.8%. (2008: 25.6%)

The Groups other businesses

The Groups other businesses have also been affected by the downturn, however slightly less so, with the private hire businesses (Matrix and Executive First) being down around 22% in revenue compared to the previous year and the Groups' on-line transport management company One Transport being affected only marginally, however winning new contracts for the future.

One Transport, as a management company, is adding value for its clients and also saving them costs. It is experiencing high demand for implementation and its clients to date are BBC, HSBC, UBS, NMC and

BT. Further investment is being made available to facilitate implementation of the One Transport platform at a number of new clients. As the One Transport proposition rolls out it is expected to grow into a significant contributor to the Groups revenue.

Reductions in overheads

As a further consequence of the downturn, in the half year to May 2009, the Group reduced overheads and expenses still further than the savings already made in the year ended Nov 2008 by an additional £289k reduction. Notwithstanding this saving, investment in systems (principally One Transport) and in growth is ongoing: £383k in the half year to date.

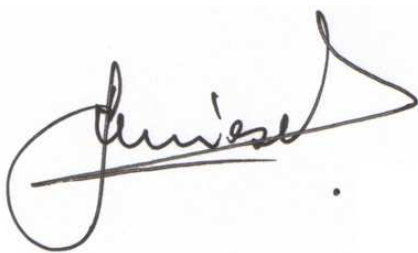
New account wins

During the period a significant number of new accounts have been won by the sales team, with some famous names such as the Walt Disney Company Ltd, Sotheby's and many others. During this period of decline all clients, new and old, have significantly reduced their usage.

Robust fundamentals

In this tough period the group is carefully regulating the three fundamental areas which are essential for every company, in a recession. These are, managing costs and creating efficiencies; reducing debtors; and keeping a "weather eye" on cash flow.

This is standing the Group in good stead and it is felt that we will emerge from this downturn, more efficient, enhanced as a company and stronger than ever.

A handwritten signature in black ink, appearing to read 'Geoffrey Riesel', with a large, stylized flourish extending to the right.

Geoffrey Riesel
Chairman & CEO
Radio Taxis Group Limited
22 July 2009

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE SIX MONTHS ENDED 31 MAY 2009**

May 2008	NOTES	Six months ended 31 May	Six months ended 31
		2009	2008
		Unaudited £ 000's	Unaudited £ 000's
Turnover		16,538	23,030
Cost of Sales		(11,941)	(17,130)
Gross Profit		4,597	5,900
Administrative Expenses		(5,135)	(5,804)
Other Operating Income		7	9
Operating (Loss)/Profit		(531)	105
Interest Receivable		-	-
Interest Payable		(97)	(215)
Loss on Ordinary Activities before Taxation		(628)	(110)
Tax on Loss on Ordinary Activities		-	-
Loss for the period		(628)	(110)
Basic Loss per Share	2	(30.8)p	(5.4)p

All amounts relate to continuing activities.

There were no recognised gains or losses for 2009 or 2008 other than those included in the Profit and Loss Account and therefore no separate statement of total recognised gains and losses has been presented.

**CONSOLIDATED BALANCE SHEET AS AT
31 MAY 2009**

As at	As at		
31 May	31 May	30 November	
2008	2009	2008	
Unaudited	Unaudited	Audited	
	£ 000's	£ 000's	£ 000's
FIXED ASSETS			
Intangible Assets	385	449	632
Tangible Assets	4,333	4,425	4,456
	<u>4,718</u>	<u>4,874</u>	<u>5,088</u>
CURRENT ASSETS			
Debtors	5,532	7,487	8,614
Cash at Bank and in Hand	462	623	703
	<u>5,994</u>	<u>8,110</u>	<u>9,317</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>(7,584)</u>	<u>(9,211)</u>	<u>(10,502)</u>
NET CURRENT (LIABILITIES)	<u>(1,590)</u>	<u>(1,101)</u>	<u>(1,185)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	3,128	3,773	3,903
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	<u>(1,565)</u>	<u>(1,582)</u>	<u>(1,550)</u>
NET ASSETS	<u>1,563</u>	<u>2,191</u>	<u>2,353</u>
CAPITAL AND RESERVES			
Called up Share Capital	20	20	20
Share Premium Account	2,209	2,209	2,208
Investments – own shares	(2)	(2)	(1)
Profit and Loss Account	(664)	(36)	126
	<u>1,563</u>	<u>2,191</u>	<u>2,353</u>
Equity Shareholders' Funds	<u>1,563</u>	<u>2,191</u>	<u>2,353</u>

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 31 MAY 2009**

31 May		Six months ended 31 May	Six months ended 31 May
	Notes	2009 Unaudited £ 000's	2008 Unaudited £ 000's
Net cash inflow/(outflow) from operating activities	587	(271)	
Returns on investments and servicing of finance	(97)	(215)	
Capital expenditure and financial investment		(383)	(249)
Acquisition and disposals		-	-
Cash inflow/(outflow) before financing		<u>107</u>	<u>(735)</u>
Financing		(66)	(43)
Increase/(decrease) in cash in the period		<u>41</u>	<u>(778)</u>
Reconciliation of net cash flow to movement in net debt	3		
Increase/(Decrease) in cash in the period		41	(778)
Cash outflow from decrease in debt and lease financing	66	43	
Changes in net funds resulting from cash flow		<u>107</u>	<u>(735)</u>
New finance leases		-	-
Movement in net debt in the year		<u>107</u>	<u>(735)</u>
Net debt at 1.12.2008	3	(3,896)	(4,562)
Net debt at 31.5.2009	3	<u>(3,789)</u>	<u>(5,297)</u>

NOTES

1. BASIS OF PREPARATION

The financial information for the six month period to 31 May 2009 does not constitute statutory accounts within the meaning of the Companies Act 1985. The financial information for the period ended 30 November 2008 has been extracted from the Group's statutory audited accounts for that year.

The accounting policies remain unchanged from those set out in the Group's statutory accounts for the year ended 30 November 2008.

2. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

	Six months ended 31 May 2009 Unaudited £ 000's	Six months ended 31 May 2008 Unaudited £ 000's
Loss for the period	(628)	(110)
Minority interests	-	-
	<u>(628)</u>	<u>(110)</u>
Weighted average number of ordinary shares (000's)	2,037	2,036
Basic loss per share	<u>(30.8)p</u>	<u>(5.4)p</u>

3. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	At 1.12.2008 £ 000's	Cashflows £ 000's	At 31.5.2009 £
000's			
Cash at bank and in hand	623	(162)	461
Bank overdraft	(3,334)	203	(3,131)
Finance leases	(185)	66	(119)
Loan note	(1,000)	-	(1,000)
TOTAL	<u>(3,896)</u>	<u>107</u>	<u>(3,789)</u>