

Walsingham House  
35 Seething Lane  
London EC3N 4AH

Tawa Associates Limited  
Tel: 020 7068 8034


## LETTER FROM THE CHAIRMAN

18 July 2014

Dear shareholders

As I outlined in my letter of 19 June 2014, on 25 and 26 March 2014 the Upper Tribunal of the Tax and Chancery Chamber heard an appeal against the refusal of HMRC to a claim by a member of a consortium to utilise trading losses surrendered by associate CX Re following its sale to the consortium in 2006. On 16 June the Upper Tribunal published its judgement and found in favour of the taxpayer consortium member. The appeal period expired on 16 July and HMRC have since confirmed that they do not intend to appeal the judgement. The book value of the Group's assets connected with the sale of CX Re in 2006 at 31 December 2013 was \$35 million, of which \$15 million was carried in TAL and \$20 million in CX Re. It is now expected that these sums will become freely available, respectively, to TAL and CX Re. The amount to be released to TAL will be available for working capital purposes. For CX Re the proceeds will aid liquidity, but significant challenges remain as regards its insurance liabilities and there is therefore continuing uncertainty as to the outcome of its run-off.

Yours sincerely



CG Bird

Chairman