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Pro Global Insurance Solutions plc (formerly Tawa plc)

Interim Report 30 June 2014

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Interim results

Pro Global Insurance Solutions plc (the "Company" or "Pro") is a specialist outsourcing and consulting service provider to the global insurance and reinsurance industry.

In December 2013 Tawa plc announced that it was demerging into two independent companies by distributing, to its then existing shareholders, its risk carrier business. Following the demerger on 3 April 2014, the remaining subsidiaries are now engaged in the principal business activity of providing specialised services to a broad array of international clients across the insurance and reinsurance markets. On 4 April 2014 Tawa plc was renamed Pro Global Insurance Solutions plc.

The de-merger releases Pro from the natural and unexpected volatility of the risk carrier business and enables Pro to focus on its core purpose of being the trusted delivery partner for operations that matter most to its clients.

Highlights

During the AGM on 19 June 2014 Pro presented its "Client First" strategy, as an independent services company, with the key strategic goals:

- To become the number one specialist service provider addressing complex operational needs of global insurers and reinsurers; and
- To achieve annual revenue of £60 million at a sustainable net margin of 15% in the medium term.

Pro is pleased to report that the team is making significant progress in delivering on this "Client First" strategy and has:

- Defined and launched Pro client's value proposition, aiming to enhance Pro's reputation and market position;
- Organised the business into two principal activities (consulting and outsourcing) and four client-centric business lines;

    1. Risk audit and compliance (consulting)
    2. Operational consulting
    3. Technical outsourcing
    4. Legacy solutions (outsourcing)

- Reinvigorated Pro's sales activities, focused on expanding its client base and broadening existing relationships, seeking long-term high-margin revenue sources. This is evidenced by a strong and more diverse pipeline; and
- Instituted a rigorous and continuing evaluation of costs to ensure an appropriate alignment of costs with revenues and wherever possible repositioning internal resources onto revenue-generating client activities, evidenced by the reduction Pro's expenses run rate of over £1 million on an annualised basis.

Pro has recently reached agreement with Swiss Re, a significant and long standing client, to extend its contractual relationship for a further 5 years until 2019.

Summary of Interim Financial Results	**30 Jun 2014 £m**	**30 Jun 2013 £m**
Operating activities		
Revenue from Core Activities		
Consulting	2.4[1]	3.1[1]
Outsourcing	9.1[1]	9.3[1]
Direct costs of core business	(7.1)	(8.2)
Gross Profit	**4.4**	**4.2**
Gross Margin	38%	34%
Corporate operating overhead	(6.4)[2]	(5.6)[2]
Interest	(0.3)	(0.2)
Other income/(expenses)	0.4	(0.5)
Share of results from associate	0.7	0.9
Taxation	-	(0.3)
Loss from continuing operations	**(1.2)**	**(1.5)**
Profit from discontinued operations	4.0[3]	0.6[3]
Profit/(loss) for the period	**2.8**	**(0.9)**

Note 1: revenue values net of statutory eliminations and adjustments
Note 2: 2014 includes £0.4 million re-structuring and re-organisation costs, 2013 includes £0.3 million provision release
Note 3: 2014 includes £1.2 million of restructuring and re-organisation costs.

Interim results continued

Group results including the results from discontinued operations show a £2.8 million profit for the interim period compared to a loss of £0.9 million in the 1st half of 2013. The loss from continuing operations, being the demerged business without the volatile risk-carrier businesses, was £1.2 million compared to a loss of £1.5 million in 2013.

Revenue for the first half of 2014 was impacted by demerger activities as Pro has focused on restructuring and redefining its product groups. Since April 2014, Pro has focused on implementing its long term growth strategy and has already begun to see encouraging results. Pro is seeing a significant upturn in its consulting revenues towards the end of the second quarter and continuing into the third quarter. Pro sees this trend continuing in the short-to-medium term. Pro's pipeline remains strong. Pro's technical outsourcing businesses have continued to perform well and also have a robust pipeline. Legacy business remains profitable but there is limited market opportunity in the short term.

The 2014 results include reorganisation and restructuring costs of £1.6 million. The restructuring of Pro's organisation is expected to reduce operating costs by over £1.0 million per year on an ongoing basis. Pro's focus on long term cost reduction and realignment of resources has already had a marked impact on the Company's gross margins and overall operating results. Gross margins for the interim period reached 38% compared to 34% in the 2013 comparable period. The Company anticipates further improvements in gross margins during the latter half of 2014 as it continues to work to achieve a target net margin of 15%.

Historically, the Company has reported its financial results in US dollars since the vast majority of the Group's assets and liabilities were held in US dollars. Following the demerger, the remaining assets and liabilities are predominantly held in pounds sterling and is the functional currency of the Group's principal operating subsidiaries. As a result, Pro has changed its reporting currency to pounds sterling. As a direct result of this and the demerger, the Company has released £6.8 million (30 June 2013: £16.8 million) of its translation reserve to the income statement. These releases are recorded in discontinued operations.

In January 2012, Pro acquired a 33% interest in Asta, the leading turnkey managing agency Services Company in Lloyd's. This strategy has been fully validated and Asta continues to perform strongly with Pro's share of their results contributing £0.7 million and £0.9 million to the Group results in the six month periods to 30 June 2014 and 30 June 2013 respectively. Asta paid its first dividend of £1.25 million (for Pro's 33% share) in August 2014.

The sale of the German risk carrier Hamburger Internationale Rückversicherung AG to Compre Holdings Limited was closed during August 2014 following regulatory approval from BaFin. This contributed to strengthening the Company's cash resources during the 2nd half of 2014.

The Pro team is fully-focused on delivering the "Client First" strategy and transforming into a successful service business. 2014 is a year of transition and the team is laying solid foundations for 2015 and beyond.

Condensed consolidated income statement

For the period ended 30 June 2014

	Notes	6 months 30 Jun 2014 (unaudited) £m	6 months 30 Jun 2013 (unaudited) restated £m
Continuing operations			
Revenue		**11.5**	12.4
Expenses		**(13.5)**	(13.8)
Other income/(expenses)		**0.4**	(0.5)
Results of operating activities		**(1.6)**	(1.9)
Share of results of associate		**0.7**	0.9
Finance costs		**(0.3)**	(0.2)
Loss before taxation		**(1.2)**	(1.2)
Taxation		**-**	(0.3)
Loss for the period from continuing operations		**(1.2)**	(1.5)
Profit for the period from discontinued operations	7	**4.0**	0.6
Profit/(loss) for the period		**2.8**	(0.9)

Loss for the period from continuing operations		**(1.2)**	(1.5)
Profit for the period from discontinued operations		**4.0**	0.6
Profit/(loss) for the period attributable to owners of the Company		**2.8**	(0.9)

Earnings per share			
From continuing and discontinued operations			
Basic: Ordinary shares (pence per share)	8	**2.47**	(0.79)
Diluted: Ordinary shares (pence per share)	8	**2.40**	(0.79)
From continuing operations			
Basic: Ordinary shares (pence per share)	8	**(1.06)**	(1.32)
Diluted: Ordinary shares (pence per share)	8	**(1.06)**	(1.32)

Condensed consolidated statement of comprehensive income

For the period ended 30 June 2014

	6 months 30 Jun 2014 (unaudited) £m	6 months 30 Jun 2013 (unaudited) restated £m
Profit/(loss) for the period	**2.8**	(0.9)
Other comprehensive (losses)/income		
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	**(0.1)**	4.1
Total comprehensive income for the period	**2.7**	3.2

Total comprehensive (losses)/income for the period from continuing operations	**(1.3)**	2.6
Total comprehensive income for the period from discontinued operations	**4.0**	0.6
Total comprehensive income for the period attributable to owners of the Company	**2.7**	3.2

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Condensed consolidated statement of financial position

As at 30 June 2014

	Notes	**30 Jun 2014 (unaudited) £m**	31 Dec 2013 (unaudited) restated £m
ASSETS			
Non-current assets			
Property, plant and equipment		**1.4**	1.0
Goodwill		**5.9**	5.9
Other intangible assets		**0.4**	0.6
Interest in associate		**7.3**	7.2
Reinsurers' share of technical provisions		**-**	0.4
		15.0	15.1
Current assets			
Loans and receivables including insurance receivables		**17.4**	13.3
Financial assets - investments		**-**	45.6
Cash and cash equivalents		**3.4**	13.3
		20.8	72.2
Assets classified as held for sale	9	**65.7**	86.7
Total assets		**101.5**	174.0
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		**2.3**	11.3
Share premium		**-**	57.5
Other reserves		**3.3**	10.2
Retained earnings		**1.7**	(17.8)
		7.3	61.2
Non-controlling interests		**(0.3)**	0.4
Total equity		**7.0**	61.6
Non-current liabilities			
Financial liabilities - borrowings		**10.0**	10.0
Technical provisions		**-**	36.5
		10.0	46.5
Current liabilities			
Creditors arising out of insurance operations		**10.8**	9.6
Other liabilities		**9.9**	20.6
		20.7	30.2
Liabilities directly associated with assets classified as held for sale	9	**63.8**	35.7
Total liabilities		**94.5**	112.4
Total equity and liabilities		**101.5**	174.0

Condensed consolidated statement of changes in equity

As at 30 June 2014

	Attributed to equity holders of the Company								
			Other reserves						
	Share capital	Share premium reserve	Share based payments reserve	Capital redemption reserve	Translation reserve	Retained earnings	**Total**	Non-controlling interest	**Total Equity**
	$m	$m	$m	$m	$m	$m	**$m**	$m	**$m**
Balance at 1 January 2013 reported in $m	22.2	110.6	4.1	-	(0.7)	41.3	**177.5**	1.0	**178.5**
	£m	£m	£m	£m	£m	£m	**£m**	£m	**£m**
Balance at 1 January 2013 restated in £m	11.3	56.1	2.5	-	22.6	18.0	**110.5**	0.7	**111.2**
Comprehensive losses									
Loss for the period restated	-	-	-	-	-	(0.9)	**(0.9)**	-	**(0.9)**
Other comprehensive income									
Currency translation differences restated	-	-	-	-	4.1	-	**4.1**	-	**4.1**
Total comprehensive income/(losses) for the period	-	-	-	-	4.1	(0.9)	**3.2**	-	**3.2**
Reclassification of exchange differences on the disposal of a foreign subsidiary	**-**	**-**	**-**	**-**	**(16.8)**	**-**	**(16.8)**	**-**	**(16.8)**
Balance at 30 June 2013 (unaudited)	**11.3**	**56.1**	**2.5**	**-**	**9.9**	**17.1**	**96.9**	**0.7**	**97.6**
	$m	$m	$m	$m	$m	$m	**$m**	$m	**$m**
Balance at 1 January 2014 reported in $m	22.2	112.8	4.2	0.4	0.7	(40.4)	**99.9**	0.7	**100.6**
	£m	£m	£m	£m	£m	£m	**£m**	£m	**£m**
Balance at 1 January 2014 restated in £m	11.3	57.5	2.7	0.3	7.2	(17.8)	**61.2**	0.4	**61.6**
Comprehensive income									
Profit for the period	-	-	-	-	-	2.8	**2.8**	-	**2.8**
Other comprehensive losses									
Currency translation differences	-	-	-	-	(0.1)	-	**(0.1)**	-	**(0.1)**
Total comprehensive (losses)/income for the period	-	-	-	-	(0.1)	2.8	**2.7**	-	**2.7**
Reclassification of exchange differences on demerger	-	-	-	-	(6.8)	(0.2)	**(7.0)**	-	**(7.0)**
Transactions with owners									
Capital reduction	(9.0)	(57.5)	-	-	-	66.5	**-**	-	**-**
Share based payments	-	-	-	-	-	-	**-**	-	**-**
Non-cash distribution	-	-	-	-	-	(49.6)	**(49.6)**	(0.7)	**(50.3)**
Total transactions with owners	(9.0)	(57.5)	-	-	-	16.9	**(49.6)**	(0.7)	**(50.3)**
Balance at 30 June 2014 (unaudited)	**2.3**	**-**	**2.7**	**0.3**	**0.3**	**1.7**	**7.3**	**(0.3)**	**7.0**

Condensed consolidated statement of cash flows

For the period ended 30 June 2014

	Notes	6 months 30 Jun 2014 (unaudited) £m	6 months 30 Jun 2013 (unaudited) restated £m
Net cash (used in)/generated from continuing operations	10	**(6.2)**	6.2
Net cash used in discontinued operations	7	**(0.6)**	(2.9)
Cash (used in)/generated from operations		**(6.8)**	3.3
Investing activities			
Cash receipts from interest		**-**	1.3
Purchases of property, plant and equipment		**(0.6)**	-
Cash and cash equivalents relating to demerged entities		**(8.7)**	-
Net cash from the disposal of subsidiaries		**-**	(6.6)
Cash generated from discontinued investing activities	7	**0.1**	1.0
Cash used in investing activities		**(9.2)**	(4.3)
Financing activities			
Repayments of financial borrowings		**-**	(5.1)
Cash used in discontinued financing activities	7	**(0.4)**	(0.9)
Cash flows used in financing activities		**(0.4)**	(6.0)
Net decrease in cash and cash equivalents		**(16.4)**	(7.0)
Cash and cash equivalents at the beginning of the period		**23.8**	35.5
Effects of exchange rate changes on the balance of cash held in foreign currencies		**(0.5)**	1.3
Cash and cash equivalents at the end of the period		**6.9**	29.8

As presented in the consolidated statement of financial position			
Cash and cash equivalents		**13.3**	35.5
Assets classified as held for sale	9	**10.5**	-
Cash and cash equivalents at the beginning of the period		**23.8**	**35.5**
As presented in the consolidated statement of financial position			
Cash and cash equivalents		**3.4**	29.8
Assets classified as held for sale	9	**3.5**	-
Cash and cash equivalents at the end of the period		**6.9**	29.8

Major non-cash transactions

On 26 March 2014 the Company's share premium of £57.5 million was cancelled and the nominal value of 113,375,177 ordinary shares was reduced from 10 pence to 2 pence.

On 3 April 2014 the Company made a non-cash distribution, dividend in specie, of £50.3 million.

Notes to the condensed consolidated financial statements

For the period ended 30 June 2014

1. General information

On 4 April 2014 Tawa plc was renamed Pro Global Insurance Solutions plc (the "Company"). The risk carrier business was demerged on 3 April 2014 and the remaining subsidiaries (together the "Group") are now engaged in the principal business activity of providing specialised services to a broad array of international clients across the insurance market.

The demerger is fully disclosed in note 6.

The interim consolidated financial statements do not constitute statutory accounts as defined in section 434 of the Companies Act 2006 and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2013. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was not qualified, did not include a reference to any matters to which the auditors draw attention by way of emphasis without qualifying the report, and did not contain any statements under section 498(2) or 498(3) of the Companies Act 2006.

The Directors have considered the position of the Group's assets compared to the liabilities. In addition they have assessed the Group's liquidity with regard to expected future cash flows. They have also considered the performance of the business, as discussed in the interim results. In light of these reviews the Directors have concluded that it is appropriate to adopt the going concern basis in preparing the interim report.

The interim results have been reviewed by the Group's auditors, Mazars LLP, and their review report is set out on page 18.

2. Significant accounting policies

The annual financial statements of the Company are prepared in accordance with IFRS as adopted by the European Union. The condensed set of financial statements included in this interim report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union.

The same accounting policies, presentation and methods of computation are followed in these condensed consolidated financial statements as were applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2013, except for the adoption of new standards and interpretations effective as of 1 January 2014. During the interim period the Group changed its presentation currency from US dollars to pounds sterling, this is considered a change in accounting policy and the details are disclosed in note 4.

During the period the Group adopted the following standards and revisions to standards:

- The standards on consolidation, joint arrangements, associates and related disclosures have been issued or amended. The standards need to be applied collectively and are effective for annual periods beginning on or after 1 January 2014:
  - IAS 27 (2011) Separate Financial Statements – Now only deals with the requirements for separate financial statements, requirements for consolidated financial statements are now contained in IFRS 10 Consolidated Financial Statements;
  - IAS 28 (2011) Investments in Associates and Joint Ventures – The standard supersedes IAS 28 and prescribes the accounting for investments in associates and joint ventures and sets out the requirements for the application of the equity method of accounting;
  - IFRS 10 Consolidated Financial Statements – The standard introduces a single consolidation model for all entities based on control, irrespective of the nature of the investee. Under IFRS 10, control is based on whether an investor has:
    - Power over the investee;
    - Exposure, or rights, to variable returns from its involvement with the investee; and
    - The ability to use its power over the investee to affect the amount of the returns.
  - IFRS 11 Joint Arrangements – The standard replaces IAS 31 Interest in Joint Ventures and requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement. Joint arrangements are either joint operations or joint ventures; and
  - IFRS 12 Disclosure of Interests in Other Entities – Requires extensive disclosure to enable users of the financial statements to evaluate the nature of, and risks associated with, interests in other entities.

- Amendments to IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities – To provide additional transition relief by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Effective for annual periods beginning on or after 1 January 2013, however as EFRAG has not endorsed the standards effective dates these amendments are effective for annual periods beginning on or after 1 January 2014;

2. Significant accounting policies continued

- Investment entities amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial statements – Provide investment entities (as defined) an exemption from the consolidation of particular subsidiaries and instead requires their measurement at fair value through profit or loss in accordance with IFRS 9 Financial Instruments or IAS 39 Financial Instruments: Recognition and Measurement. Effective for annual periods beginning on or after 1 January 2014;

- Amendments to IAS 32 Financial Instruments Presentation – To clarify the application of the requirements on offsetting financial assets and financial liabilities effective for annual periods beginning on or after 1 January 2014;

- Amendments to IAS 36 Impairment of Assets – To reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. Effective for annual periods beginning on or after 1 January 2014; and

- Amendments to IAS 39 Financial Instruments: Recognition and Measurement – To clarify that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met. Effective for annual periods beginning on or after 1 January 2014.

3. Critical accounting judgements and estimates

The judgements and estimates made by management which are relevant and have a significant effect on the condensed consolidated financial statements are consistent with those disclosed in the Group’s consolidated financial statements for the year ended 31 December 2013.

Assets and liabilities classified as held for sale, Hamburger Internationale Rückversicherung ("HIR")

Regulatory approval for the sale of HIR and certain subsidiaries was received on 14 August 2014 from BaFin, the German regulator, and the transaction completed subsequent to the reporting period. At 30 June 2014 management considered it appropriate to classify the assets and related liabilities as held for sale.

QX Reinsurance Company Limited (“QX Re”)

As noted in Note 6, the ownership of QX Re was not transferred as part of the demerger. However, the economic rights and therefore the exposure to and rights to variable returns relating to this entity are no longer held by Pro. As a result, at 30 June 2014, it is management’s view that Pro does not control QX Re and it has not been consolidated.

4. Change in accounting policy

Following the demerger the Group's revenues, profits and cash flows are primarily generated in pounds sterling, and are expected to remain principally denominated in sterling for the foreseeable future. Historically the Group presented its consolidated financial statements in US dollars. During the period the Group changed the currency in which it presents its financial statements from US dollars to pounds sterling, in order to better reflect the underlying performance of the Group.

A change in the presentation currency is considered a change in accounting policy and has been accounted for retrospectively. Financial information included in the financial statements for the periods ended 30 June 2013 and 31 December 2013 previously reported in US dollars have been restated into pounds sterling using the following procedures:

- assets and liabilities were translated into pounds sterling at the closing rates of exchange on the relevant reporting dates;
- income and expenditure were translated at the average rates of exchange prevailing for the relevant periods; and
- the translation reserve was recalculated from accumulated gains and losses using average rates of exchange prevailing for the relevant periods.

5. Segmental information

Prior to the demerger of the Group, Pro Global Insurance Solutions plc represented a single segment within the financial accounts. The demerged Group's revenue is generated in a number of countries, United Kingdom, United States, Europe and Latin America, with the activities divided into two key segments.

Outsourcing

Outsourcing is provided within the reinsurance and insurance industry with services provided through the Company's legacy solutions product to books of business that are in run-off. The technical outsourcing product provides outsourcing services to both start up and established operators.

Consultancy

Consultancy services are provided within the reinsurance and insurance industry to provide services in two key areas:

- Risk, audit and compliance; and
- Change management including project management, process engineering, business analysis and data engineering.

Other

Other includes revenue from STRIPE Global Services Limited and incidental revenue that is generated outside of these core services by shared services resources.

For management purposes the Group is divided into the four product groups, although these have been combined into outsourcing and consultancy as they share the same distribution and margin styles. The Group is monitored on both a product and territory split by management, with assets and liabilities being monitored on a Group basis.

The segments identified, although dependant on clients' demands which can affected by peak holiday periods, are not materially impacted by seasonality. The segments have no infrastructure, assets or liabilities separately identified from the Group.

(a) Segment income and results

The following is an analysis of the Group's revenue and results by reportable segment.

For the period ended 30 Jun 2014	Outsourcing £m	Consulting £m	Other £m	Eliminations and adjustments £m	Discontinued operations £m	Consolidated **£m**
Revenue						
Third party	9.3	2.4	0.1	(0.3)	-	**11.5**
Inter-segment	0.3	0.2	0.4	(0.9)	-	**-**
Total revenue	9.6	2.6	0.5	(1.2)	-	**11.5**
Profit/(loss) on continuing operations	1.1	(0.6)	(0.2)	(1.5)	-	**(1.2)**
Profit on discontinued operations	-	-	-	-	4.0	**4.0**

For the period ended 30 Jun 2013	Outsourcing £m	Consulting £m	Other £m	Eliminations and adjustments £m	Discontinued operations £m	Consolidated £m
Revenue						
Third party	9.2	3.1	-	0.1	-	12.4
Inter-segment	0.9	-	0.7	(1.6)	-	-
Total revenue	10.1	3.1	0.7	(1.5)	-	12.4
Profit/(loss) on continuing operations	0.8	0.2	0.3	(2.8)	-	(1.5)
Profit on discontinued operations	-	-	-	-	0.6	0.6

No adjustments are required for revenue recognition.

The eliminations and adjustments include consolidation of Group revenue, small exchange rate differences and transactions within Pro Global Insurance Solutions plc.

5. Segmental information continued

(b) Geographical Information

Revenue is generated in a number of territories; the revenue is booked within the territory that is providing the resources to fulfil the contract.

Revenue from external customers	30 Jun 2014 £m	30 Jun 2013 £m
United Kingdom	**8.2**	8.1
United States	**2.3**	2.6
Europe	**0.8**	1.3
Latin America	**0.2**	0.4
Total revenue	**11.5**	12.4

The following is a geographical analysis of the Group's non-current assets. Non-current assets for this purpose consist of property, plant and equipment, intangible assets and investments in associates.

Location of non-current assets	30 Jun 2014 £m	30 Jun 2013 £m
United Kingdom	**8.8**	8.4
Europe	**0.3**	0.4
Total non-current assets	**9.1**	8.8

6. Demerged entities

On 20 December 2013 the Group announced its plan to demerge the risk carrier business with the remaining service business becoming the focus of the Group.

On 26 March 2014 the High Court approved a reduction of the Company's share capital to facilitate the demerger, share premium of £57.5 million was cancelled and the nominal value of the ordinary shares was reduced from 10 pence to 2 pence. These changes are detailed in the statement of changes in equity.

On 3 April 2014 the demerger became effective and the risk carriers' and other companies' net assets were transferred by means of a dividend in specie.

The economic rights to the deferred assets relating to CX Reinsurance Company Limited ("CX Re") have transferred to the risk carrier business; this asset is currently shown as held for sale as the transfer is not yet complete. However, the Group's remaining 12.65% interest in CX Re (as an associate) was deemed as disposed of on the date of the demerger as the Group no longer has significant influence over this entity. Subsidiaries QX Re and LGIC Holdings, LLC continue to be owned by the Group but certain economic rights have transferred to the risk carrier business.

The demerged subsidiaries and transferred economic rights are detailed below:

Demerged entities	Place of incorporation (or registration) and operation	Portion of ownership interest transferred	Net assets transferred £m
Tawa Associates Limited	Great Britain	100.00%	21.8
Tawa Management Limited	Great Britain	100.00%	1.6
WT Holdings Incorporated	United States Delaware	100.00%	12.7
PXRE Reinsurance Company	United States Connecticut	100.00%	16.6
Tawa Management (Bermuda) Limited	Bermuda	100.00%	(0.1)
Amberley Alternative Assets Limited	Great Britain	100.00%	0.1
CX Reinsurance Company Limited	Great Britain	12.65%	0.8
ICL Holdings Incorporated	United States Delaware	100.00%	
Island Capital (Europe) Limited (in Liquidation)	Great Britain	94.30%	
Island Capital Limited	Bermuda	94.30%	11.0
Pocono Holdings Limited	Great Britain	100.00%	0.1
Q360, Inc	United States Delaware	100.00%	
Q360 Limited	Great Britain	100.00%	(3.7)
Lodestar Marine Limited	Great Britain	100.00%	(5.9)
Economic rights transferred			
CX Reinsurance Company Limited, deferred asset	Great Britain	n/a	30.9
QX Reinsurance Company Limited	Bermuda	100.00%	0.7
LGIC Holdings, LLC	United States Delaware	51.00%	-
Consolidation and IFRS valuation adjustments			(36.3)
Total net assets transferred			50.3

6. Demerged entities continued

Analysis of assets and liabilities over which control was lost

	Entities demerged £m	Consolidation and IFRS valuation adjustments £m	Economic rights transferred £m	Net assets transferred 3 April 2014 £m
Assets				
Investments in subsidiaries	39.3	(39.3)	-	-
Intercompany balances	4.7	(4.7)	-	-
Property, plant and equipment	0.1	-	-	0.1
Interest in associate	2.8	0.4	-	3.2
Deferred assets	-	2.5	28.4	30.9
Reinsurers' share of technical provisions	2.4	-	-	2.4
Loans and receivables including insurance receivables	15.0	4.7	-	19.7
Financial assets - investments	20.7	-	-	20.7
Cash and cash equivalents	8.7	-	-	8.7
Total assets over which control was lost	93.7	(36.4)	28.4	85.7
Liabilities				
Financial liabilities - borrowings	19.6	-	-	19.6
Technical provisions	6.7	(0.1)	-	6.6
Creditors arising out of insurance operations	3.3	-	-	3.3
Other liabilities	5.9	-	-	5.9
Total liabilities over which control was lost	35.5	(0.1)	-	35.4
Net assets over which control was lost	**58.2**	**(36.3)**	**28.4**	**50.3**

Gain/(loss) on demerger

	30 Jun 2014 £m
Dividend in specie	**(50.3)**
Fair value of net assets transferred	**50.3**
	-

Net cash flow on the demerging of entities

	30 Jun 2014 £m
Consideration received in cash and cash equivalents	**-**
Less: cash and cash equivalents disposed of	**(8.7)**
	(8.7)

7. Discontinued operations

Demerger of Tawa Associates Limited ("TAL")

On 3 April 2014 the Group effected the demerger of the risk carrier business. The results and gain on demerger are presented as discontinued in both the current and comparative year. The entities which have been transferred to the TAL group have been presented in note 6.

CX Reinsurance Company Limited ("CX Re")

Following the Group's disposal in 2006 of the majority of its shareholding in CX Re any adjustments to the deferred consideration are accounted for as a profit/(loss) on sale of investment in the year in which the adjustments to the deferred consideration arise. CX Re formed part of the demerger however at the period close the transfer to TAL had not yet been completed, therefore the deferred asset and related liability to TAL remain classified as held for sale.

Hamburger Internationale Rückversicherung AG ("HIR")

On 20 December 2013 the Group announced the sale of the entire issued share capital of HIR and its subsidiaries Pavant SAS, Chiltington International Holdings Limited, and Hamburg International Reinsurance Ltd to Compre Holdings Limited whilst retaining the Chiltington consulting companies in Argentina, USA, UK and Germany. Regulatory approval was received on 14 August 2014 from BaFin, the German regulator, and the transaction completed subsequent to the reporting period. The results are presented as discontinued in both the current and comparative year and the related net assets are disclosed as held for sale.

KX Reinsurance Company Limited ("KX Re") and OX Reinsurance Limited ("OX Re")

On 14 April 2013, the Group disposed of its risk carrier KX Re and its direct subsidiary OX Re. The results and the loss on disposal are presented as discontinued operations in the comparative year.

				30 Jun 2014					30 Jun 2013 (restated)
	TAL	CX Re	HIR	**Total**	TAL	CX Re	KX Re	HIR	Total
Discontinued operations	£m	£m	£m	**£m**	£m	£m	£m	£m	£m
Net earned premium	0.7	-	-	**0.7**	1.4	-	-	-	1.4
Revenue	1.3	-	-	**1.3**	2.2	-	-	-	2.2
Investment return	0.1	-	-	**0.1**	0.7	-	-	0.3	1.0
Other income	0.1	-	0.5	**0.6**	-	-	-	0.1	0.1
Net insurance claims	0.7	-	-	**0.7**	(1.4)	-	-	0.4	(1.0)
Expenses	(2.9)	-	(0.9)	**(3.8)**	(4.7)	-	-	(0.9)	(5.6)
Share of results of associate	(0.1)	-	-	**(0.1)**	-	-	-	-	-
Finance costs	(0.4)	-	-	**(0.4)**	(0.9)	-	-	-	(0.9)
Loss from discontinued operations before taxation	(0.5)	-	(0.4)	**(0.9)**	(2.7)	-	-	(0.1)	(2.8)
Taxation	(0.1)	-	-	**(0.1)**	-	-	-	-	-
Impairment of demerged subsidiary	(0.7)	-	-	**(0.7)**	-	-	-	-	-
Reclassification of translation reserve	6.8	-	-	**6.8**	-	-	16.8	-	16.8
(Loss)/profit on disposal of discontinued operations	(0.3)	(0.8)	-	**(1.1)**	-	0.3	(13.7)	-	(13.4)
(Loss)/profit for the period from discontinued operations	5.2	(0.8)	(0.4)	**4.0**	(2.7)	0.3	3.1	(0.1)	0.6

	30 Jun 2014	30 Jun 2013
Cash flow statement from discontinued operations	**£m**	£m
Net cash used in discontinued operations	**(0.6)**	(2.9)
Cash generated from discontinued investing activities	**0.1**	1.0
Cash used in discontinued financing activities	**(0.4)**	(0.9)

8. Earnings per share

Earnings	30 Jun 2014 £m	30 Jun 2013 restated £m
Earnings for the purposes of basic earnings per share from continuing and discontinued operations being net profit/(loss) attributable to equity holders of the Group	**2.8**	(0.9)
Earnings for the purposes of basic earnings per share from continuing operations being net loss attributable to equity holders of the Group	**(1.2)**	(1.5)
Earnings for the purposes of basic earnings per share from discontinued operations being net profit attributable to equity holders of the Group	4.0	0.6

Number of shares	30 Jun 2014	30 Jun 2013
Weighted average number of Ordinary Shares for the purposes of basic earnings per share	**113,329,848**	113,375,177
Effect of dilutive potential Ordinary Shares: Share options	**3,228,816**	1,915,304
Weighted average number of Ordinary Shares for the purposes of diluted earnings per share	**116,558,664**	115,290,481

Basic earnings per share	30 Jun 2014 UK pence	30 Jun 2013 restated UK pence
From continuing and discontinued operations		
Basic: Ordinary Shares (pence per share)	**2.47**	(0.79)
Diluted: Ordinary Shares (pence per share)	**2.40**	(0.79)
From continuing operations		
Basic: Ordinary Shares (pence per share)	**(1.06)**	(1.32)
Diluted: Ordinary Shares (pence per share)	**(1.06)**	(1.32)
From discontinued operations		
Basic: Ordinary Shares (pence per share)	**3.53**	0.53
Diluted: Ordinary Shares (pence per share)	**3.43**	0.52

Pro.

9. Assets and liabilities classified as held for sale

Demerger of Tawa Associates Limited ("TAL")

On 20 December 2013 the Group announced its plan to demerge the Group's risk carrier business and the related assets were shown as held for sale at 31 December 2013. On 3 April 2014 the Group transferred these net assets by means of a dividend in specie, with the exception of CX Re's deferred asset, which has remained as held for sale and the transfer is progressing. As the economic rights of this asset have transferred to TAL a related liability is shown as due to TAL.

Hamburger Internationale Rückversicherung AG ("HIR")

On 20 December 2013 the Group announced the sale of the entire issued share capital in HIR and its subsidiaries as detailed in note 7. The assets and related liabilities are classified as held for sale at 30 June 2014.

			30 Jun 2014			31 Dec 2013 (restated)
	HIR	CX Re	**Total**	TAL	CX Re	Total
Net assets held for sale	£m	£m	**£m**	£m	£m	£m
Assets						
Property, plant and equipment	-	-	**-**	0.1	-	0.1
Interest in associate	-	-	**-**	3.3	-	3.3
Deferred asset	-	29.7	**29.7**	-	32.1	32.1
Reinsurers' share of technical provisions	0.3	-	**0.3**	2.4	-	2.4
Loans and receivables including insurance receivables	2.1	-	**2.1**	16.6	-	16.6
Financial assets – investments	30.1	-	**30.1**	21.7	-	21.7
Cash and cash equivalents	3.5	-	**3.5**	10.5	-	10.5
Total assets held for sale	36.0	29.7	**65.7**	54.6	32.1	86.7
Liabilities						
Financial liabilities – borrowings	-	-	**-**	17.9	-	17.9
Technical provisions	19.1	-	**19.1**	6.9	-	6.9
Creditors arising out of insurance operations	3.7	-	**3.7**	4.2	-	4.2
Other liabilities	11.3	29.7	**41.0**	6.7	-	6.7
Total liabilities held for sale	34.1	29.7	**63.8**	35.7	-	35.7
Net assets held for sale	1.9	-	**1.9**	18.9	32.1	51.0

10. Cash (used in)/generated from continuing operations

	30 Jun 2014 (unaudited)	30 Jun 2013 (unaudited) restated
	£m	£m
Loss for the period from continuing operations	**(1.2)**	(1.5)
Adjustments for:		
- depreciation	**0.1**	0.2
- share based payment expense	**0.1**	-
- amortisation of intangible asset	**0.2**	0.1
- other gains and losses	**(1.2)**	3.6
	(2.0)	2.4
Change in operating assets and liabilities		
Net increase/(decrease) in insurance receivables and liabilities	**3.9**	(4.6)
Net increase in loans and receivables	**(8.2)**	(5.0)
Net increase in other operating liabilities	**0.4**	13.9
Cash (used in)/generated from operations	**(5.9)**	6.7
Interest paid	**(0.3)**	(0.2)
Taxation paid	-	(0.3)
Net cash (used in)/generated from continuing operations	**(6.2)**	6.2

Pro.

11. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Tawa Associates Limited and its subsidiaries are considered related parties as both the entity and the Group have the same ultimate parent.

Trading transactions

Two of the Company's subsidiaries Pro Insurance Solutions Ltd and Pro IS, Inc provide insurance run-off management services to Tawa Associates Limited and its subsidiaries. On 3 April 2014 associate CX Reinsurance Company Limited was transferred to Tawa Associates Limited.

Run-off management revenue is provided on a negotiated fee basis. Run-off management expenses are recharged at cost by Pro Insurance Solutions Ltd and Pro IS, Inc.

During the period Group companies entered into the following transactions with related parties who are not members of the Group:

	30 Jun 2014 **£m**	30 Jun 2013 restated £m
Revenue		
Tawa Associates Limited, and its subsidiaries below	**0.1**	-
Amberley Alternative Assets Limited	**0.1**	
PXRE Reinsurance Company	**0.2**	-
Lodestar Marine Limited	**0.2**	-
Associate CX Reinsurance Company Limited	**1.0**	0.4
Total revenue with related parties	**1.6**	0.4
Recharged expenses		
Tawa Associates Limited, and its subsidiaries below	**0.4**	-
Q360 Limited	**0.2**	-
Lodestar Marine Limited	**0.5**	-
Associate CX Reinsurance Company Limited	**-**	1.4
Total expenses with related parties	**1.1**	1.4

At the period end, the following balances with related parties who are not members of the Group were outstanding:

	30 Jun 2014 **£m**	30 Jun 2013 restated £m
Tawa Associates Limited, and its subsidiaries below	**(3.3)**	-
Amberley Alternative Assets Limited	**0.1**	-
Pocono Holdings Limited	**(0.1)**	-
Tawa Management Limited	**(0.1)**	-
Associate CX Reinsurance Company Limited	**0.3**	0.3
Total outstanding balances with related parties	**(3.1)**	0.3

Key management personnel

The Group considers its key management personnel to include its Executive and Non-Executive Directors and those members of management reporting directly to its Board that have executive management responsibility for Group-wide operations.

Remuneration of key management personnel

The remuneration of key management included in the income statement is set out below:

	30 Jun 2014 **£m**	30 Jun 2013 restated £m
Short-term employee benefits	**1.1**	2.6
Post-employment benefits	**0.1**	0.3
Share based payments	**-**	0.1
Total management remuneration	**1.2**	3.0

A dividend in specie of £50.3 million was made in the period as outlined in note 6 (30 June 2013: £nil). As at 30 June 2014 the Group had no loans outstanding to key management (31 December 2013: £nil).

11. Related party transactions continued

Immediate and ultimate parent company

The immediate and ultimate parent company is Financière Pinault S.C.A., a Société en commandite par actions incorporated in France. The Pinault family members are, in the opinion of the Directors, the ultimate controlling parties of the Company. The group financial statements of Financière Pinault S.C.A. may be obtained from the Tribunal de Commerce de Paris, 1 Quai de Corse, 75004 Paris, France.

12. Contingent liabilities

31 December 2013; the Group may have additional exposure of $2.0 million on the QX Re reinsurance treaty before the loss deterioration reverts back to Penn National. Management believe that the information received when initiating the reinsurance transaction was incomplete and as a consequence Tawa has commenced legal action against Penn National in the Delaware Federal Court seeking to rescind the reinsurance treaty on grounds of fraud. On this basis management believes that it has no exposure to any further losses arising from the reinsurance treaty.

Some of the Group's subsidiaries are routinely involved in litigation or potential litigation related primarily to the settlement of insurance claims liabilities. However, none of such actual or proposed litigation that had not been provided for met the definition of a contingent liability.

Consequently, the Group had no insurance related, or other, contingent liabilities as at 30 June 2014 (31 December 2013: no contingent liabilities).

13. Events after reporting period

The sale of the entire issued share capital in Hamburger Internationale Rückversicherung AG and its subsidiaries Pavant SAS, Chiltington International Holdings Limited, and Hamburg International Reinsurance Ltd concluded on 14 August 2014.

Independent review report to Pro Global Insurance Solutions plc
(formerly Tawa plc)

We have been engaged by Pro Global Insurance Solutions plc (formerly Tawa plc) to review the condensed set of consolidated financial statements in the interim report for the six months ended 30 June 2014 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows and related notes 1 to 13. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of consolidated financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Respective responsibilities of Directors and auditor

The interim report, including the condensed set of consolidated financial statements contained therein, is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim report in accordance with the AIM Rules issued by the London Stock Exchange, which require that the interim report be prepared and presented in a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual accounts.

The annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. As disclosed in note 2, the condensed set of consolidated financial statements included in this interim report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility is to express to the Company a conclusion on the condensed set of consolidated financial statements in the interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated financial statements in the interim report for the six months ended 30 June 2014 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the AIM Rules issued by the London Stock Exchange.

Mazars LLP
Chartered Accountants
Tower Bridge House
St Katharine's Way
London E1W 1DD

24 September 2014

Notes:
(a) The maintenance and integrity of the Pro Global Insurance Solutions plc (formerly Tawa plc) web site is the responsibility of the Directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the web site.
(b) Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Pro Global Insurance Solutions plc (formerly Tawa plc) Company information

Directors

Tim Carroll
Independent Non-Executive Chairman

Artur Niemczewski
Chief Executive Officer (appointed 1 April 2014)

Gilles Erulin
Non-Executive Director (resigned as Chief Executive Officer 1 April 2014)

Colin Bird
Executive Director (resigned 1 April 2014)

Anthony Hamilton
Independent Non-Executive Director (resigned 19 June 2014)

Loïc Brivezac
Non-Executive Director

Registered Office

Walsingham House
35 Seething Lane
London EC3N 4AH

Company registration number

4200676

Secretary

Michael Dalzell (appointed 1 September 2014)
Christopher Jones (resigned 31 August 2014)

Nominated Advisor and Broker

Peel Hunt Ltd
120 London Wall
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Auditor

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Solicitors

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Principal Bankers

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London E14 5HP

Registrars

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Bristol BS99 6ZY