

ARGO CAPITAL MANAGEMENT (CYPRUS) LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

23. Related party transactions (continued)

23.5 Payables to related parties (Note 20)

<u>Name</u>	<u>Nature of transactions</u>	2013 US\$	2012 US\$
Argo Capital Management Limited	Services	914.870	715.429
		914.870	715.429

The payable to the related party is interest free, and is repayable on demand.

24. Capital Adequacy

The capital adequacy of the Company as at 31 December 2013 which was calculated based on these audited financial statements was 24,80% (2012: 22,52%) as reported by the Company to the CySEC. The Company has chosen to use the standardised approach for the measurement of capital adequacy. Therefore, for operational risk, capital was allocated based on the Company's turnover of the last three financial years, as required by the standardised method. Credit risk arises only from cash deposits with local banks and the risk weighting used is 20%. As at 31 December 2013, the Company had no other risk asset investments on its balance sheet or off balance sheet.

25. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2013.

26. Commitments

The Company had no capital or other commitments as at 31 December 2013.

27. Events after the reporting period

Significant events that occurred after the end of the reporting period are described in note 22 to the financial statements.

Independent auditor's report on pages 4 and 5

HCIS Attention