Note 3. Financial Risk Management (continued)

	Consolidated					
2010	**Weighted Average Interest Rate % P.A.**	**Floating Interest Rate $**	**Fixed Interest Rate $**	**Non-interest Bearing $**	**Fair Value $**	**Carrying Amount $**
Financial assets						
Cash and cash equivalents	4.0	24,894,805	61,171,587	1,056,444	87,122,836	87,122,836
Receivables	-	-	-	4,873,578	4,873,578	4,873,578
Security deposits	8.2	4,100	16,635,462	-	16,639,562	16,639,562
Total financial assets		24,898,905	77,807,049	5,930,022	108,635,976	108,635,976
Financial liabilities						
Trade and other payables	-	-	-	13,672,624	13,672,624	13,672,624
Total financial liabilities		-	-	13,672,624	13,672,624	13,672,624

Interest Rate Sensitivity Analysis

The following table details the Group's sensitivity to a 1.0% p.a. increase or decrease in interest rates, with all other variables held constant. The sensitivity analysis is based on the balance of floating interest rate amounts held at the end of the financial year.

The sensitivity analysis is not fully representative of the inherent interest rate risk, as the financial year end exposure does not necessarily reflect the exposure during the course of a financial year. These sensitivities should not be used to forecast the future effect of movements in interest rates on future cash flows.

	Consolidated	
	2011 $	2010 $
Change in profit (loss)		
- Increase of interest rate by 1.0% p.a.	**1,255,446**	248,989
- Decrease of interest rate by 1.0% p.a.	**(536,744)**	(55,377)
Change in financial assets		
- Increase of interest rate by 1.0% p.a.	**1,255,446**	248,989
- Decrease of interest rate by 1.0% p.a.	**(536,744)**	(55,377)

(b) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from cash and cash equivalents and security deposits held with banks, financial institutions and joint venture operators, as well as credit exposures to customers, including outstanding receivables.

Credit risk is managed on a Group basis at the corporate level. Management monitors credit risk on an ongoing basis within the Group.

To minimise credit risk, the Group has adopted a policy of only dealing with recognised and creditworthy third parties. The Group does not have any material credit risk exposure to any single debtor or group of debtors entered into by the Group. Receivable balances are monitored on an ongoing basis with the result being the Group's exposure to bad debts is minimised. The Group does not hold collateral, nor does it securitise its receivables.

The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.