

28. Financial risk management and instruments *continued*

A change of 100 basis points ("bps") in interest rate at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign exchange rates, remain constant.

	100 bps increase		100 bps decrease	
	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Variable rate instrument – 2013	1,920	–	(1,920)	–
Variable rate instrument – 2012	481	–	(481)	–

(b) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers including, outstanding receivables and committed transactions.

The Group has no significant concentrations of credit risk. The sale of gold and other cash transactions are limited to counterparties with sound credit ratings.

The maximum exposure to credit risk is represented by the carrying value of the Group's financial assets in the statement of financial position. The maximum exposure to credit risk at reporting date was:

	2013 \$'000	2012 \$'000
Cash and cash equivalents	32,987	90,623
Receivables	9,431	12,226
Restricted cash	5,474	–
Other financial assets	7,808	4,670
Total exposure to credit risk at year end	55,700	107,519

(c) Liquidity risk

The Group's liquidity requirements are based upon cash flow forecasts which are based upon forward production, operations, exploration and capital projections. Liquidity management, including debt / equity management, is carried out under policies approved by the Board and forecast material liquidity changes are discussed at Board meetings. The following table analyses the Company's financial assets and liabilities into relevant maturity groupings based on the remaining period at the reporting date. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying amount \$'000	1 year or less \$'000	1–2 years \$'000	2–5 years \$'000	More than 5 years \$'000	Total \$'000
2013						
Payables	47,106	41,185	–	3,373	4,327	48,885
Borrowings	202,565	94,432	30,458	85,138	13,521	223,549
Derivatives held for trading	1,271	1,271	–	–	–	1,271
Total financial liabilities 2013	250,942	136,888	30,458	88,511	17,848	273,705
2012						
Payables	49,278	42,597	4,637	2,044	–	49,278
Borrowings	157,544	45,474	75,260	66,359	–	187,093
Derivatives held for trading	2,685	2,685	–	–	–	2,685
Total financial liabilities 2012	209,507	90,756	79,897	68,403	–	239,056