

TAKORADI GOLD (INTERNATIONAL) LIMITED

AND ITS SUBSIDIARIES

CO. NO. 2065485

ANNUAL REPORT

YEAR ENDED 30 JUNE 1995

CONTENTS:

1. Directors' Report
3. Auditors' Report to the Members
5. Consolidated Profit and Loss Account
6. Consolidated Balance Sheet
7. Notes and Accounting Policies

TAKORADI GOLD (INTERNATIONAL) LIMITED AND ITS SUBSIDIARIESDIRECTORS' REPORT

The directors present their report and the audited financial statements of the company and of the group for the year ended 30 June 1995 which show the state of the company and of the group's affairs.

RESULTS FOR THE YEAR

During the year the group undertook exploration for gold. The net consolidated loss of the group for the year was A\$210,038 (1994: A\$985,657). The group was liable for corporation exempt status tax of A\$1,330 (1994: A\$NIL) imposed by Gibraltar and capital gains tax of A\$2,716 (1994: A\$NIL) in Ghana.

DIVIDEND

The directors do not recommend the payment of a dividend.

REVIEW OF OPERATIONS

The company continued its involvement in exploration activities in Ghana through its wholly owned subsidiary Takoradi Gold (Ghana) Limited and its other partly owned (80%) subsidiary, Northern Goldfields Limited with the objective of identifying a mineral resource and commencing production.

DIRECTORS

The directors who served during the year were:

Adrian J Collister
Rodney T Hudspeth
Brian R Sheppard
Ralph G Watson

MATERIAL INTEREST IN CONTRACTS

No director has any material interest in contracts undertaken by either the company or other group companies except for Messrs B R Sheppard and R T Hudspeth, both of whom are employed by management companies under contract to the group of companies to provide management advice.

TAKORADI GOLD (INTERNATIONAL) LIMITED AND ITS SUBSIDIARIESDIRECTORS' REPORT CONT'D

SIGNIFICANT AFTER BALANCE DATE EVENTS

The ultimate parent Company is concluding negotiations for a funding package that will provide sufficient funds to meet the Company's, and its group companies', working capital requirements.

FIXED ASSETS

Movements in fixed assets are as shown in notes 4 and 5 to the financial statements.

AUDITORS

A resolution to re-appoint the auditors, Pannell Kerr Forster, will be proposed at the annual general meeting.

By Order of the Board.



J M Nethersole
Secretary

21 September 1995

AUDITORS' REPORT TO THE MEMBERS OF
TAKORADI GOLD (INTERNATIONAL) LIMITED

We have audited the financial statements on pages 5 to 15 which have been prepared under the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

As described on page 16 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

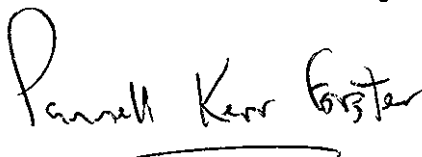
Fundamental uncertainty

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the ability of the company to continue as a going concern. The financial statements have been prepared on a going concern basis, the validity of which depends on continued support from the ultimate holding company. The financial statements do not include any adjustments that would result should such support become unavailable. Details of the circumstances relating to this fundamental uncertainty are described in note 1(b). Our opinion is not qualified in this respect.

AUDITORS' REPORT TO THE MEMBERS OF
TAKORADI GOLD (INTERNATIONAL) LIMITED

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's and group's affairs at 30 June 1995 and of the group's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PANNELL KERR FORSTER
Chartered Accountants
Registered Auditor

5 February 1996
London

TAKORADI GOLD (INTERNATIONAL) LIMITED AND ITS SUBSIDIARIESCONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED30 JUNE 1995

	NOTE	CONSOLIDATED		HOLDING COMPANY	
		1995	1994	1995	1994
		A\$	A\$	A\$	A\$
Administrative Expenses		265,578	177,613	7,558	12,066
Exploration Expenditure					
Written Off	2	-	818,779	-	-
Other income		<u>(59,586)</u>	<u>(10,735)</u>	<u>-</u>	<u>(11)</u>
Loss on ordinary activities before taxation	2	205,992	985,657	7,558	12,055
Tax on ordinary activities	3	<u>4,046</u>	<u>-</u>	<u>665</u>	<u>-</u>
Loss on ordinary activities after taxation		210,038	985,657	8,223	12,055
Minority interests in operating loss after income tax		<u>(6,364)</u>	<u>(7,756)</u>	<u>-</u>	<u>-</u>
Operating loss after income tax, attributable to members of the TGIL entity	10	<u>203,674</u>	<u>977,901</u>	<u>8,223</u>	<u>12,055</u>

All amounts relate to continuing operations.


The group has no recognised gains or losses other than the loss for the year.

Movements in reserves are as shown in Note 10 to these financial statements.

TAKORADI GOLD (INTERNATIONAL) LIMITED AND ITS SUBSIDIARIESCONSOLIDATED BALANCE SHEET AS AT 30 JUNE 1995

	NOTE	CONSOLIDATED		HOLDING COMPANY	
		1995	1994	1995	1994
		A\$	A\$	A\$	A\$
FIXED ASSETS					
Intangible Assets	4	4,188,380	2,604,182	-	-
Tangible Assets	5	<u>157,562</u>	<u>253,284</u>	<u>1,660,000</u>	<u>460,000</u>
TOTAL NEW CURRENT ASSETS		<u>4,345,942</u>	<u>2,857,466</u>	<u>1,660,000</u>	<u>460,000</u>
CURRENT ASSETS					
Stock	6	29,751	41,987	-	-
Prepayments		-	4,558	-	-
Debtors	7	-	4,505	-	-
Cash at Bank and in Hand		<u>84,625</u>	<u>45,265</u>	<u>222</u>	<u>222</u>
		<u>114,376</u>	<u>96,315</u>	<u>222</u>	<u>222</u>
CURRENT LIABILITIES					
Creditors	8	<u>238,337</u>	<u>72,930</u>	<u>4,527</u>	<u>3,000</u>
NET CURRENT ASSETS/ (LIABILITIES)		<u>(123,961)</u>	<u>23,385</u>	<u>(4,305)</u>	<u>(2,778)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,221,981</u>	<u>2,880,851</u>	<u>1,655,695</u>	<u>457,222</u>
CREDITORS					
Amounts falling due after more than one year	8	<u>7,232,391</u>	<u>5,851,254</u>	<u>2,486,303</u>	<u>1,279,607</u>
		<u>(3,010,410)</u>	<u>(2,970,403)</u>	<u>(830,608)</u>	<u>(822,385)</u>
CAPITAL AND RESERVES					
Called up Share Capital	9	222	222	222	222
Profit and Loss Account	10	<u>(3,328,513)</u>	<u>(3,124,839)</u>	<u>(830,830)</u>	<u>(822,607)</u>
Shareholders Funds	11	<u>(3,328,291)</u>	<u>(3,124,617)</u>	<u>(830,608)</u>	<u>(822,385)</u>
Attributable to Minority Interest	-	<u>317,881</u>	<u>154,214</u>	<u>-</u>	<u>-</u>
		<u>(3,010,410)</u>	<u>(2,970,403)</u>	<u>(830,608)</u>	<u>(822,385)</u>

Approved by the Board on 27 September 1995.


 Rodney T Hudspeth
 Director

TAKORADI GOLD (INTERNATIONAL) LIMITED AND ITS SUBSIDIARIES

NOTES AND ACCOUNTING POLICIES

YEAR ENDED 30 JUNE 1995

1. ACCOUNTING POLICIES

The accounting policies adopted by the Company and of the group are in accordance with generally accepted accounting principles. Where a choice exists between one or more acceptable accounting methods, the method adopted by the group is set out below.

(a) Accounting Convention

The financial statements of the group have been prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Accounting Basis

The group balance sheet shows that liabilities exceed assets by A\$3,010,410 (1994 A\$2,970,403) including a liability of A\$7,232,391 (1994 A\$5,851,254) to the ultimate parent company, Takoradi Gold NL. Takoradi Gold NL has confirmed its intention to maintain its financial support for the foreseeable future to enable the company to continue normal trading operations subject to the conclusion of negotiations for a funding package sufficient to meet the Company's working capital requirements. The financial statements of the company are therefore drawn up on a going concern basis.

(c) Depreciation

Depreciation of fixed assets has been charged on the straight line basis so as to allocate the book value of assets over their estimated useful lives. Additions are depreciated from the date of purchase and disposals to the date of sale. The Kutakrom and Bole Buildings and roads are depreciated at 20% p.a. Exploration equipment and vehicles are depreciated at 33.33% p.a, office equipment and fixtures and fittings are depreciated at 20% p.a. whilst tools are not depreciated but accounted on a replacement basis.

(d) Foreign Currency

Amounts payable by the company and of the group in foreign currencies have been translated to Australian currency at the rates ruling at year end. Transactions during the year have been accounted for at the ruling rates at date of payment. The applicable rate of exchange between the United Kingdom Pound and the Australian Dollar as at 30 June 1995 was 1 United Kingdom Pound to A\$2.26.

TAKORADI GOLD (INTERNATIONAL) LIMITED AND ITS SUBSIDIARIES

NOTES AND ACCOUNTING POLICIES

YEAR ENDED 30 JUNE 1995

1. ACCOUNTING POLICIES (CONT'D)

(e) Intangibles

(i) Exploration Expenditure

Exploration expenditure incurred by the group is accumulated in respect of each identifiable area of interest. The costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area, or where activities have not reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. regular review of each area of interest is undertaken to determine the appropriateness of the amount carried forward.

(ii) Mineral Tenements

The costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area, or where activities have not reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. regular review of the carrying value of tenements is undertaken by directors to determine whether any revaluation is appropriate.

(f) Principles of Consolidation

The group financial statements have been prepared for Takoradi Gold (International) Limited and its subsidiaries. All intercompany balances have been eliminated.

(g) Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of the identifiable net assets acquired at the time of the acquisition of a business.

Goodwill is amortised by the straight line method over the period during which benefits are deemed to be received. This is taken to be 20 years.

(h) Stocks

Consumable supplies are valued at the lower of cost and net realisable value. Costs have been assigned to inventory quantities on hand at balance date using the first in first out basis

TAKORADI GOLD (INTERNATIONAL) LIMITED AND ITS SUBSIDIARIES
NOTES AND ACCOUNTING POLICIES
YEAR ENDED 30 JUNE 1995

	CONSOLIDATED		HOLDING COMPANY	
	1995	1994	1995	1994
	A\$	A\$	A\$	A\$
PROFIT AND LOSS ACCOUNT				
The loss on ordinary activities before taxation is stated after:-				
Crediting the following:				
Capital profit on disposal of fixed assets	(12,595)	-	-	-
Exchange Rate Gains	(18,841)	(10,628)	-	(11)
Foreign translation gain	(26,044)	-	-	-
Interest received	(622)	-	-	-
Profit on disposal of fixed assets	(1,485)	-	-	-
Charging the following:				
Directors' Remuneration	6,378	6,600	3,189	3,300
Refer Note 15				
Auditors' Remuneration	7,907	14,998	1,453	5,390
Depreciation	40,622	34,445	-	-
Less: Capitalised as being Exploration Expenditure	(37,674)	(20,302)	-	-
	2,948	14,143	-	-
Exploration expenditure written off	-	818,779	-	-
Amortisation of goodwill	12,900	-	-	-
Bad Debts	465	-	-	-
Provision for doubtful debts	(465)	-	-	-
Exchange rate fluctuation	133,313	-	-	-

TAKORADI GOLD (INTERNATIONAL) LIMITED AND ITS SUBSIDIARIES

NOTES AND ACCOUNTING POLICIES

YEAR ENDED 30 JUNE 1995

3. The group is considered to be resident in the United Kingdom for taxation purposes. The directors consider that a provision for taxation A\$2,716 is required on the result for the year. Also, the company paid an exempt status tax of \$1,330 (1994: A\$Nil) in Gibraltar.

	CONSOLIDATED		HOLDING COMPANY	
	1995	1994	1995	1994
	A\$	A\$	A\$	A\$
4. INTANGIBLE ASSETS				
Goodwill on consolidation				
Balance at 1 July 1994	161,970	-	-	-
Additions	<u>170,030</u>	<u>161,970</u>	<u>-</u>	<u>-</u>
At 30 June 1995	<u>332,000</u>	<u>161,900</u>	<u>-</u>	<u>-</u>
Amortisation of Goodwill				
At 1 July 1994	-	-	-	-
Charge	<u>12,900</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 30 June 1995	<u>12,900</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>319,100</u>	<u>161,900</u>	<u>-</u>	<u>-</u>
Mineral Tenements				
Directors' 1993 Valuation	<u>1,650,000</u>	<u>1,650,000</u>	-	-
Cost comprising				
Balance at 1 July 1994	42,120	-	-	-
Additions	<u>26,371</u>	<u>42,120</u>	<u>-</u>	<u>-</u>
	<u>68,491</u>	<u>42,120</u>	<u>-</u>	<u>-</u>
At 30 June 1995	<u>1,718,491</u>	<u>1,692,120</u>	<u>-</u>	<u>-</u>
Exploration				
Balance at 1 July 1994	750,092	-	-	-
Additions	<u>1,400,697</u>	<u>750,092</u>	<u>-</u>	<u>-</u>
At 30 June 1995	<u>2,150,789</u>	<u>750,092</u>	<u>-</u>	<u>-</u>
Net Book Value				
at 30 June 1995	<u>4,188,380</u>	<u>2,604,182</u>	<u>-</u>	<u>-</u>

The mining tenements were valued by consulting engineer, T V Willstedt BE (Min) Hons BA FAUSIMM MMICA, of Terence Willstedt and Associates, in a report dated 9 December 1992. Based on this report the Directors valued the mining tenements at \$1,650,000 as at 31 March 1993 after accounting for amounts subsequently written off (1994: \$1,650,000). The ultimate recoupment of these costs is dependent on successful development and commercial exploitation or alternatively sale of the respective areas of interest.

TAKORADI GOLD (INTERNATIONAL) LIMITED AND ITS SUBSIDIARIESNOTES AND ACCOUNTING POLICIESYEAR ENDED 30 JUNE 1995

	LEASEHD LAND & BLDGS A\$	EXPLOR. EQUIPMT AND VEHICLES A\$	FIXTURES AND FITTING A\$	TOOLS & EQUIPMT A\$	ROADS A\$ A\$	TOTAL
5. TANGIBLE ASSETS						
(a) Fixed Assets						
Cost or Valn Comprising:						
Balance at 1 July 1994	222,360	568,625	59,406	10,159	-	860,550
Additions	24,438	46,025	5,128	2,476	34,497	112,564
Disposals	(175,000)	-	-	-	-	(175,000)
At 30 June 1995	<u>71,798</u>	<u>614,650</u>	<u>64,534</u>	<u>12,635</u>	<u>34,497</u>	<u>798,114</u>
Accumulated Deprecn At 1 July 1994	31,474	523,246	52,418	128	-	607,266
Charge for the yr.	6,021	27,137	2,399	1,817	3,248	40,622
Eliminated on Disposal	(6,563)	(773)	-	-	-	(7,336)
At 30 June 1995	<u>30,932</u>	<u>549,610</u>	<u>54,817</u>	<u>1,945</u>	<u>3,248</u>	<u>640,552</u>
Net Book Value at 30 June 1995	<u>40,866</u>	<u>65,040</u>	<u>9,717</u>	<u>10,690</u>	<u>31,249</u>	<u>157,562</u>
Net Book Value at 30 June 1994	<u>190,886</u>	<u>45,379</u>	<u>6,988</u>	<u>10,031</u>	<u>-</u>	<u>253,284</u>

The Holding Company did not possess any fixed assets during either the current or the prior financial year.

Properties included at a valuation would have been included on a historical cost basis at:

	1995	1994
	\$	\$
Cost	24,882	401,387
Accumulated Depreciation	(24,882)	(129,210)
Net Carrying Value - at Cost	<u>-</u>	<u>272,177</u>

TAKORADI GOLD (INTERNATIONAL) LIMITED AND ITS SUBSIDIARIESNOTES AND ACCOUNTING POLICIESYEAR ENDED 30 JUNE 1995

5. TANGIBLE ASSETS (CONT'D)

The leasehold land and buildings are under a short term lease (expiry date 1 January 2040.)

The Directors valued land and buildings after reviewing a valuers report prepared by Amos Wirmintah Wuni BSc (Hons) Land Economy, AGIS Valuer and Professional Surveyor on property held at Takoradi, and assessing the value of buildings at Kutakrom in Ghana. The valuer, in his report dated 12 December 1992 assessed the value of land and buildings at Takoradi at 65,000,000 Cedis (approximately \$175,000) which was accepted by the Directors. The current written down value of land and buildings at Kutakrom was accepted by the Directors as reasonable. The revaluations were effective as at 31 March 1993. During the current financial year the leased property at Takoradi was assigned.

	CONSOLIDATED		HOLDING COMPANY	
	1995	1994	1995	1994
	A\$	A\$	A\$	A\$
(b) Investments				
Shares in Subsidiaries at Cost				
Balance 1 July 1994	-	-	1,216,377	756,377
Additions	-	-	1,200,000	460,000
At 30 June 1995	-	-	2,416,377	1,216,377
Provision for diminution				
Balance 1 July 1994	-	-	756,377	756,377
Charge	-	-	-	-
At 30 June 1995	-	-	756,377	756,377
NET BOOK VALUE AT 30 JUNE 1995	-	-	1,660,000	460,000

6. STOCK

Consumable Supplies - at Cost	29,751	41,987	-	-
----------------------------------	--------	--------	---	---

7. DEBTORS

Sundry Debtors	-	59,447	-	-
Less provision for doubtful debts	-	(54,942)	-	-
	-	4,505	-	-

TAKORADI GOLD (INTERNATIONAL) AND ITS SUBSIDIARIESNOTES AND ACCOUNTING POLICIESYEAR ENDED 30 JUNE 1995

	CONSOLIDATED		HOLDING COMPANY	
	1995 A\$	1994 A\$	1995 A\$	1994 A\$
8. CREDITORS				
Amounts falling due within one year:				
Other Creditors	235,621	72,930	4,527	3,000
Provision for tax	<u>2,716</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amounts falling due after more than one yr:	<u>238,337</u>	<u>72,930</u>	<u>4,527</u>	<u>3,000</u>
Amounts due to Ultimate Holding Company	7,232,391	5,821,254	2,027,314	1,219,389
Amounts owing to Subsidiary Company	<u>-</u>	<u>-</u>	<u>458,989</u>	<u>60,218</u>
	<u>7,232,391</u>	<u>5,851,254</u>	<u>2,486,303</u>	<u>1,279,607</u>
9. SHARE CAPITAL	£	£	£	£
Authorised:				
10,000 Ordinary Shares of £1 each	10,000	10,000	10,000	10,000
Issued:				
100 Ordinary Shares of £1 each fully paid	100	100	100	100
Australian Dollar Equivalent	222	222	222	222
	A\$	A\$	A\$	A\$
10. RESERVES				
Profit and Loss Acct. Balance as at 1 July 1994	(3,124,839)	(2,146,938)	(822,607)	(810,552)
Loss for Year - Members interest	<u>(203,674)</u>	<u>(977,901)</u>	<u>(8,223)</u>	<u>(12,055)</u>
Balance as at 30 June 1995	<u>(3,328,513)</u>	<u>(3,124,839)</u>	<u>(830,830)</u>	<u>(822,607)</u>

TAKORADI GOLD (INTERNATIONAL) LIMITED AND ITS SUBSIDIARIESNOTES AND ACCOUNTING POLICIESYEAR ENDED 30 JUNE 1995

	CONSOLIDATED		HOLDING COMPANY	
	1995	1994	1995	1994
	A\$	A\$	A\$	A\$
11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS				
Loss for the Financial Year attributable to members	(203,674)	(977,901)	(8,223)	(12,055)
Opening Shareholders' Funds	<u>(3,124,617)</u>	<u>(2,146,716)</u>	<u>(822,385)</u>	<u>(810,330)</u>
Closing Shareholders' Funds	<u>(3,328,291)</u>	<u>(3,124,617)</u>	<u>(830,608)</u>	<u>(822,385)</u>
12. EMPLOYMENT COSTS				
Pension Payments	<u>3,820</u>	<u>5,738</u>	<u>-</u>	<u>-</u>
Gross salaries paid 75% (1993: 75%) of the gross salaries expense has been capitalised into exploration expenditure	<u>198,888</u>	<u>73,756</u>	<u>-</u>	<u>-</u>
Average employee numbers	<u>126</u>	<u>45</u>	<u>-</u>	<u>-</u>

13. ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking is Takoradi Gold NL, a company incorporated in the State of Victoria, Australia. The consolidated accounts of Takoradi Gold (International) Limited and Northern Goldfields Limited are consolidated into Takoradi Gold NL, the ultimate parent entity. The financial statements of Takoradi Gold NL are available to the public and may be obtained by conducting a company search in Australia.

TAKORADI GOLD (INTERNATIONAL) LIMITED AND ITS SUBSIDIARIESNOTES AND ACCOUNTING POLICIESYEAR ENDED 30 JUNE 1995

14. INVESTMENTS

Name of Subsidiary Company	Incorp. In	Class of Shares Held	Holding Company Investments		Group Interest		Contribution to Consolid- ated Operating Loss	
			1995 A\$	1994 A\$	1995 %	1994 %	1995 A\$	1994 A\$
Takoradi Gold (Int'l) Ltd	UK		-	-	-	-	8,223	12,055
Takoradi Gold (Ghana) Ltd	UK	Ord.	100	100	100	100	137,705	954,213
Less Provision Diminution in Value			(100)	(100)				
Northern Goldfields Ltd. Ghana	Ord.		<u>1,660,000</u>	<u>460,000</u>	80	65	<u>53,868</u>	<u>11,633</u>
			<u>1,660,000</u>	<u>460,000</u>			<u>199,796</u>	<u>977,901</u>

Takoradi Gold (Ghana) Ltd is registered in England and Wales. Northern Goldfields Limited is registered in Ghana. The aggregate capital and reserves of the subsidiary companies as at 30 June 1995 was a deficiency of A\$838,902 (1994: Deficiency A\$1,849,989).

15. DIRECTORS' REMUNERATION

In addition to directors' remuneration stated in Note 2, an amount of \$187,848 (1994 \$33,304) was paid to management companies in which directors had an interest. This amount was capitalised as carried forward exploration expenditure.

TAKORADI GOLD (INTERNATIONAL) LIMITED AND ITS SUBSIDIARIESSTATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.