



ANNUAL REPORT 2022

FORTRESS GROUP

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SUMMARY

Company Highlights

Fortress Group LLC has a diverse field of income production as a base strategy used to minimize risk. Fortress Group LLC is engaged in import and export of commodities & FMCG. The company also is involved in the production of FMCG goods and wholesale distribution through the company's branches in Asia, North and South America, Africa, and the Middle East. Fortress Group LLC is also involved in residential and commercial property development in North America and Africa. Finally, Fortress Group LLC is involved in the import and wholesale distribution of supplies to hospitals in the USA.

Strategic Highlights

We have continued our aggressive approach to efficiency increasing our margins and our strategic partnerships and high quality sales profiles set us up for continued future growth.

Financial Highlights

Continued revenue growth accompanied with highly efficient strategies have continued to provide for annual growth.

Operating Highlights

Fortress Group is a United States Limited Liability Company registered in the state of New York. It is a privately held firm and through technology is able to return high profit margin by avoiding the costs of centralizing employees. By utilizing freelance consultants to assist in managing and maintaining business, overhead is kept low. The CEO of the board for Fortress Group is Danny Vaswani.

Looking Ahead

Fortress Group continually looks for ways to minimize costs and increase profit margins. We will continue to analyze market trends and will continue to update commodities to meet the demands of the market.



Danny Vaswani

CEO

April 26, 2023



RICHARD JOSEPH WIEMER
NOTARY PUBLIC - STATE OF NEW YORK
NO. 01WI6415974
QUALIFIED IN NASSAU COUNTY
COMMISSION EXPIRES 04/05/2025

FINANCIAL SUMMARY

2022 saw significant revenue growth across all divisions, reflecting the resilience and strategic initiatives of Fortress Group LLC. Emerging stronger from the economic disruptions caused by the COVID-19 pandemic, the company experienced a robust increase in demand for its diversified services and products. This year, Fortress Group continued its property development projects, catering to the heightened demand for housing outside of urban areas.

- **Increased Demand for Housing:** The trend of moving away from urban areas, which began in 2020, continued to rise in 2022. Lower interest rates and the appeal of suburban and rural living contributed to this sustained demand. Our property development projects in North America and Africa were instrumental in meeting this need.
- **Revenue Growth:** In 2022, Fortress Group achieved revenues of \$486.9 million, a substantial increase from \$402.0 million in 2021. This growth was driven by strong performance across our import and export, FMCG production, and wholesale distribution sectors.
- **Operational Efficiency:** We have continued our aggressive strategy of prepaying certain vendors, allowing us to avoid cost increases associated with inflation. This proactive approach has helped us maintain competitive pricing and secure our supply chain.
- **Profitability:** Our net income for the year reached \$74.3 million, up from \$60.6 million in 2021. The increase in profitability was supported by our efficient cost management and strategic partnerships.



The various joint ventures across the globe have allowed Fortress Group to position itself to provide a wide range of goods to an ever increasing market of buyers.

FINANCIAL STATEMENTS

Balance Sheet

- Liabilities
- Statement of Financial Position
- Ownership Equity

Profit and Loss

- Income
- Expenses
- Profits

Statement of Cash Flows

- Operating
- Investing
- Financing

FOM Services LLC provides bookkeeping services for Fortress Group LLC. Johnathan Johnson has prepared this annual report using the provided financial statements appended herein pursuant to the data provided by Fortress Group LLC.

Gabriel M. Wureh, CGFM, CPA provided the audited financial statements attached herein.

FORTRESS GROUP, LLC

626 RXR Plaza, 6th Floor, Uniondale, NY 11553, USA

Audited Financial Statements

For The Year Ended December 31, 2022

GABRIEL M. WUREH, CGFM, CPA

(CERTIFIED PUBLIC ACCOUNTANT & CERTIFIED GOVERNMENT FINANCIAL MANAGER)

Bowie, Maryland – April 5, 2023

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6. Notes to the Financial Statements	

Gabriel M. Wureh CGFM, CPA
(Certified Public Accountants & Certified Government Financial
Manager) Bowie, Maryland, U.S.A.

TO: The Chairman & Members
Fortress Group, LLC
626 RXR Plaza, 6th Floor
Uniondale, New York 11553, USA

Report on Audit of the Financial Statements

OPINION

We have audited the financial statements of Fortress Group, LLC, which comprise the balance sheets as of December 31, 2022, and the related statements of income, changes in equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Fortress Group, LLC as of December 31, 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINION

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fortress Group, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Fortress Group, LLC's ability to continue as a going concern.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors'

report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:



1. Exercise professional judgment and maintain professional skepticism throughout the audit.
2. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
3. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fortress Group, LLC's internal control. Accordingly, no such opinion is expressed.
4. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
5. Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Fortress Group LLC's ability to continue as a going concern for a reasonable period of time.

FORMING AN OPINION AND REPORTING ON FINANCIAL STATEMENTS

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Bowie, MD
April 5, 2023

Gabriel M. Wureh, CGFM, CPA
CERTIFIED PUBLIC ACCOUNTANTS
Bowie, MD, USA



Gabriel M. Wureh , CGFM, CPA
CERTIFIED PUBLIC ACCOUNTANTS

FORTRESS GROUP, LLC
BALANCE SHEET
AS OF DECEMBER 31, 2022

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	<u>As of Dec 31,</u> <u>2022</u>	<u>As of Dec 31,</u> <u>2021</u>
<u>ASSETS</u>		
NOTES		
Current Assets		
Cash & Bank	4 \$ 57,751,229	\$ 16,938,423
Accounts Receivable	5 31,846,352	11,027,078
Inventory Property	8,624,671	6,533,124
Completed investment Property	210,312,935	220,607,262
Investment Property Under Development	220,473,201	201,475,022
Prepayment	6 240,220	175,000
Total Current Assets	<u>529,248,608</u>	<u>456,755,910</u>
Fixed Assets		
Property & Equipment	3 4,013,403	4,280,556
Total Fixed Assets	<u>4,013,403</u>	<u>4,280,556</u>
TOTAL ASSETS	<u>533,262,011</u>	<u>461,036,466</u>
<u>LIABILITIES & EQUITY</u>		
Current Liabilities		
Accounts Payable & Accruals	7 7,436,587	4,182,348
Other Current Liabilities	8 289,434,286	289,082,820
Total Current Liabilities	<u>296,870,873</u>	<u>293,265,168</u>
TOTAL LIABILITIES	<u>296,870,873</u>	<u>293,265,168</u>
Stockholders' Equity		
Common Stocks	50,000	50,000
Retained Earnings	167,721,298	107,078,785
Current Earnings	74,277,946	60,642,513
Total Equity	<u>242,049,244</u>	<u>167,771,298</u>
TOTAL LIABILITIES & EQUITY	<u>\$ 538,920,118</u>	<u>\$ 461,036,466</u>

(The accompanying notes are an integral part of these financial statements and must be read herewith)

FORTRESS GROUP, LLC
INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2022

Page 2

	(NOTES)	<u>Twelve Months Ended Dec. 31, 2022</u>	<u>Twelve Months Ended Dec 31, 2021</u>
REVENUE:			
Sales -Development		\$ 225,392,362	\$ 202,184,602
Sales -Commodities Trading		\$ 136,569,740	\$ 102,077,994
Sales -Financing		\$ 124,972,806	\$ 97,748,026
Other Income		<u>486,934,908</u>	<u>402,010,622</u>
Direct Cost of Sales	9	<u>375,658,492</u>	<u>310,141,462</u>
Gross Profit on Sales		<u>111,276,415</u>	<u>91,869,160</u>
EXPENSES:			
Financial Expenses	11	30,759,464	25,397,955
Administrative Expenses	10	5,971,852	5,547,231
Depreciation	3	<u>267,153</u>	<u>281,462</u>
Total Expenses		<u>36,998,469</u>	<u>31,226,647</u>
OPERATING INCOME		74,277,946	60,642,513
NET INCOME/(LOSS)		<u>\$ 74,277,946</u>	<u>\$ 60,642,513</u>

(The accompanying notes are an integral part of these financial statements and must be read herewith)

FORTRESS GROUP, LLC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

Page 3

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net Income/(Loss)	\$ 74,277,946	\$ 60,642,513
Add/(Deduct) Items Not Affecting Cash		
Depreciation	267,153	281,462
(Increase)/Decrease in Receivables	(20,819,274)	(3,221,669)
(Increase)/Decrease in Inventories	(2,091,547)	(3,046,890)
Increase/(Decrease) in Current Liabilities	3,605,705	44,303
Net Cash Flows From /(Used By) Operating Activities	<u>55,239,983</u>	<u>54,699,719</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of Property, Plant & Equipment	<u>0</u>	<u>298,865</u>
Expenditure on completed property and property under development	<u>14,427,177</u>	<u>52,863,577</u>
Net Cash Used by Investing Activities	<u>14,427,177</u>	<u>53,162,442</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Net Cash Flows From /(Used By) Financing Activities	<u>0</u>	<u>0</u>
NET INCREASE/(DECREASE) IN CASH	40,812,806	1,537,277
CASH & CASH EQUIVALENT BEGINNING OF PERIOD	<u>16,938,423</u>	<u>15,226,247</u>
CASH & CASH EQUIVALENT END OF PERIOD	<u>\$ 57,751,229</u>	<u>\$ 16,763,524</u>

(The accompanying notes are an integral part of these financial statements and must be read herewith)

FORTRESS GROUP, LLC
STATEMENT OF CHANGE IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022

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(All figures to the nearest US dollar)

	<u>CONTRIBUTED CAPITAL</u>	<u>NET INCOME/(LOSS)</u>	<u>RETAINED EARNINGS</u>	<u>TOTAL</u>
Balance Beginning of Year	\$ 50,000		\$ 167,721,298	\$ 167,771,298
Adjustments	0	0	0	0
Net Income/(loss) for The Period		<u>74,277,946</u>		<u>74,277,946</u>
Balance End of Year	<u>\$ 50,000</u>	<u>\$ 74,277,946</u>	<u>\$ 167,721,298</u>	<u>\$ 242,049,244</u>

(The accompanying notes are an integral part of these financial statements and must be read herewith)

FORTRESS GROUP, LLC.
NOTES TO THE FINANCIAL STATEMENTS

1. Reporting Entity

The Fortress Group, LLC. is a US Limited Liability Company, registered in the State of New York. The Company offers total global supply chain management and works closely with customers to cater for their competitive pricing, quality control, on-time delivery and ethical sourcing needs. Fortress offers a complete value-added service package to its clients, managing the complete process from material sourcing, supplier identification, and auditing to product development, production planning, manufacturing control, quality assurance, logistics and marketing.

Fortress Group, LLC is an importer and a wholesale distributor of various disposable products, including, but not limited to, paper and plastic goods, aluminum and biodegradables for: food service industry, automotive industry, industrial and janitorial and medical industries.

The principal owner of the Company is Jethmal Vaswani, an international businessman.

2. Basis of Accounting

The accounting system is based upon the accrual concept of accounting. Revenue is recognized when earned and expenses are recognized in keeping with the Matching Principle – when helped to produce revenue or when the benefit is received and measurable.

3. Property, Plant & Equipment

Fixed assets, reflected net of accumulated depreciation on the balance sheet, have been depreciated using the Straight Line Method over the estimated useful life of the assets. For the purpose of this Audit, the following annual rates have been used:

Buildings	39 Yrs.
Furniture & Equipment	5 Yrs.

A Schedule of fixed assets is included on the following page. Where applicable, bonus depreciation will be used.

4. Cash & Bank Balances

Cash & bank balances represent all un-deposited cash, unreleased checks to vendors and all reconciled bank account balances as of the end of the reporting period.

NOTE 3

FORTRESS GROUP, LLC.
 SCHEDULE OF FIXED ASSETS
 AS ON DECEMBER 31, 2022

Note 3

ASSET CLASSIFICATION	C O S T				D E P R E C I A T I O N				NET BOOK
	As of 01/01/2022	Additions	Disposals	As of 12/31/2022	As of 01/01/2022	Additions	Disposals	As of 12/31/2022	VALUE 12/31/2022 USD
Building	\$ 6,416,756.00	-	-	6,416,756.00	\$ 2,242,934.35	160,418.75	-	\$ 2,403,353.10	\$ 4,013,402.90
Office Furniture & Equipment	402,088.69	78,673.29	78,673.29	402,088.69	295,354.40	121,042.89	14,308.60	402,088.69	-
Totals	<u>\$ 6,818,844.69</u>	<u>\$78,673.29</u>	<u>\$ 78,673.29</u>	<u>\$ 6,818,844.69</u>	<u>\$ 2,538,288.75</u>	<u>\$ 281,461.64</u>	<u>\$ 14,308.60</u>	<u>\$ 2,805,441.79</u>	<u>\$ 4,013,402.90</u>

	<u>2022</u>	<u>2021</u>
4 Cash & Bank Balances		
Cash on Hand	\$ 73,500.00	\$ 60,150.00
JP Morgan Chase	57,677,729.24	16,703,374.23
Total:	<u>57,751,229.24</u>	<u>16,763,524.23</u>
5 Accounts Receivable		
Trade	31,846,352.00	11,027,078.17
Total:	<u>31,846,352.00</u>	<u>11,027,078.17</u>
6 Prepayments		
Prepaid Rent	20,000.00	20,000.00
Other prepayments	220,220.00	155,000.00
Total:	<u>240,220.00</u>	<u>175,000.00</u>
7 Accounts Payable		
Trade Payable	7,340,255.00	4,152,189.00
Others	96,332.00	30,159.00
Total:	<u>7,436,587.00</u>	<u>4,182,348.00</u>
8 Other Current Liabilities		
Accrued Expenses	17,564.25	16,610.00
Salaries & Wages Payable	225,437.22	39,150.00
Withholding Taxes	52,865.03	8,970.00
Liabilities for developments due in next 12 months	289,117,765.53	288,997,931.00
Interest Payable	20,654.17	20,159.00
Total:	<u>289,434,286.19</u>	<u>289,082,820.00</u>
9 Cost of Sales		
COS-Purchases & Others	341,573,048.73	282,000,718.44
Sales Commission	34,085,443.53	28,140,743.54
Total:	<u>375,658,492.26</u>	<u>310,141,461.98</u>

10 General & Administrative Expenses

Telephone	14,040.00	14,040.00
Insurance Expense	2,434,674.54	2,010,053.11
Legal & Professional Fees	442,500.00	442,500.00
Accounting & Audit Fees	27,000.00	27,000.00
Stationery & Office Supplies	36,150.00	36,150.00
Repairs & Maintenance Vehicles	29,700.00	29,700.00
Repairs & Maintenance Equipment	22,666.50	22,666.50
Travel & Entertainment	90,316.50	90,316.50
Vehicle Rental	81,000.00	81,000.00
Vehicle Fuel	54,225.00	54,225.00
Vehicle Registration & Insurance	27,000.00	27,000.00
Rent or Lease Expense	360,000.00	360,000.00
Employees' Benefit	358,366.49	358,366.49
Utilities	37,665.00	37,665.00
Salaries & Wages Expense	1,778,680.00	1,778,680.00
Payroll Tax Expense	177,868.00	177,868.00
Total:	<u>5,971,852.03</u>	<u>5,547,230.60</u>

11 Financial Expenses

Interest Expense	30,741,574.39	25,380,064.66
Bank Charges	17,890.00	17,890.00
Total:	<u>\$ 30,759,464.39</u>	<u>\$ 25,397,954.66</u>

12. Currency

The currency used for the preparation of these financial statements is the US Dollar.

NOTES TO FINANCIAL STATEMENTS

Accounts

In 2022, Fortress Group LLC continued its aggressive strategy of prepayments to combat inflation, resulting in a significant increase in prepayments as a current asset. This proactive approach has allowed us to secure better pricing and ensure a steady supply of essential goods and services.



Debt

Fortress Group LLC has strategically utilized various cash strategies and debt to maximize profit and minimize the cash required for property development. By leveraging higher debt on development properties, Fortress Group can allocate cash and cash equivalents to other divisions. Currently, the company's debt is primarily secured against development properties, enabling efficient capital allocation across its diverse operations.

Accounts Receivable

The aggressive measures for collection across the various divisions of Fortress Group have continued to be effective. The significant increase in accounts receivable in 2022 reflects the substantial revenue growth experienced during the year. This increase is attributed to the company's expanded operations and the successful execution of its strategic initiatives.

Fixed Assets

In 2022, Fortress Group resumed its investment in fixed assets, reflecting improved cash flow and strategic planning. The delay in fixed asset purchases during 2021 due to the COVID-19 pandemic allowed the company to allocate resources more effectively in the subsequent year, enhancing its operational capabilities.

Prepayment

Fortress Group's strategy of increasing prepayments to certain vendors has proven effective in fending off inflation. By securing favorable terms and stable supply chains, the company has mitigated the impact of rising costs.

“This strategic replenishment of development properties supports the company’s long-term growth objectives.”

Inventory

By diversifying tradable commodities, Fortress Group has positioned itself to anticipate and meet market trends. This strategic approach ensures the company remains responsive to emerging market needs and maintains a competitive edge.

Investment Property

The inventory of development properties saw a positive shift in 2022. The decreased inventory levels in 2021, resulting from increased sales and reduced purchasing ability during the 2020 pandemic shutdowns, were addressed. Fortress Group successfully increased its inventory levels, anticipating further growth in property development projects in the coming years. This strategic replenishment of development properties supports the company's long-term growth objectives.