



# ANNUAL REPORT 2023

## FORTRESS GROUP

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# SUMMARY

## Company Highlights

Fortress Group LLC employs a diverse income production strategy to minimize risk. Engaged in the import and export of commodities and fast-moving consumer goods (FMCG), the company also produces FMCG goods and manages wholesale distribution through its branches in Asia, North and South America, Africa, and the Middle East. Additionally, Fortress Group LLC is involved in residential and commercial property development in North America and Africa. The company is also a key player in the import and wholesale distribution of supplies to hospitals across the USA.

In 2023, Fortress Group further expanded its FMCG production capabilities and solidified its presence in emerging markets. The property development projects in North America and Africa saw significant advancements, enhancing the company's diversified portfolio and risk management strategy. The company's commitment to innovation and quality continues to drive its growth and reputation in the global market.

## Strategic Highlights

In 2023, Fortress Group maintained its aggressive approach to enhancing efficiency, which led to increased margins. Our strategic partnerships and high-quality sales profiles have positioned us for sustained growth. This year, we established new partnerships in Asia and South America, which are expected to drive future revenue growth. The expansion into these new markets is part of our long-term strategy to diversify and strengthen our global presence.

## Financial Highlights

Fortress Group reported outstanding financial performance in 2023, with revenues reaching \$542.8 million, up from \$486.9 million in 2022. This growth was driven by strong performance across all divisions and efficient cost management strategies. The operating income for the year was \$83.3 million, compared to \$74.3 million the previous year. The net income for the year was \$83.3 million, reflecting a robust year-over-year improvement and highlighting the company's financial health and growth trajectory.

## Operating Highlights

Fortress Group LLC is a United States Limited Liability Company registered in the state of New York. As a privately held firm, it leverages technology to achieve high-profit margins by avoiding the costs associated with centralizing employees. By utilizing freelance consultants to manage and maintain business operations, we keep overhead low. The CEO of the board is Danny Vaswani.


In 2023, Fortress Group continued to optimize its operations by investing in new technologies and enhancing its supply chain management. These efforts contributed to maintaining low operational costs while increasing productivity and efficiency. The company's strategic focus on leveraging freelance consultants and advanced technologies has been pivotal in sustaining its competitive edge and operational agility.

## Looking Ahead

Fortress Group continually seeks ways to minimize costs and increase profit margins. We will continue to analyze market trends and update our commodities portfolio to meet market demands. In the coming year, we plan to expand our FMCG production facilities and further explore new markets in Asia and South America. Our focus remains on leveraging technology and strategic partnerships to drive growth and maintain our competitive edge. We are committed to innovation, efficiency, and excellence as we navigate the evolving global landscape and seek new opportunities for growth and success.



**Danny Vaswani**  
CEO  
April 25, 2024



RICHARD JOSEPH WIEMER  
NOTARY PUBLIC - STATE OF NEW YORK  
NO. 01W16415974  
QUALIFIED IN NASSAU COUNTY  
COMMISSION EXPIRES 04/05/2025

# FINANCIAL SUMMARY

2023 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 2023. 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 2023, Fortress Group achieved revenues of \$542.8 million, a substantial increase from \$486.9 million in 2022. This growth was driven by strong performance across our import and export, FMCG production, and wholesale distribution sectors. The strategic expansion into new markets in Asia and South America also contributed to this impressive revenue growth.
- **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. Additionally, our investment in new technologies and supply chain management enhancements have further optimized our operations.
- **Profitability:** Our net income for the year reached \$83.3 million, up from \$74.3 million in 2022. The increase in profitability was supported by our efficient cost management, strategic partnerships, and successful expansion into new markets. Our focus on maintaining low operational costs while increasing productivity and efficiency has been key to sustaining our growth and profitability.



The various joint ventures across the globe have enabled Fortress Group to position itself as a leading provider of a wide range of goods to an expanding market of buyers. These strategic partnerships have enhanced our global reach and diversified our product offerings, allowing us to meet the growing demands of our customers.

# 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, 6<sup>th</sup> Floor, Uniondale, NY 11553, USA

**Audited Financial Statements**  
For The Year Ended December 31, 2023

**GABRIEL M. WUREH, CGFM, CPA**  
(CERTIFIED PUBLIC ACCOUNTANT & CERTIFIED GOVERNMENT FINANCIAL MANAGER)  
Bowie, Maryland – April 4, 2024



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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, 6<sup>th</sup> 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, 2023, 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, 2023, 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 4, 2024



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

Gabriel M. Wureh , CGFM, CPA  
CERTIFIED PUBLIC ACCOUNTANTS

**FORTRESS GROUP, LLC**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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	(NOTES)	<u>Twelve Months Ended Dec. 31, 2023</u>	<u>Twelve Months Ended Dec 31, 2022</u>
<b>REVENUE:</b>			
Sales -Development		\$ 258,025,795	\$ 225,392,362
Sales -Commodities Trading		\$ 149,939,371	\$ 136,569,740
Sales -Financing		\$ 134,785,671	\$ 124,972,806
Other Income		<u>542,750,837</u>	<u>486,934,908</u>
Direct Cost of Sales	9	<u>418,719,130</u>	<u>375,658,492</u>
Gross Profit on Sales		<u><b>124,031,706</b></u>	<u><b>111,276,415</b></u>
<b>EXPENSES:</b>			
Financial Expenses	11	34,283,281	30,759,464
Administrative Expenses	10	6,326,026	5,971,852
Depreciation	3	<u>162,300</u>	<u>267,153</u>
Total Expenses		<u>40,771,607</u>	<u>36,998,469</u>
<b>OPERATING INCOME</b>		<b>83,260,099</b>	<b>74,277,946</b>
<b>NET INCOME/(LOSS)</b>		<u><u><b>\$ 83,260,099</b></u></u>	<u><u><b>\$ 74,277,946</b></u></u>

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

**FORTRESS GROUP, LLC**  
**BALANCE SHEET**  
**AS OF DECEMBER 31, 2023**

Page 1

	<u>As of Dec 31,</u> <u>2023</u>	<u>As of Dec 31,</u> <u>2022</u>
<b><u>ASSETS</u></b>		
NOTES		
<b>Current Assets</b>		
Cash & Bank	4    \$ 67,024,108	\$ 57,751,229
Accounts Receivable	5        37,334,856	31,846,352
Inventory Property	10,930,140	8,624,671
Completed investment Property	241,515,753	213,141,988
Investment Property Under Development	238,129,251	223,302,255
Prepayment	6        306,402	240,220
Total Current Assets	<u>595,240,510</u>	<u>534,906,715</u>
<b>Fixed Assets</b>		
Property & Equipment	3        3,887,721	4,013,403
Total Fixed Assets	<u>3,887,721</u>	<u>4,013,403</u>
<b>TOTAL ASSETS</b>	<b><u>599,128,232</u></b>	<b><u>538,920,118</u></b>
<b><u>LIABILITIES &amp; EQUITY</u></b>		
<b>Current Liabilities</b>		
Accounts Payable & Accruals	7        6,137,191	7,436,587
Other Current Liabilities	8        267,681,697	289,434,286
Total Current Liabilities	<u>273,818,888</u>	<u>296,870,873</u>
<b>TOTAL LIABILITIES</b>	<u>273,818,888</u>	<u>296,870,873</u>
<b>Stockholders' Equity</b>		
Common Stocks	50,000	50,000
Retained Earnings	241,999,244	167,721,298
Current Earnings	83,260,099	74,277,946
Total Equity	<u>325,309,344</u>	<u>242,049,244</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>\$ 599,128,232</u></b>	<b><u>\$ 538,920,118</u></b>

(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, 2023**

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	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Net Income/(Loss)	\$ 83,260,099	\$ 74,277,946
Add/(Deduct) Items Not Affecting Cash		
Depreciation	162,300	267,153
(Increase)/Decrease in Receivables	(5,488,504)	(20,819,274)
(Increase)/Decrease in Inventories	(2,305,469)	(2,091,547)
Increase/(Decrease) in Current Liabilities	<u>(23,051,985)</u>	<u>3,605,705</u>
Net Cash Flows From /(Used By) Operating Activities	<u>52,576,441</u>	<u>55,239,983</u>
 <b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Acquisition of Property, Plant & Equipment	<u>0</u>	<u>0</u>
Expenditure on completed property and property under development	<u>43,303,562</u>	<u>14,427,177</u>
Net Cash Used by Investing Activities	<u>43,303,562</u>	<u>14,427,177</u>
 <b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>	<u>0</u>	<u>0</u>
Net Cash Flows From /(Used By) Financing Activities	<u>0</u>	<u>0</u>
 <b>NET INCREASE/(DECREASE) IN CASH</b>	<b>9,272,879</b>	<b>40,812,806</b>
 <b>CASH &amp; CASH EQUIVALENT BEGINNING OF PERIOD</b>	<u>57,751,229</u>	<u>16,938,423</u>
 <b>CASH &amp; CASH EQUIVALENT END OF PERIOD</b>	<b><u>\$ 67,024,108</u></b>	<b><u>\$ 57,751,229</u></b>

(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, 2023**

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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		\$ 241,999,244	\$ 242,049,244
Adjustments	0	0	0	0
Net Income/(loss) for The Period		<u>83,260,099</u>		<u>83,260,099</u>
Balance End of Year	<u><u>\$ 50,000</u></u>	<u><u>\$ 83,260,099</u></u>	<u><u>\$ 241,999,244</u></u>	<u><u>\$ 325,309,344</u></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.



**FORTRESS GROUP, LLC.  
SCHEDULE OF FIXED ASSETS  
AS ON DECEMBER 31, 2023**

Note 3

ASSET CLASSIFICATION	C O S T				D E P R E C I A T I O N				NET BOOK
	As of 01/01/2023	Additions	Disposals	As of 12/31/2023	As of 01/01/2023	Additions	Disposals	As of 12/31/2023	VALUE 12/31/2023 USD
Building	\$ 6,416,756.00	-	-	6,416,756.00	\$ 2,403,353.10	160,418.75	-	\$ 2,563,771.85	\$ 3,852,984.15
Office Furniture & Equipment	402,088.69	47,021.32	10,403.20	438,706.81	402,088.69	1,880.85	-	403,969.54	34,737.27
Totals	<u>\$ 6,818,844.69</u>	<u>\$47,021.32</u>	<u>\$ 10,403.20</u>	<u>\$ 6,855,462.81</u>	<u>\$ 2,805,441.79</u>	<u>\$ 162,299.60</u>	<u>\$ -</u>	<u>\$ 2,967,741.39</u>	<u>\$ 3,887,721.42</u>

	<u>2023</u>	<u>2022</u>
<b>4 Cash &amp; Bank Balances</b>		
Cash on Hand	\$ 73,500.00	\$ 73,500.00
JP Morgan Chase	66,950,608.27	57,677,729.24
<b>Total:</b>	<u>67,024,108.27</u>	<u>57,751,229.24</u>
<b>5 Accounts Receivable</b>		
Trade	37,334,856.00	31,846,352.00
<b>Total:</b>	<u>37,334,856.00</u>	<u>31,846,352.00</u>
<b>6 Prepayments</b>		
Prepaid Rent	20,000.00	20,000.00
Other prepaid	286,402.00	220,220.00
<b>Total:</b>	<u>306,402.00</u>	<u>240,220.00</u>
<b>7 Accounts Payable</b>		
Trade Payable	6,042,157.00	7,340,255.00
Others	95,034.00	96,332.00
<b>Total:</b>	<u>6,137,191.00</u>	<u>7,436,587.00</u>
<b>8 Other Current Liabilities</b>		
Accrued Expenses	20,146.19	17,564.25
Salaries & Wages Payable	227,306.22	225,437.22
Withholding Taxes	169,343.13	52,865.03
Liabilities for developments due in next 12 months	267,243,739.96	289,117,765.53
Interest Payable	21,161.49	20,654.17
<b>Total:</b>	<u>267,681,697.00</u>	<u>289,434,286.19</u>
<b>9 Cost of Sales</b>		
COS-Purchases & Others	380,726,571.63	341,573,048.73
Sales Commission	37,992,558.57	34,085,443.53
<b>Total:</b>	<u>418,719,130.20</u>	<u>375,658,492.26</u>

## 10 General & Administrative Expenses

Telephone	14,040.00	14,040.00
Insurance Expense	2,634,020.88	2,434,674.54
Legal & Professional Fees	435,406.06	442,500.00
Accounting & Audit Fees	26,379.00	27,000.00
Stationery & Office Supplies	35,358.00	36,150.00
Repairs & Maintenance Vehicles	29,404.00	29,700.00
Repairs & Maintenance Equipment	23,342.00	22,666.50
Travel & Entertainment	89,121.00	90,316.50
Vehicle Rental	83,677.00	81,000.00
Vehicle Fuel	54,279.00	54,225.00
Vehicle Registration & Insurance	26,165.00	27,000.00
Rent or Lease Expense	360,000.00	360,000.00
Employees' Benefit	351,060.00	358,366.49
Utilities	40,135.00	37,665.00
Salaries & Wages Expense	1,930,581.00	1,778,680.00
Payroll Tax Expense	193,058.10	177,868.00
<b>Total:</b>	<b><u>6,326,026.05</u></b>	<b><u>5,971,852.03</u></b>

## 11 Financial Expenses

Interest Expense	34,265,391.45	30,741,574.39
Bank Charges	17,890.00	17,890.00
<b>Total:</b>	<b><u>\$ 34,283,281.45</u></b>	<b><u>\$ 30,759,464.39</u></b>

12. Currency

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

# NOTES TO FINANCIAL STATEMENTS

## Accounts

In 2023, Fortress Group LLC continued its aggressive strategy of prepayments to combat inflation, resulting in a further 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. This strategy has been crucial in supporting our continued growth and expansion into new markets.



## Accounts Receivable

The aggressive measures for collection across the various divisions of Fortress Group have continued to be effective. The increase in accounts receivable in 2023 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, particularly the expansion into new markets in Asia and South America

## 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 approach continues to ensure that our operations remain efficient and our pricing competitive.

***"Diversifying tradeable commodities allows us to anticipate trends and answer needs in the market."***

## Fixed Assets

In 2023, 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 years, enhancing its operational capabilities. The new investments have focused on upgrading technology and expanding production facilities to support our growing operations.

## 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. The inventory management strategies implemented in 2023 have allowed us to optimize stock levels and reduce carrying costs while meeting customer demand effectively.

## Investment Property

The inventory of development properties saw continued growth in 2023. The replenishment efforts initiated in 2022, following the decreased inventory levels in 2021 due to increased sales and the 2020 pandemic shutdowns, have proven successful. Fortress Group has 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 and positions us well to capitalize on future market opportunities.