



ANNUAL REPORT 2021

FORTRESS GROUP

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TABLE OF CONTENTS

| | |
|-------------------------------|---|
| SUMMARY | 3 |
| Company Highlights | 3 |
| Strategic Highlights | 3 |
| Financial Highlights | 3 |
| Operating Highlights | 3 |
| Looking Ahead | 4 |
| FINANCIAL SUMMARY | 5 |
| FINANCIAL STATEMENTS | 6 |
| Balance Sheet | 6 |
| Profit and Loss | 6 |
| Statement of Cash Flows | 6 |
| NOTES TO FINANCIAL STATEMENTS | 7 |
| Accounts | 7 |
| Debt | 7 |
| Accounts Receivable | 7 |
| Prepayment | 8 |
| Fixed Assets | 7 |
| Inventory | 7 |
| Investment Property | 8 |

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.

Strategic Highlights

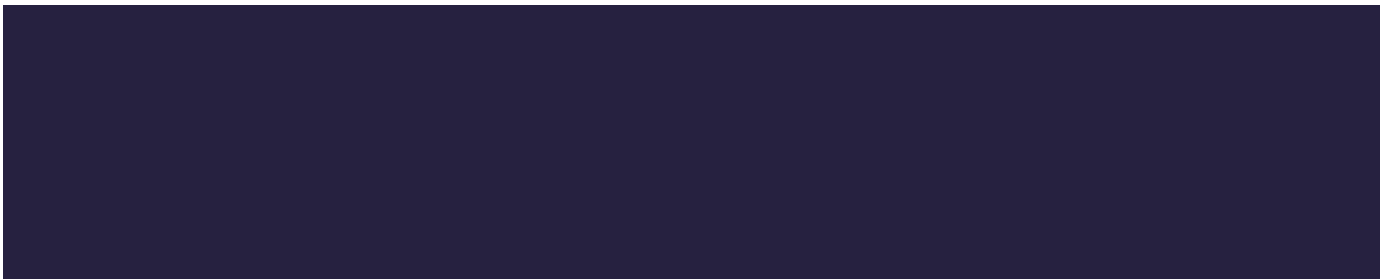
We have maintained an aggressive approach to enhancing efficiency, which has increased our margins. Our strategic partnerships and high-quality sales profiles position us for continued future growth.

Financial Highlights

Our sustained revenue growth, combined with highly efficient strategies, has ensured consistent annual growth.

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.



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.



Danny Vaswani

CEO

April 21, 2022



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

FINANCIAL SUMMARY

2021 saw increased revenues across all divisions as we have emerged from the economic downturn caused by the COVID-19 pandemic. Fortress Group was able to weather the economic disturbance and continue property development as the pandemic caused an increase in demand for housing outside of urban area.

- The higher demand for housing outside of urban areas that began in 2020 increased in 2021 spurred on by continued lower interest rates.

Fortress Group has begun an aggressive strategy of pre paying certain vendors to allow us to avoid cost increases associated with inflation.



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, 2021

GABRIEL M. WUREH, CGFM, CPA
(CERTIFIED PUBLIC ACCOUNTANT & CERTIFIED GOVERNMENT FINANCIAL MANAGER)
Bowie, Maryland – March 31, 2022

TABLE OF CONTENTS TO AUDIT REPORT

| | |
|--------------------------------------|--------|
| 1. Accountants' Report | |
| 2. Balance Sheet | Page 1 |
| 3. Income Statement | 2 |
| 4. Statement of Cash Flows | 3 |
| 5. Statement of Change in Equity | 4 |
| 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, 2021, 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, 2021, 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
March 31, 2022



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, 2021

Page 1

| | <u>As of Dec 31,</u> <u>2021</u> | <u>As of Dec 31,</u> <u>2020</u> |
|--|-------------------------------------|-------------------------------------|
| <u>ASSETS</u> | | |
| NOTES | | |
| Current Assets | | |
| Cash & Bank | 4 \$ 16,938,423 | \$ 15,226,247 |
| Accounts Receivable | 5 11,027,078 | 7,805,410 |
| Inventory Property | 6,533,124 | 9,580,014 |
| Completed investment Property | 220,607,262 | 233,840,554 |
| Investment Property Under Development | 201,475,022 | 175,431,636 |
| Prepayment | 6 175,000 | 100,000 |
| Total Current Assets | <u>456,755,910</u> | <u>441,983,860</u> |
| Fixed Assets | | |
| Property & Equipment | 3 4,280,556 | 4,263,153 |
| Total Fixed Assets | <u>4,280,556</u> | <u>4,263,153</u> |
| TOTAL ASSETS | <u>461,036,466</u> | <u>446,247,013</u> |
| <u>LIABILITIES & EQUITY</u> | | |
| Current Liabilities | | |
| Accounts Payable & Accruals | 7 4,182,348 | 4,146,126 |
| Other Current Liabilities | 8 289,082,820 | 334,522,102 |
| Total Current Liabilities | <u>293,265,168</u> | <u>338,668,228</u> |
| TOTAL LIABILITIES | <u>293,265,168</u> | <u>338,668,228</u> |
| Stockholders' Equity | | |
| Common Stocks | 50,000 | 500,000 |
| Retained Earnings | 107,078,785 | 75,750,936 |
| Current Earnings | 60,642,513 | 31,327,849 |
| Total Equity | <u>167,771,298</u> | <u>107,578,785</u> |
| TOTAL LIABILITIES & EQUITY | <u>\$ 461,036,466</u> | <u>\$ 446,247,013</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, 2021

Page 2

| | (NOTES) | <u>Twelve Months Ended Dec. 31, 2021</u> | <u>Twelve Months Ended Dec 31, 2020</u> |
|----------------------------|---------|--|---|
| REVENUE: | | | |
| Sales -Development | | \$ 202,184,602 | \$ 141,759,712 |
| Sales -Commodities Trading | | \$ 102,077,994 | \$ 36,864,447 |
| Sales -Financing | | \$ 97,748,026 | \$ 39,210,643 |
| Other Income | | <u>402,010,622</u> | <u>217,834,802</u> |
| Direct Cost of Sales | 9 | <u>310,141,462</u> | <u>168,054,276</u> |
| Gross Profit on Sales | | <u>91,869,160</u> | <u>49,780,526</u> |
| EXPENSES: | | | |
| Financial Expenses | 11 | 25,397,955 | 13,770,736 |
| Administrative Expenses | 10 | 5,547,231 | 4,453,978 |
| Depreciation | 3 | <u>281,462</u> | <u>227,964</u> |
| Total Expenses | | <u>31,226,647</u> | <u>18,452,677</u> |
| OPERATING INCOME | | 60,642,513 | 31,327,849 |
| NET INCOME/(LOSS) | | <u>\$ 60,642,513</u> | <u>\$ 31,327,849</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, 2021

Page 3

| | <u>December 31, 2021</u> | <u>December 31, 2020</u> |
|---|------------------------------|------------------------------|
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | |
| Net Income/(Loss) | \$ 60,642,513 | \$ 31,327,849 |
| Add/(Deduct) Items Not Affecting Cash | | |
| Depreciation | 281,462 | 227,964 |
| (Increase)/Decrease in Receivables | (3,221,669) | (2,365,750) |
| (Increase)/Decrease in Inventories | (3,046,890) | 2,045,211 |
| Increase/(Decrease) in Current Liabilities | 44,303 | 156,234 |
| Net Cash Flows From /(Used By) Operating Activities | <u>54,699,719</u> | <u>31,391,508</u> |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | |
| Acquisition of Property, Plant & Equipment | <u>298,865</u> | <u>0</u> |
| Expenditure on completed property and property under development | <u>52,863,577</u> | <u>(27,342,411)</u> |
| Net Cash Used by Investing Activities | <u>53,162,442</u> | <u>(27,342,411)</u> |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u> | 0 | 0 |
| Net Cash Flows From /(Used By) Financing Activities | <u>0</u> | <u>0</u> |
| NET INCREASE/(DECREASE) IN CASH | 1,537,277 | 4,049,097 |
| CASH & CASH EQUIVALENT BEGINNING OF PERIOD | <u>15,226,247</u> | <u>11,177,150</u> |
| CASH & CASH EQUIVALENT END OF PERIOD | <u>\$ 16,763,524</u> | <u>\$ 15,226,247</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, 2021

Page 4

(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 | \$ 500,000 | | \$ 107,078,785 | \$ 107,578,785 |
| Adjustments | 0 | 0 | 0 | 0 |
| Net Income/(loss) for The Period | | <u>60,642,513</u> | | <u>60,642,513</u> |
| Balance End of Year | <u><u>\$ 500,000</u></u> | <u><u>\$ 60,642,513</u></u> | <u><u>\$ 107,078,785</u></u> | <u><u>\$ 168,221,298</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, 2021

Note 3

| ASSET CLASSIFICATION | C O S T | | | D E P R E C I A T I O N | | | | NET BOOK | |
|------------------------------|------------------------|---------------------|-------------|-------------------------|------------------------|----------------------|-------------|------------------------|------------------------|
| | As of 01/01/2021 | Additions | Disposals | As of 12/31/2021 | As of 01/01/2021 | Additions | Disposals | As of 12/31/2021 | |
| Building | \$ 6,416,756.00 | - | - | \$6,416,756.00 | \$ 2,082,515.60 | \$ 160,418.75 | - | \$ 2,242,934.35 | \$ 4,173,821.65 |
| Office Furniture & Equipment | 103,224.00 | 298,864.69 | - | 402,088.69 | 174,311.51 | 121,042.89 | - | 295,354.40 | 106,734.29 |
| Totals | <u>\$ 6,519,980.00</u> | <u>\$298,864.69</u> | <u>\$ -</u> | <u>\$ 6,818,844.69</u> | <u>\$ 2,256,827.11</u> | <u>\$ 281,461.64</u> | <u>\$ -</u> | <u>\$ 2,538,288.75</u> | <u>\$ 4,280,555.94</u> |

| | <u>2021</u> | <u>2020</u> |
|---|-----------------------|-----------------------|
| 4 Cash & Bank Balances | | |
| Cash on Hand | \$ 60,150.00 | \$ 72,150.00 |
| JP Morgan Chase | 16,703,374.23 | 15,154,096.92 |
| Total: | <u>16,763,524.23</u> | <u>15,226,246.92</u> |
| 5 Accounts Receivable | | |
| Trade | 11,027,078.17 | 7,805,409.50 |
| Total: | <u>11,027,078.17</u> | <u>7,805,409.50</u> |
| 6 Prepayments | | |
| Prepaid Rent | 20,000.00 | 20,000.00 |
| Other prepayments | 155,000.00 | 80,000.00 |
| Total: | <u>175,000.00</u> | <u>100,000.00</u> |
| 7 Accounts Payable | | |
| Trade Payable | 4,152,189.00 | 4,129,139.00 |
| Others | 30,159.00 | 16,987.00 |
| Total: | <u>4,182,348.00</u> | <u>4,146,126.00</u> |
| 8 Other Current Liabilities | | |
| Accrued Expenses | 16,610.00 | 13,598.00 |
| Salaries & Wages Payable | 39,150.00 | 38,651.00 |
| Withholding Taxes | 8,970.00 | 7,980.00 |
| Liabilities for developments due in next 12 months | 288,997,931.00 | 334,445,294.00 |
| Interest Payable | 20,159.00 | 16,579.00 |
| Total: | <u>289,082,820.00</u> | <u>334,522,102.00</u> |
| 9 Cost of Sales | | |
| COS-Purchases & Others | 282,000,718.44 | 152,805,839.53 |
| Sales Commission | 28,140,743.54 | 15,248,436.12 |
| Total: | <u>310,141,461.98</u> | <u>168,054,275.65</u> |

10 General & Administrative Expenses

| | | |
|----------------------------------|----------------------------|----------------------------|
| Telephone | 14,040.00 | 13,770.00 |
| Insurance Expense | 2,010,053.11 | 1,089,174.01 |
| Legal & Professional Fees | 442,500.00 | 408,000.00 |
| Accounting & Audit Fees | 27,000.00 | 22,500.00 |
| Stationery & Office Supplies | 36,150.00 | 25,725.00 |
| Repairs & Maintenance Vehicles | 29,700.00 | 22,720.50 |
| Repairs & Maintenance Equipment | 22,666.50 | 19,225.50 |
| Travel & Entertainment | 90,316.50 | 217,033.50 |
| Vehicle Rental | 81,000.00 | 67,815.00 |
| Vehicle Fuel | 54,225.00 | 44,683.50 |
| Vehicle Registration & Insurance | 27,000.00 | 23,725.50 |
| Rent or Lease Expense | 360,000.00 | 360,000.00 |
| Employees' Benefit | 358,366.49 | 343,235.08 |
| Utilities | 37,665.00 | 33,231.00 |
| Salaries & Wages Expense | 1,778,680.00 | 1,602,853.66 |
| Payroll Tax Expense | 177,868.00 | 160,285.37 |
| Total: | <u>5,547,230.60</u> | <u>4,453,977.61</u> |

11 Financial Expenses

| | | |
|------------------|--------------------------------|--------------------------------|
| Interest Expense | 25,380,064.66 | 13,752,525.56 |
| Bank Charges | 17,890.00 | 18,210.00 |
| Total: | <u>\$ 25,397,954.66</u> | <u>\$ 13,770,735.56</u> |

12. Currency

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

NOTES TO FINANCIAL STATEMENTS

Accounts

An aggressive strategy of prepayments to fend off inflation has been implemented and results in prepayments increase as a current asset.



Debt

Fortress Group LLC has utilized various cash strategies and debt in order to maximize profit and minimize cash necessary for property development. By providing higher leverage for the development properties, Fortress Group LLC can use cash and cash equivalents for the various other divisions. Fortress Group currently has debt using the development properties as collateral.

Accounts Receivable

The various divisions of Fortress Group utilize aggressive measures for collection. An increase of A/R in 2021 arises from the increase in revenue from the economic upturn that came from emerging from the COVID-19 pandemic.

Fixed Assets

There was no increase in fixed assets in 2021 as free cash flow was impacted by the COVID-19 pandemic and it was determined to postpone fixed asset purchases until 2022.

Inventory

By diversifying tradable commodities, we are anticipating market trends to answer a need that will arise in the market.

Prepayment

Increased prepayments to certain vendors is a strategy being used to fend off inflation.

“Diversifying tradeable commodities allows us to anticipate trends and answer needs in the market.”

Investment Property

Due to the COVID-19 pandemic, the inventory of development properties has decreased slightly from 2020. This is from the increased sales in 2021 along with the decreased ability to purchase properties in 2020 from the shut down. We anticipate these levels to increase in 2022.