

**NOOR STAFFING GROUP, LLC**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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FINANCIAL STATEMENTS  
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**PARTNERS**  
Certified Public Accountants

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## **Independent Auditors' Report**

To the Board of Directors and Members  
Noor Staffing Group, LLC.  
New York, New York

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Noor Staffing Group, LLC., which comprise the balance sheet as of December 31, 2022 and 2021, and the related statements of operation and member's equity, and cash flows for the years 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 Noor Staffing Group, LLC. as of December 31, 2022 and 2021, and the results of its operations and its cashflow 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. 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 Noor Staffing Group, LLC. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 control 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 the Noor Staffing Group, LLC.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



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## **Auditor's 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 auditor's 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 generally accepted auditing standards 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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.
- 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 Noor Staffing Group, LLC's internal control. Accordingly, no such opinion is expressed.
- 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt Noor Staffing Group, LLC's ability to continue as a going concern for a reasonable period of time.

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.

*BAS Partners LLC*

Pembroke Pines, Florida  
June 8, 2023

**NOOR STAFFING GROUP, LLC**  
**BALANCE SHEETS**  
**AS AT DECEMBER 31, 2022 AND 2021**

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**ASSETS**

Current Assets

Cash and cash equivalents	\$ 4,161,968	\$ 881,883
Accounts receivable	16,854,578	16,082,447
Prepaid expenses	27,050	54,632
Unbilled receivables	1,452,323	1,505,380
Total Current Assets	<u>22,495,919</u>	<u>18,524,342</u>

Furniture and equipment	200,096	197,558
Less accumulated depreciation	<u>(194,198)</u>	<u>(186,679)</u>
Net Property and Equipment	<u>5,898</u>	<u>10,879</u>

Intangible assets	<u>5,650,000</u>	<u>5,650,000</u>
Total Assets	<u>\$ 28,151,817</u>	<u>\$ 24,185,221</u>

**LIABILITIES AND MEMBER EQUITY**

Current Liabilities

Accounts payable	\$ 3,461,019	\$ 3,542,040
Accrued payroll	1,340,634	1,433,969
Due to factoring company	19,265	663,331
Due to related party	<u>1,156,087</u>	<u>1,327,998</u>
Total Current Liabilities	5,977,205	6,967,338

Deferred rent	<u>164,167</u>	<u>267,976</u>
Total Liabilities	6,141,172	7,235,314

Member's Equity

Member equity	<u>22,010,645</u>	<u>16,949,907</u>
Total member equity	<u>22,010,645</u>	<u>16,949,907</u>

Total Liabilities and Owner Equity	<u>\$ 28,151,817</u>	<u>\$ 24,185,221</u>
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The accompanying notes are an integral part of these financial statements.

**NOOR STAFFING GROUP, LLC**  
**STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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<b>Income</b>	<b>2022</b>	<b>2021</b>
Temporary placement billings	\$ 109,881,356	\$ 91,666,620
Permanent placement billings	5,207,356	3,338,937
Other income	-	-
Net Billings	115,088,712	95,005,557
Cost of Sales (direct payroll and contractual services)	89,444,443	74,363,051
Gross Profit	25,644,269	20,642,506
<b>Operating Expenses</b>		
Salaries, wages and payroll related costs	4,090,649	3,970,815
Commissions	6,743,964	5,468,130
Insurance	-	(14,636)
Licenses and related expense	85,190	147,393
Rent	779,370	754,738
Other facilities	252,418	199,880
Office expense	151,045	105,467
Bad debt	-	955,798
Banks charges	154,072	127,303
Postage and freight	11,816	6,229
Professional fees	401,725	411,117
Advertising	117,308	77,124
Employee benefits	241,457	266,460
Travel	63,263	84,592
Depreciation and amortization	4,658	29,880
Taxes	242,772	25,686
Interest expense	76,915	167,145
Other operating expense	4,363,660	2,756,223
Total Operating Expenses	17,780,281	15,539,344
Other (income) Expense:		
Other income	(196,751)	(10,815,103)
Other expense	-	-
Total Other (Income) Expense	(196,751)	(10,815,103)
Income before income taxes	8,060,738	15,918,265
Income tax	-	-
Net income	\$ 8,060,738	\$ 15,918,265

The accompanying notes are an integral part of these financial statements.

**NOOR STAFFING GROUP, LLC**  
**STATEMENTS OF CASHFLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u><b>2022</b></u>	<u><b>2021</b></u>
<b>Cash Flows From Operating Activities:</b>		
Net Income	\$ 8,060,738	\$ 15,918,265
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Depreciation and amortization	4,658	29,880
PPP loan forgiveness	-	(4,916,100)
(Increase) decrease in operating assets:		
Accounts receivable	(772,131)	(12,803,288)
Unbilled receivable	53,057	(1,063,004)
Prepaid expenses	27,582	(36,077)
Increase (decrease) in:		
Accounts payable & accrued expenses	(174,033)	4,085,571
Deferred rent	(103,809)	(38,810)
Due to related party	(171,911)	773,846
<b>Net Cash Provided by Operating Activities</b>	<u>6,924,151</u>	<u>1,950,283</u>
<b>Cash Flows from Financing Activities:</b>		
Distributions	(3,000,000)	(675,000)
Note payable	(644,066)	(566,338)
<b>Net cash used in financing activities</b>	<u>(3,644,066)</u>	<u>(1,241,338)</u>
<b>Change in cash and cash equivalents</b>	<u>3,280,085</u>	<u>708,945</u>
<b>Cash - Beginning of Year</b>	<u>881,883</u>	<u>172,938</u>
<b>Cash - End of Year</b>	<u>\$ 4,161,968</u>	<u>\$ 881,883</u>
<b>SUPPLEMENTAL INFORMATION</b>		
<b>Interest paid</b>	<u><u>\$ 76,915</u></u>	<u><u>\$ 167,145</u></u>

The accompanying notes are an integral part of these financial statements

**NOOR STAFFING GROUP, LLC.**  
**STATEMENTS OF CHANGES IN**  
**MEMBERS' EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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Balance, December 31, 2020	\$	1,706,639
Income from operations		15,918,268
Distributions		(675,000)
Balance, December 31, 2021		16,949,907
Income from operations		8,060,738
Distributions		(3,000,000)
Balance, December 31, 2022	\$	22,010,645

The accompanying notes are an integral part of these financial statements



**NOOR STAFFING GROUP, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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**Note 1 - Summary of Significant Accounting Policies**

*Nature of Operations.* Noor Staffing Group, LLC (the Company), is a New York limited liability company formed on February 17, 2015. The Company specializes in staffing services and provides a diverse portfolio of clients with their dynamic recruiting and staffing needs, relying on 9000+ internal and contingent employees nationwide. The Company's clients include myriad elite professional services firms, Fortune 500 companies, local, federal and state agencies as well as small and mid-cap businesses. The Company consists of the following entities that are owned 100% by Noor Staffing Group, LLC: Noor Strategies Inc., Choice LI, Choice Temps, Inc., Choice Personnel, Tab Staffing, LLC.

*Basis of Accounting* – The Company financial statements presented are prepared in accordance with the accounting principles generally accepted in the United States of America.

*Cash and Cash Equivalents* – For purposes of these combined financial statements, Noor Staffing Group, LLC considers all assets with a maturity of three months or less to be cash equivalents.

*Trade Accounts Receivable* - All services are provided under contract or upon issuance of the customers purchase order. Noor Staffing Group, LLC does not maintain an allowance for doubtful accounts.

*Use of Estimates* - The preparation of the financial statements in conformity with the accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to estimates and assumptions include the carrying value of fixed asset and accounts receivables. Actual results could differ significantly from such estimates.

*Property and equipment* – Property and equipment are stated at cost. Major improvements and betterments are capitalized while maintenance, repairs and minor renewals are charged to expense as incurred. Upon sale or retirement of depreciable property, the related cost and accumulated depreciation are removed from the accounts and resulting gains or losses are recognized in operations. Depreciation is computed on the straight line method.

*Income Taxes* – There is no provision for income taxes in these financial statements. Noor Staffing Group, LLC is a single member limited liability company owned by Noor Strategies, Inc.. Noor Strategies, Inc. is treated as an S corporation for income tax purposes. As a result, income tax liabilities are the responsibilities of ownership. Accordingly, there is no provision for income taxes in these financial statements.

**NOOR STAFFING GROUP, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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**Note 1 - Summary of Significant Accounting Policies (continued)**

*Revenue recognition* – Revenue is recognized in the financial statements (and the customer billed) when services are performed.

*Advertising Expense* – Advertising costs are expensed in the period incurred and during the years ended December 31, 2022 and 2021 amounted to \$117,308 and \$77,124.

*Compensated absences* – Employees of the Company are entitled to paid sick days, and personal days off, depending on job classification, length of service, and other factors. It is impractical to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Company's policy is to recognize the costs of compensated absences when actually paid to employees.

**Note 2 – Intangible Assets**

The Company acquired Choice in 2020. The amount relating to the purchase was \$4,600,000. The amount is reflected in the balance sheet as Intangible assets. The amount at December 31, 2022 was \$4,600,000 and \$4,600,000, respectively. On February 26, 2015, The Company entered into an asset purchase agreement with Corporate Resource Development, Inc. in the amount of \$3,500,000 plus existing accounts receivable. The amount at December 31, 2022 and 2021 was \$1,050,000 and \$1,050,000, respectively.

As of December 31, 2022 and 2021 total Intangible assets was \$5,650,000 and \$5,650,000, respectively.

**Note 3 – Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses represent current amounts due to vendors and employees. Accrued payroll represents payroll expenses incurred in December 2022 and 2021 that was paid within the first two to three weeks of 2022 and 2021.

**Note 4 - Property and Equipment**

The composition of property and equipment, as of December 31, 2022 and 2021 are as follows:

<b><u>Description</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Furniture, fixtures and equipment	<u>\$ 200,096</u>	<u>\$ 197,558</u>
Total	200,096	197,558
Accumulated depreciation	<u>(194,198)</u>	<u>(186,679)</u>
	<u><u>\$ 5,898</u></u>	<u><u>\$ 10,879</u></u>

Depreciation expense for each of the years ended December 31, 2022 and 2021 was approximately \$4,658 and \$29,880.

**NOOR STAFFING GROUP, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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**Note 5 – Notes Payable**

*Current notes payable* - Current notes payable consists of a line of credit from a Webster Bank, with a maximum of \$14,490,000. The line of credit carries a balance of \$19,265 and \$663,331 as of December 31, 2022 and 2021, respectively and is fully collateralized by Noor Staffing Group, LLC's under ninety day aged accounts receivable. Under the terms of the loan agreement, Webster Bank has full rights and title to the collateralized accounts receivable and Webster collects customer payments on behalf of Noor Staffing Group, LLC and determines an acceptable risk level for Noor Staffing Group, LLC's current accounts receivable. The lender takes into account various factors relating to Noor Staffing Group, LLC's accounts receivable such as acceptable level of receivables per client and collectability factors. Interest on this loan is paid monthly at a rate of prime less 50 bps. This note is satisfied upon the receipt of accounts receivable by the lender.

The Company also has two separate term loans of One Million (\$1,000,000) each. These loans were unused as at December 31, 2022 and were not renewed.

**Note 6 – Related Party Transactions**

In 2019 the Company moved all administrative support personnel and expenses to Noor Inc. Et Al. The company holds and pays the lease for the office that Noor Inc Et Al is located. These payments are taken into consideration with the management fees. During 2022 and 2021, the Company paid management fees of \$3,363,660 and \$2,756,220, respectively. The Company had a balance at year end due to Noor, Inc. Et Al in the amount of \$1,156,087 and \$1,327,997, at December 31, 2022 and 2021, respectively.

**Note 7 - Concentrations of Credit Risk**

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of temporary cash investments. The Company places its temporary cash investments with financial institutions and limits the amount of credit exposure to any one financial institution. During the years ended December 31, 2022 and 2021, temporary cash investments periodically exceeded the F.D.I.C. insured limit. However, management feels that it is not exposed to any significant credit risk on its cash and cash equivalents at year end.

**NOOR STAFFING GROUP, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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**Note 8 – Litigation and Other Matters**

The healthcare industry is subject to numerous laws, ordinances and regulations enacted or issued by federal, state and local governments. Compliance with these laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. The Company activity has continued with respect to investigations and allegations concerning possible violations of laws and regulations, which could result in the imposition of significant fines and penalties, and significant repayments of amounts received for patient services previously billed. The Company is subject to such regulatory reviews.

Management is aware of certain asserted and unasserted legal claims and regulatory matters arising in the normal course of business. After consultation with legal counsel, management believes that all asserted and known unasserted claims will be resolved without material adverse effect on the Company's financial condition.

During the normal course of performing its duties to the general public, which it serves, the Company is subject to potential threatened lawsuits and complaints. As At December 31, 2022 and 2021, there were no claims that management feels would have a material effect on the Company financial position.

**Note 9 – Risks and Uncertainties**

In January 2022, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the Company, its performance, and its financial results.

**NOOR STAFFING GROUP, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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**Note 10 – Leases and Obligations**

The company leases office space in three locations. The lease expense of \$779,370 and \$754,738 for the years ended December 31, 2022 and 2021, represents rent expense that is reimbursed to Noor Inc Et Al, a related entity, for the company's New York City office. As of the date of these financial statement the company does not maintain a written agreement for nor does it have a future lease obligation to Noor Inc Et Al.

Accounts receivable in the amount of \$16,854,578 and \$16,082,447, as of December 31, 2022 and 2021 respectively was encumbered by the short-term note payable to Sterling Bank as specified in Note 5.

**Note 11 - Subsequent Events**

Noor Staffing Group, LLC did not have any other subsequent events through May 22, 2023, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the years ended December 31, 2022 and 2021.

End of Report