

NOOR STAFFING GROUP, LLC
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

TABLE OF CONTENTS

	PAGE(S)
Independent Auditor's Report.....	1 - 2
 FINANCIAL STATEMENTS	
Balance Sheet.....	3
Statement of Income	4
Statement of Cash Flows.....	5
Statement of Changes in Equity.....	6
Notes to Financial Statements.....	7 - 11



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, 2023 and 2022, 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, 2023 and 2022, 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
May 18, 2024

NOOR STAFFING GROUP, LLC
BALANCE SHEETS
AS AT DECEMBER 31, 2023 AND 2022

ASSETS

Current Assets

Cash and cash equivalents	\$ 3,522,344	\$ 4,161,968
Accounts receivable	16,960,262	16,854,578
Prepaid expenses	157,527	27,050
Due from factoring company	593,039	-
Unbilled receivables	1,758,573	1,452,323
Total Current Assets	<u>22,991,745</u>	<u>22,495,919</u>

Furniture and equipment	200,096	200,096
Less accumulated depreciation	<u>(197,715)</u>	<u>(194,198)</u>
Net Property and Equipment	<u>2,381</u>	<u>5,898</u>

Intangible assets	<u>12,330,000</u>	<u>5,650,000</u>
Total Assets	<u>\$ 35,324,126</u>	<u>\$ 28,151,817</u>

LIABILITIES AND MEMBER EQUITY

Current Liabilities

Accounts payable	\$ 4,412,513	\$ 3,461,019
Accrued payroll	1,703,231	1,340,634
Due to factoring company	-	19,265
Due to related party	5,964,336	1,156,087
Total Current Liabilities	<u>12,080,080</u>	<u>5,977,005</u>

Deferred rent	<u>70,357</u>	<u>164,167</u>
Total Liabilities	<u>12,150,437</u>	<u>6,141,172</u>

Member's Equity

Member equity	<u>23,173,689</u>	<u>22,010,645</u>
Total member equity	<u>23,173,689</u>	<u>22,010,645</u>

Total Liabilities and Owner Equity	<u>\$ 35,324,126</u>	<u>\$ 28,151,817</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, 2023 AND 2022

Income	2023	2022
Temporary placement billings	\$ 111,063,042	\$ 109,881,356
Permanent placement billings	4,960,220	5,207,356
Other income	-	-
Net Billings	116,023,262	115,088,712
Cost of Sales (direct payroll and contractual services)	91,672,123	89,444,443
Gross Profit	24,351,140	25,644,269
Operating Expenses		
Salaries, wages and payroll related costs	6,152,108	4,090,649
Commissions	5,635,097	6,743,964
Insurance	55,227	-
Licenses and related expense	75,333	85,190
Rent	855,326	779,370
Other facilities	272,675	252,418
Office expense	294,872	151,045
Banks charges	115,727	154,072
Postage and freight	10,452	11,816
Professional fees	538,611	401,725
Advertising	388,435	117,308
Employee benefits	318,611	241,457
Travel	101,075	63,263
Depreciation and amortization	3,516	4,658
Taxes	397,584	242,772
Interest expense	82,374	76,915
Other operating expense	5,344,798	4,363,660
Total Operating Expenses	20,641,821	17,780,281
Other (income) Expense:		
Other income	-	(196,751)
Other expense	101,061	-
Total Other (Income) Expense	101,061	(196,751)
Income before income taxes	3,608,258	8,060,738
Income tax	-	-
Net income	\$ 3,608,258	\$ 8,060,738

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

NOOR STAFFING GROUP, LLC
STATEMENTS OF CASHFLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Net Income	\$ 3,608,258	\$ 8,060,738
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,516	4,658
(Increase) decrease in operating assets:		
Accounts receivable	(105,684)	(772,131)
Unbilled receivable	(306,249)	53,057
Intangible assets	(6,680,000)	-
Prepaid expenses	(130,477)	27,582
Increase (decrease) in:		
Accounts payable & accrued expenses	1,314,093	(174,033)
Deferred rent	(93,810)	(103,809)
Due to related party	4,808,249	(171,911)
Net Cash Provided by Operating Activities	<u>9,098,148</u>	<u>6,924,151</u>
Cash Flows from Investing Activities:		
Goodwill	(6,680,000)	-
Net cash used in investing activities	<u>(6,680,000)</u>	<u>-</u>
Cash Flows from Financing Activities:		
Distributions	(2,445,694)	(3,000,000)
Note payable	(612,306)	(644,066)
Net cash used in financing activities	<u>(3,057,520)</u>	<u>(3,644,066)</u>
Change in cash and cash equivalents	<u>(639,624)</u>	<u>3,280,085</u>
Cash - Beginning of Year	<u>4,161,968</u>	<u>881,883</u>
Cash - End of Year	<u>\$ 3,522,344</u>	<u>\$ 4,161,968</u>
SUPPLEMENTAL INFORMATION		
Interest paid	<u>\$ 82,374</u>	<u>\$ 76,915</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, 2023 AND 2022

Balance, December 31, 2021	\$	16,949,907
Income from operations		8,060,738
Distributions		(3,000,000)
Balance, December 31, 2022		22,010,645
Income from operations		3,608,258
Distributions		(2,445,214)
Balance, December 31, 2023	\$	23,173,689

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, 2023 AND 2022

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, Greenparc Hospitality, Inc., Walker Resources, Inc.

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, 2023 AND 2022

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, 2023 and 2022 amounted to \$388,435 and \$177,308.

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 Walker Resources, Inc. in 2023. The amount relating to the purchase was \$6,000,000. The amount is reflected in the balance sheet as Intangible assets. The amount at December 31, 2023 and 2022 was \$6,000,000 and \$0, respectively.

The Company acquired Geenparc Hospitality, Inc. in 2023. The amount relating to the purchase was \$680,000. The amount is reflected in the balance sheet as Intangible assets. The amount at December 31, 2023 and 2022 was \$680,000 and \$0, respectively.

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, 2023 and 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, 2023 and 2022 was \$1,050,000 and \$1,050,000, respectively.

As of December 31, 2023 and 2022 total Intangible assets was \$12,330,000 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 2023 and 2022 that was paid within the first two to three weeks of 2023 and 2022.

NOOR STAFFING GROUP, LLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 4 - Property and Equipment

The composition of property and equipment, as of December 31, 2023 and 2022 are as follows:

<u>Description</u>	<u>2023</u>	<u>2022</u>
Furniture, fixtures and equipment	\$ <u>200,096</u>	\$ <u>200,096</u>
Total	200,096	200,096
Accumulated depreciation	<u>(197,714)</u>	<u>(194,198)</u>
	<u>\$ 2,381</u>	<u>\$ 5,898</u>

Depreciation expense for each of the years ended December 31, 2023 and 2022 was approximately \$3,516 and \$4,658.

Note 5 – Notes Payable

Current notes payable - Current notes payable consists of a line of credit from a Webster Bank, with a maximum of \$19,000,000. The line of credit carries a balance of \$0 and 19,265 as of December 31, 2023 and 2022, 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 SOFR plus 100 bps. This note is satisfied upon the receipt of accounts receivable by the lender.

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 2023 and 2022, the Company paid management fees of \$4,334,546 and \$3,363,660, respectively. The Company had a balance at year end due to Noor, Inc. Et Al in the amount of \$5,964,336 and \$1,156,087, at December 31, 2023 and 2022, 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, 2023 and 2022, 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, 2023 AND 2022

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, 2023 and 2022, there were no claims that management feels would have a material effect on the Company financial position.

Note 10 – Leases and Obligations

The company leases office space in three locations. The lease expense of \$855,326 and \$779,370 for the years ended December 31, 2023 and 2022, 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 \$16,960,262 and \$16,854,578, as of December 31, 2023 and 2022 respectively was encumbered by the short-term note payable to Sterling Bank as specified in Note 5.

NOOR STAFFING GROUP, LLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 11 - Subsequent Events

Noor Staffing Group, LLC did not have any other subsequent events through May 18, 2024, 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, 2023 and 2022.

End of Report