

Financial Statements and Independent Auditor's Report

Kosovo Association of Information and Communication
Technology ("STIKK")
31 December 2022



Contents

	Page
Independent Auditor's Report	1-2
Statement of financial position	3
Statement of profit and loss	4
Statement of cash flows	5
Notes to the financial statements	6-21

Independent Auditor's Report

Grant Thornton LLC

Rexhep Mala 18
10000 Pristina
Kosovo

T +383 (0)38 247 801

F +383 (0)38 247 802

E Contact@ks.gt.com

VAT No. 330086000

To the Owners and Management of
Kosovo Association of Information and Communication Technology ("STIKK")

Opinion

We have audited the financial statements of Kosovo Association of Information and Communication Technology ("Association" or "STIKK"), which comprise the Statement of financial position as of 31 December 2022, and the Statement of profit and loss and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Kosovo Association of Information and Communication Technology ("STIKK") as of 31 December 2022, and its financial performance and its cash flows for the year then ended, in accordance with the accounting policies disclosed in Note 3 to the accompanying financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 independent of STIKK in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements of STIKK in the Republic of Kosovo, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the basis of accounting as described in Note 3 to the financial statements and for such internal control as management determines is necessary to enable the preparation of financial statements that is free of material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing STIKK's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate STIKK or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing STIKK's financial reporting process.


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 a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 the STIKK's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the STIKK's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause STIKK to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


Grant Thornton LLC
Pristina, 24 March 2023




Marjan Andonov
Statutory Auditor


**Kosovo Association of Information and Communication Technology
("STIKK")**

Statement of financial position

At December 31, 2022

	Notes	December 31, 2022 (in EUR)	December 31, 2021 (in EUR)
Assets			
Current assets			
Cash and cash equivalents	4	53,583	13,466
Account receivables	5	1,600	500
Total Current Assets		55,183	13,966
Non-current assets			
Fixed Assets	6	428	1,981
Total Non-current Assets		428	1,981
Total Assets		55,611	15,947
Liabilities			
Payables	7	20,472	22,108
Deferred income from grants	8	59,383	28,283
Total Liabilities		79,855	50,391
Capital fund		428	1,981
STIKK fund		(24,672)	(36,425)
Fund balance	11	(24,244)	(34,444)
Total liabilities and fund balance		55,611	15,947

These financial statements have been approved by the Management of the Organization on 15 February 2023 and signed on its behalf by:


Ms. Vjollca Cavolli
 Executive Director


Ms. Blerina Rexhaj Dreshaj
 Finance Manager

The accompanying notes from 1 to 14 form an integral part of these financial statements

**Kosovo Association of Information and Communication Technology
("STIKK")**

Statement of profit and loss

For the year ended December 31, 2022

		Year ended December 31 2022 (in EUR)	Year ended December 31 2021 (in EUR)
-	Notes		
Income			
Donors	9	159,650	167,526
STIKK	9	54,860	41,019
Total Income		214,510	208,545
Expenses			
Program expenses	10	(190,650)	(188,260)
Administrative costs	10	(12,108)	(13,237)
Depreciation	6,10	(1,553)	(1,194)
Total Expenses		(204,311)	(202,691)
Net surplus for the year		10,199	5,854

The accompanying notes from 1 to 14 form an integral part of these financial statements

**Kosovo Association of Information and Communication Technology
("STIKK")**

Statement of cash flows

For the year ended December 31, 2022

	Notes	Year ended December 31 2022	Year ended December 31 2021
Operating activities			
Surplus for the year		10,199	5,854
Adjustments for:			
Depreciation		1,553	1,194
The Increase/Decrease in Accounts Receivable		(1,100)	3,900
The Increase/Decrease in Accounts Payable		(1,635)	(1,489)
The Increase/Decrease in Deferred Revenues		31,100	(25,617)
Net Cash Flow (used in) / generated from operating activities		40,116	(16,158)
Investing Activities			
Payments for purchase of Property and Equipment		-	(2,578)
Net Cash Flow from Investing Activities		-	(2,578)
Financing Activities		-	-
Net change in Cash and Cash Equivalents		40,116	(18,737)
Cash and cash equivalents in the beginning of the year		13,466	32,203
Cash and cash equivalents in the end of the year		53,583	13,466

The accompanying notes from 1 to 14 form an integral part of these financial statements

Kosovo Association of Information and Communication Technology ("STIKK")

Notes to the Financial Statements (continued)

For the year ended December 31, 2022

1. GENERAL

Kosovo Association of Information and Communication Technology - STIKK founded and registered as NGO, according to the Law for free association No. 03 / L-134, on 08 November 2008 with registration Number 5112067-1. STIKK's fiscal number is 600086814 taken on 05 November 2009 and VAT (Value Added Tax) number 330157885.

The organization is domiciled in Rexhep Mala 28A (Building of ICK) Pristina Kosovo, in Prishtina, Kosovo and had 9 employees in full time (9 average during 2021) as of 31 December 2021.

The founders of the Association are:

#	Name	Company
1	Enver Doko	Comtrade Computers
2	Driton Hapçiu	Cactus
3	Visar Dobrosi	IPKO Telecommunication
4	Durmishali Smani	Elting Electronics
5	Enver Konjuhi	Data Com
6	Valon Budima	Pronet

Members of the Executive Board are:

#	Name	Company	Position in the Board
1	Valon Canhasi	Hallakate	President
2	Hana Qerimi	StarLabs	Member
3	Muharrem Shefkiu	Ploymath Labs	Member
4	Zana Shehu Budima	ABC Software Development	Member
5	Astrit Desku	Komtel	Member
6	Ilirijana Ibraj	Linkplus IT	Member
7	Arber Bakija	BBros	Member
8	Armend Malazogu	Cactus	Member
9	Yll Zagragja	UCX Kosovo	Member

Kosovo Association of Information and Communication Technology ("STIKK")

Notes to the Financial Statements (continued)

For the year ended December 31, 2022

STIKK is founded to:

- promote the joint and convergent Interests of the businesses of Information and communication technologies in Kosovo, and the professional individuals.
- help in long growth of the businesses of Information and communication technologies in Kosovo.
- upgrade the environment of the businesses of Information and communication technologies in Kosovo.
- promote the contribution of the Information and communication technologies in economic progress and growth in Kosovo.
- intends to be part of the development and Implementation of the policies In Kosovo by helping the Government and Kosovo Institutions in understanding the trend of actual and future technologies and to see how the technologies can contribute to the economic growth of Kosovo.

The governing bodies of the NGO are: Assembly of Members, Board of Directors and Executive Director.

The Assembly of Members is the highest decision-making body of the NGO that is gathered once per year. The Board has regular meetings every three months. The Board monitors the activities of STIKK and proposes the work-plan to the Assembly.

Assets, revenues and the profit of the organization will be used to support the organizations non-profitable targets and activities, no asset, revenue or profit will be used to create special Individual benefits.

STIKK main objectives during year 2022

During 2022, STIKK had four main objectives which are in accordance with its mission:

Objective 1:

Human capacity building for the needs of member companies and ICT market development.

Objective 2:

Improving the legal infrastructure and access to finances.

Objective 3:

Expanding opportunities for sale in the local and international market.

Objective 4:

Improving industry identity and local potential in the international market.

2. MAJOR PROJECTS IMPLEMENTED DURING THE PERIOD OF THIS FINANCIAL STATEMENTS

In 2022, STIKK has accepted funds for projects from donors, as further explaining in this table:

Donor	Implementation Period	Amount
Project: "STAR UP European Comission	24.02.2022-23.08.2024	493,285.56€
GIZ "Economic Promotion to stabilize the Labor market"	01.12.2022-30.04.2023	49,490 €
Project: "KosICT 2022" Procredit Bank	01.10.2022-31.12.2022	30,000 €

Kosovo Association of Information and Communication Technology ("STIKK")

Notes to the Financial Statements (continued)

For the year ended December 31, 2022

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Basis of preparation

The financial statements are prepared in accordance with the concept of historical cost convention. Measurement basis of each type of asset, liability, revenue and expense are described in details within this Note.

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. These estimates are based on the information available as at the date of the financial statements and actual results could differ from those estimates.

These financial statements are prepared as at and for the years ended 31 December 2022 and 2021. Current and comparative data stated in these financial statements are expressed in Euros, which is STIKK's functional and reporting currency, unless otherwise stated.

3.2 Fixed assets

Fixed assets, consisting mainly of computers, office furniture and equipment, are carried at cost, or fair value for purchased or donated assets, less accumulated depreciation and provision for impairment where required. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount and the difference is charged to the statement of profit and loss. The estimated recoverable amount is the higher of an assets' net selling price and its value-in-use.

The cost or fair value of purchased or donated property and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to their present location and condition necessary for their intended use.

Depreciation is charged on a straight – line basis calculated to write off the recorded cost or fair value of property and equipment over their 5-year estimated useful lives. Leasehold improvements are depreciated with shorter period from the rent period and estimated useful life of the assets, unless it is probable that ownership rights will be transferred to STIKK at the end of the rent period.

Kosovo Association of Information and Communication Technology ("STIKK")

Notes to the Financial Statements (continued)

For the year ended December 31, 2022

3.3 Customers' and other receivable

Customers' and other receivable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is recognized when there is objective evidence that the STIKK will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. Debtors are tested for impairment on an individual basis.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Assets with a short maturity are not discounted. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the statement of profit and loss. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are recognized as current income in the statement of profit and loss.

3.4 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents are considered to be cash on hand and at bank and in operating accounts at bank with an original maturity of three months or less.

Kosovo Association of Information and Communication Technology ("STIKK")

Notes to the Financial Statements (continued)

For the year ended December 31, 2022

3.5 Revenue and expense recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amount receivable for services provided in the normal course of business, net of discounts and sales related taxes.

Revenue is recognized as follows:

Rendering of services

Income from rendering of services is recognised in the period in which services are rendered, by reference to the stage of completion when can be measured reliably. The stage of completion is determined based on surveys of work performed.

Membership fees

These are recognized in the period in which they are received.

Financial income is recognized on a time proportion basis that reflects the effective yield on the assets.

Financial expense comprises of interest expense on borrowings and default interest expense on late payments. Borrowing costs are recognized in profit or loss using the effective interest method.

Operating expenses are recognized in the income statement upon utilization of the service.

3.6 Grant income

A grant is recognized in the statement of financial position initially as deferred income when there is reasonable assurance that it will be received and that STIKK will comply with the conditions attached thereto.

Grants that compensate STIKK for expenses incurred are recognized as revenue in the profit and loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate STIKK for the cost of an asset are recognized in the profit and loss as revenue on a systematic basis over the useful life of the asset.

3.7 Funds

Funds are initially created by founders' contributions made in monetary and/or in kind assets carried at their fair values. Subsequently, funds are increased/decreased through additional founders' contributions, depreciation charged for the period and results (surplus/deficit) from operations during the periods.

3.8 Suppliers' and other payables

Suppliers' and other payables are recognized initially at their fair value and subsequently measured at their amortized cost by applying the effective interest rate method.

Kosovo Association of Information and Communication Technology ("STIKK")

Notes to the Financial Statements (continued)

For the year ended December 31, 2022

3.9 Current and deferred income tax

Taxation has been provided for in the financial statements in accordance with Kosovo tax regulations currently in force, Law No. 05/L-29 "On Corporate Income Tax".

The income tax charge in the statement of profit and loss for the year comprises current tax and changes in deferred tax. Current tax is calculated on the basis of the expected taxable profit for the year using the tax rates in force at the date of the statement of financial position. Taxable profit differs from profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Taxes other than income taxes are recorded within operating expenses.

3.10 Employee benefits

STIKK makes contributions for the benefit of employees to the Kosovo Pension Saving Trust (KPST). The contributions are expensed as incurred.

3.11 Transactions with related parties

Related parties consist of founders and directors of STIKK, together with entities which they control, who can exert significant influence over the operations and management of the Organization. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

3.12 Events after reporting date

Post-year-end events that provide additional information about STIKK's position at the statement of financial position (adjusting events) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

**Kosovo Association of Information and Communication Technology
("STIKK")**

Notes to the Financial Statements (continued)

For the year ended December 31, 2022

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are detailed as follows:

	December 31, 2022	December 31, 2021
Procredit Bank		
Main current account	21,510	10,653
Project account	30,889	2,761
	52,399	13,414
Petty cash	1,184	53
Total cash and cash equivalents	53,583	13,466

5. ACCOUNTS RECEIVABLES

Breakdown of customers' debts are as follows:

	December 31, 2022	December 31, 2021
Linkplus IT	250	250
Protecht Sh.p.k	950	250
OpenResearch	200	-
Evonem L.L.C	200	-
Total Accounts Recievables	1,600	500

**Kosovo Association of Information and Communication Technology
("STIKK")**

Notes to the Financial Statements (continued)

For the year ended December 31, 2022

6. FIXED ASSETS

	In EUR
Cost	
1 January 2021	47,515
Additions during the year	2,578
31 December 2021	50,093
1 January 2022	50,093
Additions during the year	-
31 December 2022	50,093
Accumulated Depreciation	
1 January 2021	46,918
Yearly depreciation	1194
31 December 2021	48,112
1 January 2022	48,112
Yearly depreciation	1,553
31 December 2022	49,665
Net	
31 December 2021	1,981
31 December 2022	428

Assets pledged as security

At 31 December 2022, there are no assets, pledged as security on Organization's liabilities. All assets are used in normal course of Organization's business.

**Kosovo Association of Information and Communication Technology
("STIKK")**

Notes to the Financial Statements (continued)

For the year ended December 31, 2022

7. PAYABLES

Details of payables as at 31 December 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Payables towards donors	15,345	15,345
Payables towards suppliers	3,190	4,883
Payroll liabilities	1,955	1,872
Other payables	(18)	8
	20,472	22,108

8. DEFERRED INCOME FROM GRANTS

Deferred income from grants as at 31 December 2022 and 2021 is detailed as follows:

	December 31, 2022	December 31, 2021
Erasmus	20,682	27,258
STIKK	-	1,025
GIZ	27,881	-
EU -STAR UP	10,820	-
	59,383	28,283

9. INCOME

Funds received from donors are restricted for use in accordance with specific project agreements. The disbursed amount as pre-financing in amounts was transferred to bank accounts:

Funds received by donors are composed as follows:

	2022	2021
Financed by:		
ABGJ	-	50,000
USAID	46,053	39,757
ITP-GIZ	-	30,000
EEN	5,182	17,643
Procredit Bank	30,000	10,000
EYE	6,576	8,999
Usaid EDGE	-	4,716
WB6	-	4,210
US embassy	-	2,200
GIZ 2022	1,807	-
STAR UP	35,422	-
Prishtina Municipality	10,000	-
Ministry of Economic Development	5,000	-
EBRD	7,000	-
KUTIA	1,000	-
HELVETAS	2,000	-
ECIKS	1,000	-
UNDP	3,000	-
ASPIRE	2,950	-
Macedonian E-commerce Association	2,660	-
Donors	159,650	167,526
STIKK Income	54,860	41,019
Total income	214,510	208,545

STIKK income is composed as follows:

	2022	2021
STIKK - Membership fees	40,009	20,904
STIKK - Program income	14,733	20,115
STIKK - Training fees	119	-
	54,860	41,019

**Kosovo Association of Information and Communication Technology
("STIKK")**

Notes to the Financial Statements (continued)

For the year ended December 31, 2022

10. EXPENDITURES

10.1 EXPENDITURES BY CLASS

Expenditures as at 31 December 2022 and 2021 by main class are composed as follows:

	2022	2021
Salaries	97,269	79,039
Promotional activities	70,025	59,168
Training	1,132	34,196
Rent and utilities	7,199	6,546
Per Diem	2,226	6,195
Accommodation	6,244	4,839
Marketing, visual brand identity, social media.	6,820	2,072
Write off of receivables	-	1,900
Representation, board and assembly meetings	1,497	1,724
Depreciation – charged to capital fund	1,553	1,194
Audit	1,180	1,180
Local, regional and international travel expenses	1,542	1,154
Bank charges	904	847
Communication	749	747
Maintenance	-	330
Office supplies	174	-
Admission Tickets	5,122	-
Tech Park	306	-
Visa	369	1,560
Total	204,311	202,691

Kosovo Association of Information and Communication Technology ("STIKK")

Notes to the Financial Statements (continued)

For the year ended December 31, 2022

10.2 EXPENDITURES FINANCED BY DONORS AND STIKK

Project expenses as at 31 December 2022 and 2021 by donors are composed as follows:

	2022	2021
ABGJ	-	50,000
USAID	46,054	39,757
ITP-GIZ	-	30,000
EEN	5,182	17,643
Procredit Bank	30,000	10,000
EYE	6,576	8,999
Usaid EDGE	-	4,716
WB6	-	4,210
US embassy	-	2,200
GIZ 2022	1,807	-
STAR UP	35,422	-
Prishtina Municipality	10,000	-
Ministry of Economic Development	5,000	-
EBRD	7,000	-
KUTIA	1,000	-
HELVETAS	2,000	-
ECIKS	1,000	-
UNDP	3,000	-
ASPIRE	2,950	-
Macedonian E-commerce Association	2,660	-
Donors	159,651	167,525
STIKK expenses	44,661	35,166
Total	204,311	202,691

**Kosovo Association of Information and Communication Technology
("STIKK")**

Notes to the Financial Statements (continued)

For the year ended December 31, 2022

11. FUNDS BALANCE BY DONOR AND PROJECTS

The fund balance by Donor and projects as at 31 December 2022 and 2021 are composed as follows:

Financed by	Fund balance 31.12.2021	Funds received in 2022	Total funds in 2022	Expenses	Expenses in long term assets	Funds at 31.12.2022
USAID	-	46,054	46,054	(46,054)	-	-
EEN	-	5182	5182	(5,182)	-	-
Procredit	-	30,000	30,000	(30,000)	-	-
EYE	27,258	-	27,258	(6,576)	-	20,682
GIZZ 2022	-	29,688	29,688	(1,807)	-	27,881
STAR UP	-	46,242	46,242	(35,422)	-	10,820
Prishtina Municipality	-	10,000	10,000	(10,000)	-	-
Ministry of Economy	-	5,000	5,000	(5,000)	-	-
EBRD	-	7,000	7,000	(7,000)	-	-
KUTIA	-	1,000	1,000	(1,000)	-	-
HELVETAS	-	2,000	2,000	(2,000)	-	-
ECIKS	-	1,000	1,000	(1,000)	-	-
UNDP	-	3,000	3,000	(3,000)	-	-
ASPIRE	-	2,950	2,950	(2,950)	-	-
MACEDONIAN	-	2,660	2,660	(2,660)	-	-
STIKK	-	(1,025)	-	-	-	-
Deferred revenue	27,258	190,751	219,034	(159,651)	-	59,383
Funds						
STIKK fund						
unrestricted	(36,425)	54,860	18,435	(43,107)	-	(24,672)
Capital Fund	1,981	-	1,981	(1,553)	-	428
(in Fixed Assets)						
STIKK Funds	(34,444)	54,860	20,416	(44,661)	-	(24,244)
Total Funds and deffered revenue	(7,186)	245,611	239,450	(204,311)	-	35,139

Kosovo Association of Information and Communication Technology ("STIKK")

Notes to the Financial Statements (continued)

For the year ended December 31, 2022

11. FINANCIAL RISK MANAGEMENT

STIKK's activities can be exposed to a variety of financial risks, including credit risk and risks associated with the effects of changes in foreign currency exchange rates and interest rates. The STIKK's risk management focuses on minimizing the potential adverse effects of risks over its business performance.

Risk management is carried out by the STIKK's Management based on certain pre – approved written policies and procedures that cover overall risk management, as well as specific areas.

12.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. STIKK is exposed to credit risk from its customers where it provides trainings as well as from its candidates to whom it provides support.

12.2 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect STIKK's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.

Foreign exchange risk

STIKK is not exposed to foreign exchange risk as transactions are undertaken in local currency. The STIKK does not speculate in or engage in the trading with derivative instruments.

12.3 Interest rate risk

The STIKK currently is not exposed to interest rate risk.

12.4 Liquidity risk

Liquidity risk is defined as the risk when the maturity of assets and liabilities does not match. STIKK regularly monitors its liquidity in order to settle its obligations when they become due.

12.5 Fair value of financial instruments

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.

**Kosovo Association of Information and Communication Technology
("STIKK")**

Notes to the Financial Statements (continued)

For the year ended December 31, 2022

12. RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions as defined by IAS 24 "Related Party Disclosures". In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Below are transactions with related parties as of and for the year ended 31 December 2022 and 2021:

31 December 2022	Receivables	Liabilities	Revenues	Costs
ICK	-	1,142	-	6,855
Key management short term benefits	-	-	-	32,547.71
	-	1,142	-	39,402.71

31 December 2021	Receivables	Liabilities	Revenues	Costs
ICK	-	-	-	6,855
Key management short term benefits	-	-	-	16,584
	-	-	-	23,439

13. SUBSEQUENT EVENTS

After 31 December 2022 – the reporting date until the approval of these financial statements, there are no adjusting events reflected in the financial statements or events that are materially significant for disclosure in these financial statements.

