

Institute for testing and certification, a.s.

Annual Report 2011

Chairman of the Board of Directors: Ing. Jiří Heš

Approved by the Shareholder's decision on 29 June 2012



**Svět kvality a bezpečnosti
Safety and Quality World**

Institut pro testování a certifikaci, a. s.

www.itczlin.cz





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Dear Friends,

The year of 2011 marked the twentieth anniversary of the Institute for Testing and Certification, Inc., as an independent economic entity operating on the Czech market. Throughout the years of its existence, the Company has matured and became a highly reputable and accepted entity in the fields of its activity, i.e. particularly in testing, certification and other related areas, by applying the principles of long-term partnership both with clients and in various professional associations.

2011 was a very challenging year for the Czech as well for the European economy. The end of the year brought an unpleasant surprise in terms of the development of the Czech economy. Although, on a year-on-year basis, the economy grew by 1.7 %, the growth rate slowed down significantly in the last two quarters, namely to 1.2 % and 0.5 % in Q3 and Q4, respectively (estimates based on the preliminary results of the Czech Statistical Office as at 16 February 2012). From the technical point of view, the Czech Republic entered into recession since the economy declined in two consecutive periods. It is possible to state that the economic crisis follows the shape of a W. Export and manufacturing industry remain the driving forces of the Czech economy. Unfortunately, the economic assessment of other eurozone member states does not show much more favourable development either. According to the analysts, however, the situation should not be as dramatic as in 2008 and 2009, and economic recovery is expected in the second half of 2012. We can but hope that their forecasts will come true. The assessment by the captains of the Czech economy seems rather favourable, showing that more than half of the CEO's of the Czech businesses believe at least a little bit that their companies will be able to grow in 2012. More than one third of them are convinced they will be hiring new employees and another one third will at least keep the same number of staff. In particular, the implementation of innovation in products and services is seen as a means to achieve growth.

The direction of the joint-stock company Institute for Testing and Certification remained without any major changes in 2011; the Company continued to develop its services in the same fields as in the previous years. Changes were made in partial segments in order to eliminate unprofitable areas and to seek new opportunities. In this context, the Company terminated its activities in two areas in 2011. The first one was GLOBALGAP IFA – certification of good agricultural practice, and the other concerned official measurements.

It is without question that the long-term stable activities of the Company fall under the area of testing and expert services generated on the ground of the Accredited Testing Laboratory No. 1004 and No. 1004.3. These have a very broad coverage and extend over many domestic as well as foreign industrial fields. Nevertheless, the nearly twenty-year development of the testing laboratory since its first accreditation has crystallized into 3 fundamental sectors, which constitute the largest market of the ITC laboratory services. The top place is held by the light industry, led by products coming into contact with food, electrical products, toys, textiles, footwear and other soft products. A close to comparable position belongs to the automotive industry, more specifically the services designed for suppliers of components and materials intended for the automotive industry, while the construction industry is on the third place.



All three industries referred to above have seen a year-on-year growth, which is always a basic incentive element for further development. Based on the above facts, the Company's vision to extend its services in the field of ageing tests for full large-size automobile assemblies remains valid, and we believe that in 2012 we will achieve our objective of building the technical background to meet the demand for testing functional interior units for motor vehicles.

An important factor, which has undoubtedly contributed to the economic growth of testing laboratories, was the change in the legislation applicable in the area of the so-called "food-contact" plastic materials, since the harmonized nature of this legislation creates room for addressing customers throughout the European area. Thanks to its cooperation with IKEA and other major multinational companies, ITC has been building a position of a reliable supplier of highly sophisticated testing services. In this connection, moving the detached testing laboratory to the new building in the TESCOVA, a.s. premises in 2010 turned out to be a wise strategic decision. The sales volume increased in 2011 compared to 2010. This result most certainly manifests also the success of Tescoma and is not affected by the move only; nevertheless, the concurrence of these two circumstances creates a good starting point for further mutually beneficial cooperation.

Among the new activities, which the Company started to engage in systematically in 2011, one cannot omit the testing of alternative heating sources (solar collectors, photovoltaic panels, accumulation tanks, heat pumps, etc.) and of small waste water treatment plants. The testing methods were accredited in 2010 and 2011 and are expected to be fully utilized in 2012 in such conditions, which truly simulate the real operation and use. The Company's focus on technical facilities in buildings with environmental aspects is seen as a perspective step taken by ITC to respond to the current development trends in the construction industry.

2011 can be considered a successful year also from the point of view of the testing laboratory for electrical products, which operates in the MESIT premises in Uherské Hradiště. Following the last year's 7 % growth, the year-on-year increase of sales volume by 22 % can be considered to constitute a longer-term positive trend.

In 2010 and 2011, the Company was able to break through the stagnation experienced in the activities of the calibration laboratory and metrological services. The sales increase recorded in 2010 amounted to 12 %; in 2011, this trend continued at the same pace with an 11 % growth. Given the fierce competition environment in this area, resulting in a significant pressure to reduce the prices for calibration services, this outcome can be classified as an extraordinary performance.

The management system certification services have been stagnating for several years already. Unfortunately, this situation results from a long-term trend, which is determined by the gradual reduction of market opportunities. Nearly all large as well as small businesses already have a quality management system in place, which was certified according to one of the many systemic standards and, consequently, no major increase in the number of clients from the European territory can be expected. Certain hopes are placed on the so-called "sectoral standards" (such as EN 15593, ISO/TS 16949), which go much deeper into the sectoral issues with its

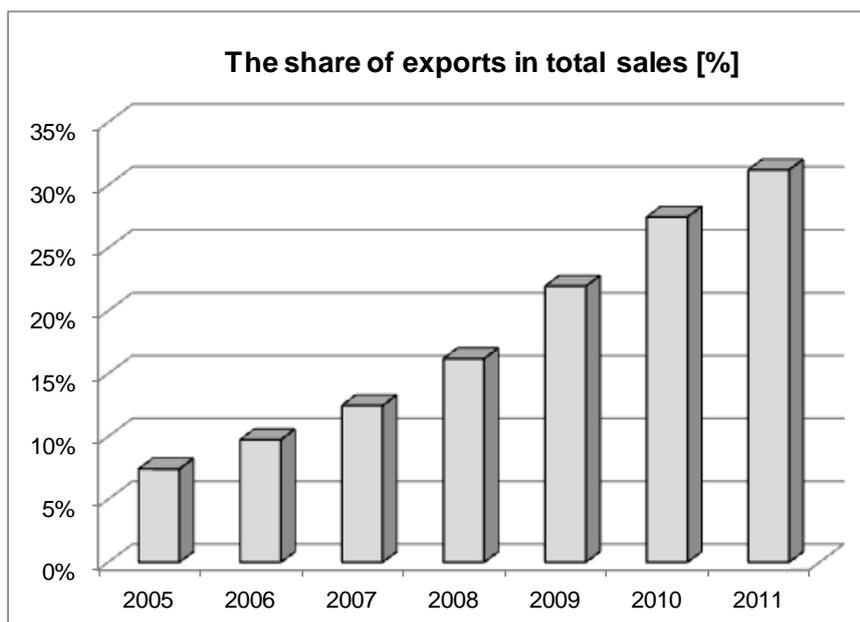


requirements compared to the standards such as ISO 9001, ISO 14001 and alike, however, their applicability in practice is rather limited. If you add all this to the existing strong competition, on top of that with a different qualitative level of the service provided, the only solution for the future is to offer these services in third-world countries where the demand for management system certification has been gradually rising hand in hand with the economic growth in these locations. The services of COSM No. 3002 account for approximately 11 % of the ITC's total turnover and are considered to constitute a stable part of the Company's portfolio. In the following period, nevertheless, it will be necessary to invest significant efforts to find an optimized model for providing these services, particularly while making use of new market opportunities.

The Company continued to systematically build a network of foreign ITC offices in consistence with the adopted strategy and with a view to provide ITC services to customers abroad in the territories showing a stronger interest in certification services, particularly in the field of product conformity assessment according to the relevant EU Directives, as well as in the field of quality management systems and voluntary product certification.

At the end of 2011, this network consisted of 20 offices in 17 countries in Europe, Asia, Africa and Latin America. In addition, the Bratislava branch office operates in Slovakia as an organizational unit of a foreign entity. The further increase in the export of services in the period under consideration proved the correctness of the defined strategy and orientation on foreign markets.

The correctness of the decision to focus the services provided by ITC also on foreign markets is manifested by the sales volume, which exceeded CZK 55 million in 2011, and by the share of exports on the ITC's total sales revenue, which increased to 32 %. The increasing share of foreign sales shows a steady growing trend, which is documented in the following chart.





The risk factors for the development of the foreign orientation include, in particular, the exchange rate risk and the increased demands in relation to the administrative agenda in the application of international treaties. The Company makes every effort to eliminate these risks as much as possible, – as one can already say – broadening its long-lasting experience in this field.

The certification activities for gaming machines and other technical lottery operation equipment appear to be an economically interesting service in the long run, which considerably contribute to the Company's prosperity. The service is provided by the Company based on the authorization by the Ministry of Finance of the Czech Republic to carry out expert assessments and certification of operating efficiency of gaming machines and technical equipment and systems designed to run lotteries and other similar games, and to carry out their subsequent inspections in accordance with Act No. 202/1990 Coll. Based on the relevant administrative proceedings, this authorization was extended on 27 June 2011 under ref. No. 34/61430/2011. The authorization entered into effect on 1 July 2011 and remains valid until 30 June 2016.

In 2011, the Company was able to maintain the same level of sales generated in this area as in 2010, which can be considered a significantly positive result also in view of the amendment to the Lottery Act, taking into account the legislative periodicity of requirements for this type of products. The Lottery Act amendment resulted in a substantial decrease in the number of the issued authorizations to operate gaming machines. According to the data from February 2012, 18 thousand authorizations of the Ministry of Finance were withdrawn since October 2011 in connection with the Lottery Act amendment. As of February 2012, ca. 70 thousand authorizations were issued by the Ministry. This number needs to be increased by ca. 28 thousand gaming machines authorized by municipalities (data as at mid-2011). These figures imply that this is still a major business opportunity for the Company. The stability of this service will continue to depend on our good cooperation with the sub-contractors and, in particular, on correct relations vis-à-vis the dominant businesses present on the market.

As regards the information services and standardization activities, the Company continued to engage in extended operations in 2011, particularly in the areas of standardization task solutions, SGP-STANDARD (Association of Technical Standardization of Rubber and Plastics Industry), task solutions to technical standardization schedule, preparation of support materials for a part of the COSMT (Czech Office for Standards, Metrology and Testing) website, etc. In the long run, these activities are financially unprofitable for the Company, and this situation is further negatively affected by the pressure from the Ministry of Finance to reduce public expenditures, which was most significantly manifested in the form of austerity measures by COSMT since the second half of 2011. In spite of the unfavourable situation described above, the Company will continue to be active in this area as it is perceived, on one hand, beneficial to maintain the Company's overall professional qualification in its fields of activity and, on the other hand, partially also as an appropriate marketing activity, which provides the necessary prerequisite to generate profits in other areas of the Company's activity or to reduce the loss incurred in this field.



In 2011, the Company filed one application to make use of the Structural Funds of the European Union. With Technical testing and analyses (CZ NACE 71.2) as its line of business, ITC is strongly handicapped in view of the major decrease in the calls, in which this activity is declared as supported. Despite of this unfavourable trend, ITC filed an application for support under the OPPI CONSULTING programme in 2011 for subsidised consulting services. The project called "Increasing efficiency and competitiveness by making use of the in-house process analysis" is focused on increasing labour efficiency in forming implementation teams while taking into account the necessary qualifications and competence, particularly at the international level, and with full regard to the time sequence of the specific requirements issued in the legislation. The project budget was set at 498 thousand CZK, with an expected public support rate at 50 %. With its nature, the project responds to the increasing demand for ITC services from foreign territories.

I am pleased that, also this year, I am able to state: In 2011, the Company achieved the highest-ever annual sales revenue in the history of its independent existence, totalling CZK 176.8 million. This result is a reward for our efforts to consistently apply the defined principles such as focus on our customers and their needs, open negotiations with the customers, compliance with qualitative requirements, maximum effort to reduce the delivery periods, application of individual payment and technical terms and conditions for contract solutions. The consistent application of these seemingly simple principles creates a competitive advantage for ITC on the market. We are very pleased with the results achieved by our Company but, at the same time, we see them as a great commitment to our clients and partners. This commitment provides a major incentive for us to further improve the quality of our services.

From the point of view of the Institute for Testing and Certification, Inc., 2011 can be assessed as a year of stability and growth. ITC is perceived as a modern testing and certification business with a strong reputation on the Czech market as well as at the European and global level.

The Institute for Testing and Certification enters into 2012 holding its head up high. I strongly believe that the Company will successfully deal with the risks and challenges brought in 2012 and will further strengthen its position. My confidence is based on the assets of our Company covering, in my opinion, particularly the following: a team of high-quality experts, the Company's good reputation, good marketing position and satisfied clients.

I would like to thank all clients, partners, employees and other assistants for their contribution, and I look forward to our further cooperation.

RNDr. Radomír Čevelík

General Manager of the Company





Key Financial Indicators of the Company

			2009	2010	2011
Total Revenues	thous. CZK		156 904	163 431	176 770
	of the ČR	thous. CZK	122 572	119 027	123 576
	of which export	thous. CZK	34 333	44 404	53 194
Value	thous. CZK		89 288	95 745	103 180
Staff costs	thous. CZK		73 662	81 410	86 930
Depreciation	thous. CZK		7 366	7 742	6 781
Profit for the period	thous. CZK		3 745	1 237	3 996
Assets	thous. CZK		61 444	59 672	68 387
Liabilities	thous. CZK		31 121	29 917	34 213
Equity	thous. CZK		29 624	28 858	26 897
Staff	FTE		132,0	136,8	136,8
Ratios					
Sales / of employees	thous. CZK		1 189	1 195	1 292
Value / Staff	thous. CZK		676	700	754
Profit / Equity	%		12,6%	4,3%	14,9%
Liabilities / Assets	%		50,6%	50,1%	50,0%
Sales / Equity	%		529,7%	566,3%	657,2%





Company's Sphere of Business

The Institute for Testing and Certification, Zlín, ("ITC") is a joint-stock company, which was established in accordance with the Commercial Code in 1993. Its history dates back to the 1970's when the State Testing Laboratory No. 224, attached to the then Research Institute for Rubber and Plastics Technology in Zlín, was found in connection with the adoption of Act No. 30/1968 Coll., on State Testing. This State Testing Laboratory became an independent state economic operator in 1990 in order to be transformed into its current legal form in 1993 in connection with the amendment of the company law. Since 2000, ITC is an independent joint-stock company with a sole shareholder – the Czech company ITC-SERVIS, spol. s r. o.

As at 7 December 2011, the sphere of business of the ITC joint-stock company was defined as follows:

Sphere of business

- Operability certification of prize gaming machines and technical facilities necessary to run betting games, as well as the performance of the subsequent technical inspection of their operation;
- Measurement of pollutants and odours; preparation of scatter studies;
- Manufacturing, trade and services not included in Schedules No. 1 to 3 of the Trade Licensing Act.

Sphere of activities:

- Activities of an authorized (notified) body for product conformity assessment pursuant to Act No. 22/1997 Coll., as amended, in the scope as defined in the authorization issued by the Czech Office for Standards, Metrology and Testing;
- Activities of testing laboratories;
- Activities of calibration laboratories;
- Certification of products;
- Certification of management systems;
- Performance of inspections;
- Testing of living and working environmental components;
- Sampling and examination of product health safety;
- Official measurements;
- Activities of a calibration service centre;
- Verification of regulated measuring instruments;
- Assessment of construction suppliers;
- Activities of an expert institute.



Company's Competency

The ITC's technical, organizational, personnel and legislative competencies for the above activities are based on the following appointments, authorizations and accreditations (as at 25 November 2011):

- **Authorized Body No. 224**

(see

https://ams.cmi.cz/index.php?menu=73&kategorie=3&id_sidlo=414&vyhledavani=0)

- Government Decree No. 173/1997 Coll. (as amended by the last amendment to Government Decree No. 329/2002 Coll.) laying down selected products for conformity assessment;
- Government Decree No. 163/2002 Coll. (as amended by the last amendment to Government Decree No. 312/2005 Coll.) laying down technical requirements for selected construction products (Directive 89/106/EEC);

- **Notified Body No. 1023** (see

http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=notifiedbody.notifiedbody&refe_cd=EPOS_46625)

- Government Decree No. 336/2004 Coll. laying down technical requirements for medical devices (Directives 93/42/EEC, 2003/12/EEC, 2003/32/EEC), as amended;
- Government Decree No. 453/2004 Coll. laying down technical requirements for in vitro diagnostic medical devices (Directive 98/79/ES); as amended;
- Government Decree No. 154/2004 Coll. laying down technical requirements for active implantable medical devices (Directive 90/385/EEC); as amended;
- Government Decree No. 17/2003 Coll. laying down technical requirements for low voltage electrical equipment (Directive 2006/95/EC; ex - 73/23/EEC); as amended;
- Government Decree No. 616/2006 Coll. laying down technical requirements for products as regards their electromagnetic compatibility (Directive 2004/108/ES); as amended;
- Government Decree No. 86/2011 Coll. laying down technical requirements for toys (Directive 2009/48/EEC); as amended;
- Government Decree No. 21/2003 Coll. laying down technical requirements for personal protective devices (Directive 89/686/EEC); as amended;
- Government Decree No. 190/2002 Coll. (as amended by the last amendment to Government Decree No. 128/2004 Coll.) laying down technical requirements for construction products bearing the CE marking (Directive 89/106/EEC); as amended;



- Government Decree No. 26/2003 Coll. (as amended by the last amendment to Government Decree No. 621/2004 Coll.) laying down technical requirements for pressure devices (Directive 97/23/ES); as amended.
- **Accredited Testing Laboratory No. 1004**
- **Accredited Testing Laboratory No. 1004.3**
- **Accredited Calibration Laboratory No. 2222**
- **Accredited certification body for management systems No. 3002 (accreditation for the following standards: (accreditation for the following standards: ISO 9001:2008, EN ISO 9001:2009, ISO 13485:2003, EN ISO 13485:2003, ISO 14001:2004, EN ISO 14001:2005, EN 16001, BS OHSAS 18001:2007, OHSAS 18001:2008, HACCP, ISO 22000:2005, EN ISO 22000:2006)**
- **Accredited certification body for products No. 3020**
- **Accredited certification body for qualification in the system of certified construction suppliers podle zákona č. 137/2006 Sb.**
- **Accredited inspection body No. 4035**
- **Operator of the Technical Standardization Association for Rubber and Plastics Industry (SGP - Standard)**
- **Technical Standardization Centre** authorized by the Czech Standardization Institute;
- **Based on a decision of the Ministry of Justice ref. No. 163/2005-ODS-ZN/2** dated 25 July 2005, ITC is registered in the first section of the list of institutes qualified for expert activities in electronics, with the authorization covering expert assessments required by state authorities and self-government authorities for gaming machines and technical facilities necessary to run betting games and lotteries as regards hardware and software, expert assessments to verify the functional and technical requirements of cash registers including the fiscal memory;
- **Based on a decision of the Ministry of Justice ref. No. 218/2004-ODS-ZN/16/2** dated 29 April 2005, ITC is registered in the second section of the list of institutes qualified for expert activities in the following fields: air quality, transport, economy, energy, chemistry, leather and fur, packaging, nature protection, food industry, services, sport, construction industry, mechanical engineering, various technical industries, textiles, handcrafts, water management, health care, agriculture;
- **Certificate of professional competence** to provide expert opinions pursuant to Article 11 of the Act on Integrated Prevention;
- **Authorization by the Ministry of Finance** to certify the operability of prize gaming machines and to perform subsequent technical inspection of their operation;



- **Authorization by the Ministry of Finance** to perform expert assessments of and to certify the operability of technical facilities and systems to operate lotteries and other similar games, and to perform the subsequent technical inspection of such operated facilities and systems;
- **OPEL/GM** recommendation as a testing laboratory for automotive components;
- **Authorized testing and certification site OZCM/10/2001** to perform certification, testing and supervisory activities in the scope of granting licenses to use the CSN-TEST marking;
- **Authorization by the Civil Aviation Authority L-3-061/3** for verification tests of electrical and electronic aircraft components and device;
- **Authorization by the Ministry of Defence MAA 009** to assess and verify the compliance of properties of military aeronautical technology products with the requirements defined by technical safety standards for aeronautical engineering;
- **Authorization by the Ministry of Health of the Czech Republic No. Z0060101007** pursuant to Act No. 258/2000 Coll. for activities concerning the sampling and examination of health safety in relation to products coming into direct contact with drinking, hot and raw water, health safety of products intended for children up to three years of age, and health safety of products coming into contact with food and foodstuffs;
- **Administrator of the “Safe Toys” mark** registered in the Czech Quality program;
- **Administrator of the „ITC Certified Quality“**





Overview of Membership in Associations

ITC is actively engaged in various technical activities in the Czech Republic, which is demonstrated by its membership in many professional as well as social associations and confederations.

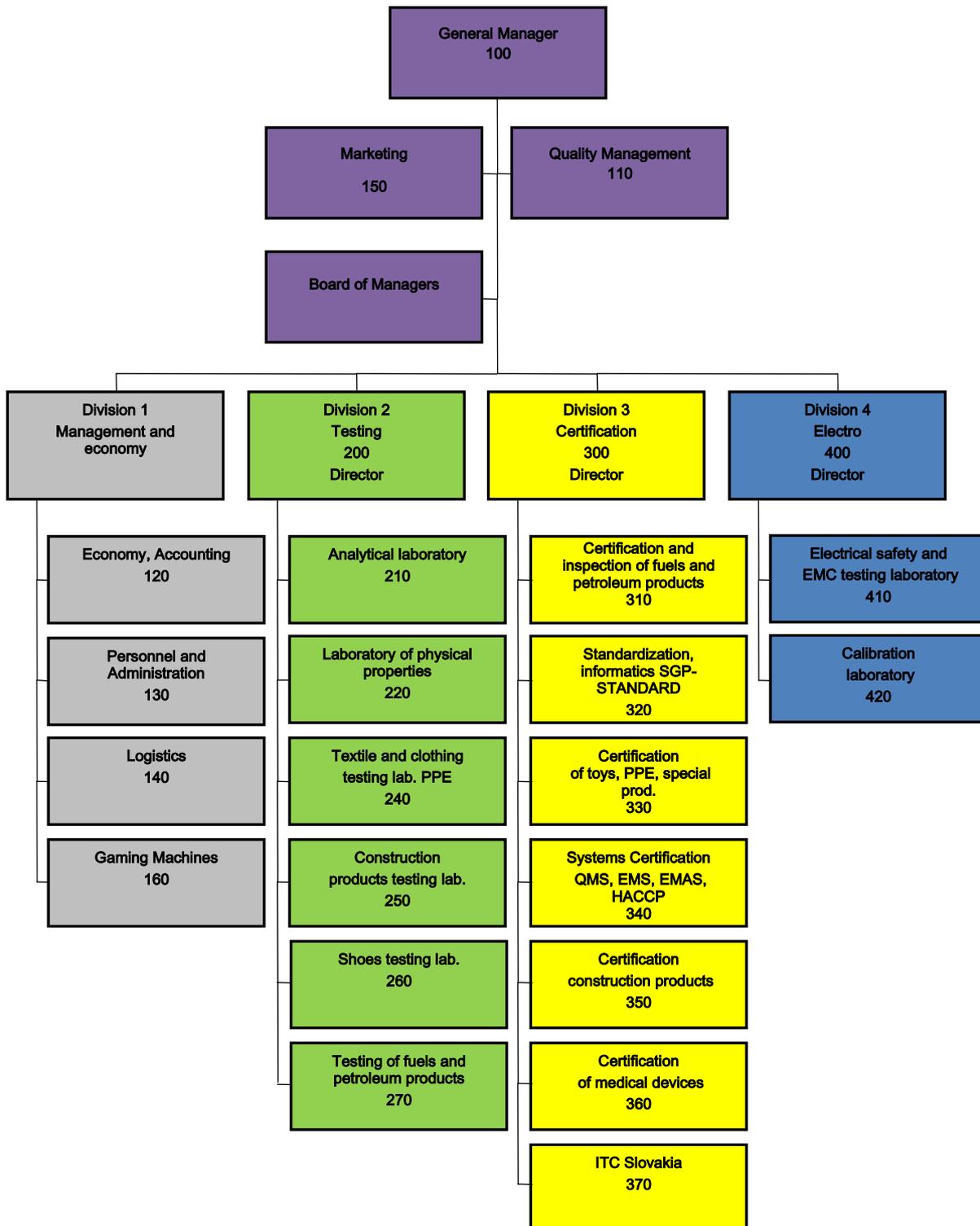
- AAAO – Association of Accredited and Authorized Organizations, Prague;
- SZV - Svaz zkušeben pro výstavbu (Alliance of Construction Testing Laboratories), Prague;
- Sdružení českých zkušeben a laboratoří (Association of Czech Testing Stations and Laboratories), Zlín;
 - Together, the aforesaid associations form Eurolab-CZ, which is a full member of EUROLAB since 1 May 2004 (www.erolab.org);
- ČSJ – Czech Society for Quality, Prague;
- Sdružení pro hračku a hru (Toy and Game Association), Prague;
- Obchodní a hospodářská komora (Commercial and Economic Chamber) in Zlín;
- CQS – Sdružení pro certifikaci systémů jakosti (Quality System Certification Association), Prague, member of the international IQNET association;
- ČOKA – Czech Footwear and Leather Association based in Zlín;
- EURACHEM ČR, Řež near Prague;
- ATOK – Association of Textile, Clothing and Leather Industry, Prague;
- SCOV – Sdružení certifikačních orgánů pro certifikaci výrobků (Association of Product Certification Bodies), Dobruška; SCJ – Sdružení pro cenu České republiky za jakost, Praha
- SCJ – Sdružení pro cenu České republiky za jakost (Association Prize for the quality of the Czech Republic), Prague;
- Road Contractors Association, Prague;
- Česká společnost průmyslové chemie (Czech Society for Industrial Chemistry), Gumárenská skupina (Rubber Industry Group) Zlín;
- České kalibrační sdružení (Czech Calibration Association), Brno;
- SGP STANDARD – Sdružení technické normalizace gumárenského a plastického průmyslu (Association for Technical Standardization in Rubber and Plastic Industry).
- Svaz průmyslu a dopravy ČR (Confederation of Industry of the Czech Republic), Prague;
- Svaz podnikatelů ve stavebnictví v ČR (Association of Building Entrepreneurs of the Czech republic)





Company's Organizational Chart

The Company pursues its activities in a divisional organizational structure – the diagram below shows the organizational chart as at 31 December 2011:





Persons Holding the Key Functions in the Company

The various activities and functions in ITC are held by experienced staff members. Different spheres of civil society life in the Czech Republic are represented in the Company bodies. Emphasis is placed on sufficient representation on the local level and the Zlín Region.

There were no changes in the composition of the Board of Directors or the Supervisory Board of the Company in 2011.

Board of Directors

Function	Held by	
Chairman of the Board of Directors	Ing. Jiří Heš	ITC Division Director
Vice-Chairman of the Board of Directors	RNDr. Radomír Čevelík	ITC General Manager
Member of the Board of Directors	MgA. Pavlína Úlehla Senić	Entrepreneur

Supervisory Board

Function	Held by	
Chairman of the Supervisory Board	Mgr. Jiří Heš	Private entrepreneur
Member of the Supervisory Board	Ing. Petr Karlík	Head of ITC centre, representative of the Company's employees
Member of the Supervisory Board	Magdaléna Čevelíková	Manager of PAP-OIL, s.r.o.



In order to secure the activities related to the certification of products and management systems, the Certification Council and the Commission responsible for ensuring impartiality had been established in ITC, with the following composition in 2011:

Certification Council (CC)

Function	Held by	
Chairman of the Council	Doc. Ing. Josef Špaček, CSc.	University of T. Baťa Zlín
Vice-Chairman of the Council	RNDr. Anna Christianová, CSc.	Centre for Innovation and Development (CIR), Prague
Member of the Certification Council	Ing. Iva Matějková	Entrepreneur, Zlín – CC advisor for the environment
Member of the Certification Council	Zdeněk Krul	Czech Trade Inspection Authority, Zlín, Inspectorate for the Southern-Bohemia and Zlín Regions based in Brno, Zlín office, Technical Inspection Department
Member of the Certification Council	Ladislav Koželuha	Czech News Agency, Journalists Syndicate
Member of the Certification Council	Ing. Petr Langer	Retired – CC advisor for construction and project activities
Member of the Certification Council	Ing. Václav Korvas	PSG, a. s., Otrokovice
Member of the Certification Council	Ing. Milan Sahaj	Retired – CC advisor for the environment
Member of the Certification Council	MUDr. Milena Dostálková	General practitioner, Zlín
Member of the Certification Council	Ing. Milan Báša	Entrepreneur, self-employed, Hodonín – CC advisor for the productive sector (plastic industry)
Member of the Certification Council	Bc. Aleš Gavalec	Certified specialist in OSHA, Zlín
Member of the Certification Council	Ing. Jaroslav Rapant	ITC
Member of the Certification Council Council Secretary	Ing. Milan Kovář	ITC

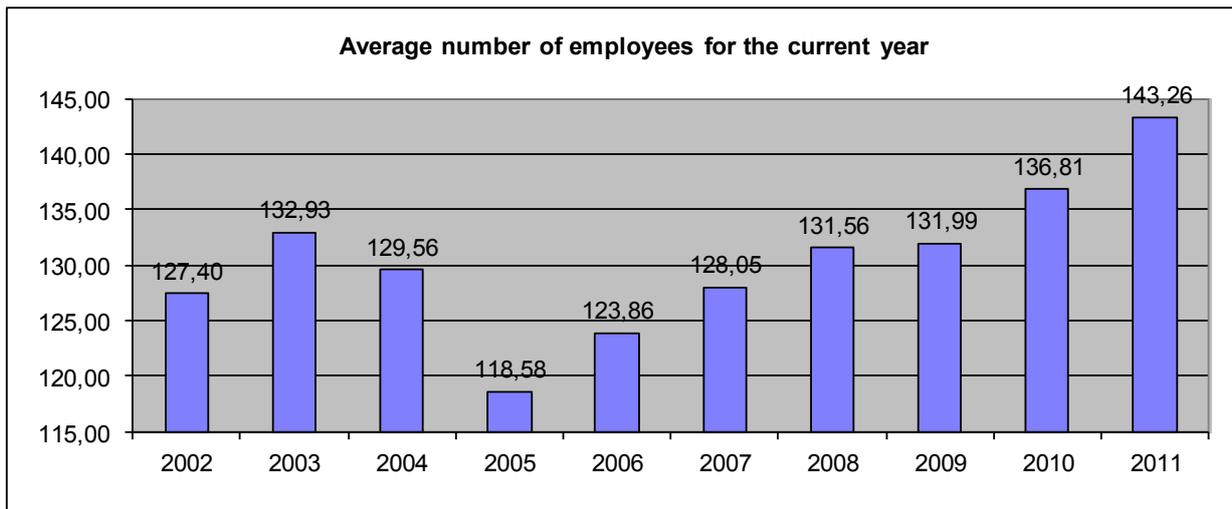




Commission responsible for ensuring impartiality

Function	Held by	
Member of the Commission	Doc. Ing. Josef Špaček, CSc.	University of T. Baťa Zlín, representative of the non-productive sector
Member of the Commission	RNDr. Vlastislav Trnka	GESOS, s.r.o. – representative of the productive sector
Member of the Commission	Ing. Jaroslav Rapant	ITC

As at 30 April 2012, the Company had 147.46 (full-time equivalent) employees; the average gross monthly salary per employee in 2011 (including bonuses) was CZK 35,370.





Company's Quality Policy

The ITC Quality Policy as adopted by the Company's Board of Directors and effective since 1 January 2010 remains valid without any change, focussing on the following areas of development:

The basic principle of the Company's activities is to generate intellectual and material values through permanent satisfaction of the needs of the customers and other persons interested in the Company's products, with a highly professional, quick, perfect and complex output. The satisfaction of the customer's needs and expectations must be the driver of the Company's development. A team of satisfied, qualified and motivated employees is a warranty for quality and reliability of all provided products.

Customer focus:

- Customer satisfaction is a priority for the Company.
- A non-discriminatory approach is always applied when providing our products.
- The customer's requirements concerning the quality of the provided product, the compliance with the contractual terms and conditions, duties and liabilities in relation to the customer must be fully met. Respecting the agreed deadlines forms an integral part of the basic principles behind the Company's activities.
- Every employee should know what the customer requires or might require, as the case may be, what the customer needs or might need, as the case may be, what we can offer to the customer in addition, and what can be done to this end by the organizational unit, which that employee belongs to.
- Every employee is obliged to seek ways for permanent improvement of activities and procedures in the Company in order to retain or expand its current competencies, ensuring – in addition to the required quality and professional level of the products offered – also their complexity.
- Every employee must make every effort to satisfy the customer's wishes.
- Every delivery of a product should generate recommendations for further business at the destination.

Staff focus:

- The managers and the Company as a whole shall create suitable conditions for a stable team of professionally competent and motivated employees striving for permanent improvement of the expert level and complexity of the products offered.
- Through internal cooperation between the employees, we generate synergies externally, multiplying the Company's reputation as a homogenous cluster of top-class professionals who know what the customer needs, wants or might want, as well as what they may fairly require for their work.
- The Company requires its employees to show pro-active approach, loyalty and personal contributions to the further development of the Company, including interest in enhancing their professional qualifications.
- As regards industrial relations, the Company applies the fundamental principles of the Corporate Social Responsibility.

Focus on processes and process management:

- The Company generates sufficient own resources as a prerequisite for its future development.



- Searching for ways leading towards high profitability, improved efficiency of the management system and to continuous quality improvement of products and all activities forms an integral part of the corporate culture. The organization and method of work are both subject to that culture.
- The principles of the management system are seen by the Company as a means to meet the expectations of the stakeholders (employees, shareholders, customers, public administration bodies and general public).

Supplier focus:

- The Company cooperates with its suppliers based on the principle of a long-term partnership, which brings benefits to all stakeholders.
- The Company requires a high quality of the products delivered by the suppliers.

Focus on the environment:

- The Company pays attention to environmentally responsible behaviour and to efficient energy use.
- The Company requires all its employees to ensure environmentally responsible behaviour.
- The Company undertakes to efficiently use all kinds of energy resources.
- When providing services, the Company makes every effort to prevent wastage of all kinds of resources, materials and energy.



Company's Balance Sheet – Comments

As of 31 December 2011, the total balance sheet sum of assets and liabilities was CZK 68.37 million. On the asset side, **fixed assets** increased by **CZK 4.7 million**. This growth results particularly from investments – acquisition of land with an area of 20,607 sq. m. to build the Company's registered office in the cadastral area of Zlín-Přiluky, with an acquisition price of CZK 6.2 million, and technical improvement of the Company's building located in Zlín-Louky, amounting to CZK 0.3 million. The net book value of other tangible fixed assets decreased by CZK 1.2 million on a year-on-year basis, which was caused by the caution investment policy of the Company management.

In 2011, the Company continued to make use of financial leasing agreements with subsequent purchase of the leased property signed for the lease of motor vehicles and technological equipment. The lease instalments for the expected lease period amount to CZK 12,399,845 as at the balance sheet date, of which CZK 7,530,654 was paid by 31 December 2011; for 2012 and onwards, the expected instalments amount to CZK 4,869,191.

Current assets increased by approximately CZK 4.5 million, with inventory (particularly work in progress) decreasing by ca. CZK 0.4 million and accounts receivable, short-term receivables and particularly the Company's financial assets increasing by ca. CZK 0.8 million, CZK 2.1 million and CZK 3.2 million, respectively, compared to 31 December 2010. The total volume of short-term receivables as of 31 December 2011 and their time structure are provided in the table below. (Note: The table presents accounts receivable without the created statutory adjusting entries.)

Receivables	Kč	%
Total	19 411 560,75	100,0%
The total period	10 546 770,76	54,3%
Total after the period	8 864 789,99	45,7%
from the day after the due date according to		
1 to 30	6 186 327,25	31,9%
31 to 60	866 896,62	4,5%
61 to 90	420 634,85	2,2%
91 to 120	319 112,90	1,6%
121 to 180	224 999,67	1,2%
181 to 365	167 924,19	0,9%
366 and more	678 894,51	3,5%

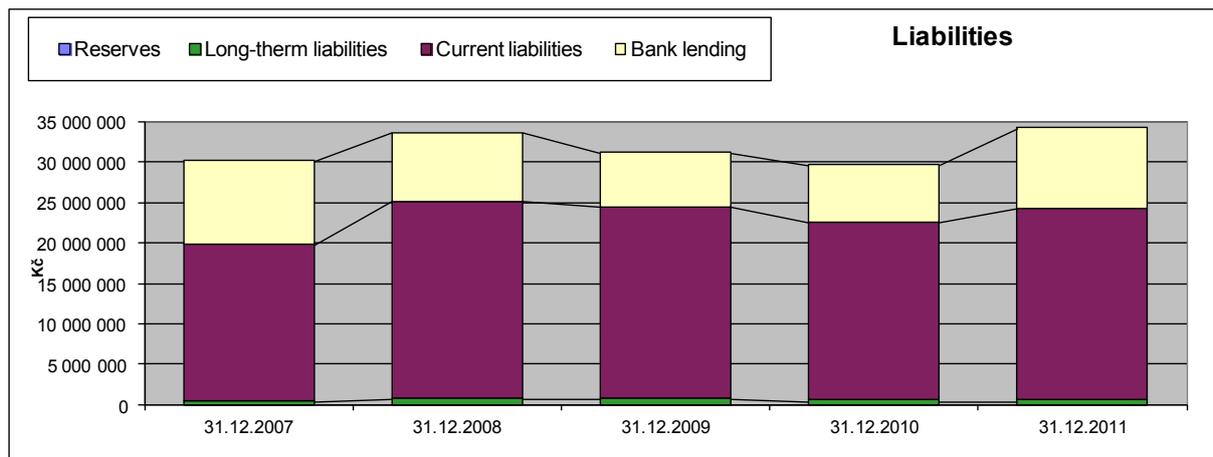
The Company's equity increased by CZK 3.2 million on a year-on-year basis, particularly due to the significantly higher profit generated in 2011 compared to 2010.



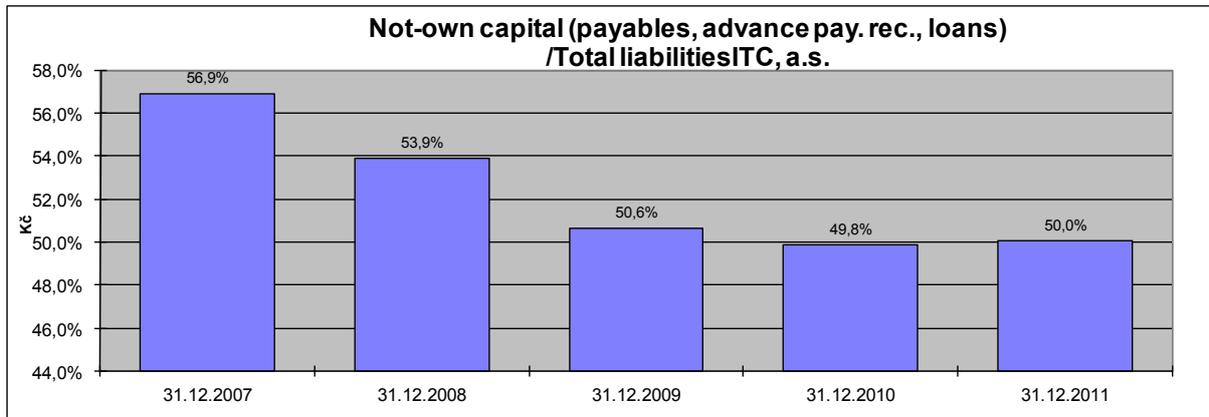
Liabilities showed an increase by CZK 4.6 million, resulting particularly from the growth in short-term liabilities by CZK 1.7 million and the drawing of the loan to cover the investment in the Company's new land (the total loan amount is CZK 4 million; the outstanding balance as of 31 December 2011 amounts to CZK 2.9 million).

CZK	31.12.2007	31.12.2008	31.12.2009	31.12.2010	31.12.2011
Total assets	52 916 155	62 404 536	61 443 580	59 325 511	68 368 997
Subscription receivables	0	0	0	0	0
Fixed assets (devices, buildings etc.)	26 359 422	27 015 762	26 764 683	22 217 693	26 896 732
Current assets (money, receivables)	23 614 202	31 973 642	31 790 383	34 025 409	38 571 870
Sundry assets - temp. accounts of assets	2 942 531	3 415 132	2 888 514	3 082 410	2 900 395
	0	0	0	0	0
Total liabilities	52 916 155	62 404 536	61 443 580	59 325 511	68 368 997
Owner's equity (registered capital, funds)	22 398 307	28 191 808	29 624 078	28 858 015	32 031 308
Not-own capital (payables, advance payments received, loans)	30 106 645	33 625 658	31 120 607	29 570 089	34 212 546
Sundry liabilities	411 203	587 071	698 895	897 408	2 125 143

As liabilities continue to constitute a major part of the Company's total liabilities, their development is illustrated in the chart below.



The chart implies, in particular, that the liabilities consist of short-term trade liabilities (invoices, leasing, advance payments for contract solutions), bank loans (increase compared to 31 December 2010 – see the comments in the previous paragraph). As of 31 December 2011, the bank loans totalled CZK 9.97 million.



The above chart demonstrates a long-term decrease in the ratio (liabilities v. total liabilities), which proves the Company's ability to cope with the difficulties of the economic crisis and meet all its financial liabilities, with a minimum increase as of 31 December 2011 – drawing of the loan for land acquisition.

Company's Economic Results – Comments

The Company's economic result for 2011 was CZK 3.997 million after taxes. In nominal terms, this result is the second-best in the Company's history, which confirmed the assumption that our Company is able to cope with the unfavourable development in the society and the economy.

Profit and Loss Account [CZK]	2007	2008	2009	2010	2011
I. Revenues from sold goods	28 499	31 790	3 400	4 998	0
A. Costs on sold goods	-28 629	-27 220	-1	0	0
II. Performance (sales+/-inventories change)	131 841 481	154 844 297	158 067 097	163 705 640	176 769 745
B. Production consumption	-49 951 046	-64 859 669	-68 782 057	-67 965 550	-73 771 708
Added value	81 890 305	89 989 198	89 288 439	95 745 088	103 180 383
C. Personal costs	-68 954 630	-73 221 928	-73 661 762	-81 409 992	-86 930 452
D. Taxation and charges	-210 794	-97 495	-95 454	-162 326	-122 813
E. Depreciations of intang. and tangible assets	-7 178 292	-6 011 181	-6 703 052	-7 741 648	-6 781 196
VI. Other operating revenues	2 031 831	2 028 110	615 325	373 624	807 858
I. Other operating expenses	-3 558 509	-3 360 860	-3 403 301	-3 607 506	-3 859 141
Economic result from financial operations	-1 372 955	-624 081	-1 303 484	-1 671 880	-1 212 202
R. Income tax on ordinary activities	-818 106	-1 928 958	-998 788	-484 837	-1 192 302
Extraordinary economic results	30 330	81 781	5 618	118 653	0
Economic result of current year	2 273 130	7 194 321	3 745 469	1 237 308	3 996 232

The above table clearly shows the following facts:

- ☞ The production increased by 8.1 % on a year-on-year basis;
- ☞ The production consumption increased by 8.5 %; the main component hereof is the external cooperation to solve the issues related to the assessment of gaming machines, and sub-deliveries of our cooperation partner in Poland;
- ☞ The Company's added value grew by 7.8 % compared to 2010, exceeding to one-hundred million threshold (CZK 103.2 million);
- ☞ Personnel costs constitute an important cost item; their sum increased by 6.8 % on a year-on-year basis. This growth results from the increased average number of employees (by 4.7 % in



full-time equivalent) and from the employee remuneration method – the personal bonus paid out increased by up to 20 % when the objectives were met. The average scale wage increased year on year (2010/2011) by 2.1 %; the average wage paid out (including extra payments, bonuses and personal rewards) increased by 1.4 %. Extra payments, bonuses and personal rewards (variable wage components) accounted for 30 % of the scale wage in 2011.

- Labour productivity (expressed as CZK sales / CZK wages) decreased (year-on-year decrease by 1.1 %) to 2.74, with average annual sales revenue per employee amounting to CZK 1,135 thousand (increase by 2.3 % compared to 2010).



The following table illustrates the distribution of the Company's sales by the type of the contract, implying certain trends:

Invoicing (full year)	2007	2008	2009	2010	2011	10 / 11
Grants, Development, CQS	955 929	1 333 450	1 011 837	1 143 654	1 329 019	16,2%
Gaming machines + Authorized body module A	20 615 326	35 358 588	32 453 908	27 326 021	25 973 152	-5,0%
Performance of Authorized body 224 in the regulated area	20 129 602	23 804 931	24 332 950	25 373 876	26 836 623	5,8%
Supervision of Authorized body 224	6 194 083	7 089 649	9 743 688	13 836 436	17 220 603	24,5%
Product Certification of Product certification body No. 3020 + ITC (+supervision)	4 105 176	3 919 058	4 867 953	5 562 356	7 723 538	38,9%
Supervision of Product certification body No. 3020 + ITC	340 720	678 670	626 246	543 942	420 703	-22,7%
Management systems certification	7 214 109	9 870 855	10 507 003	7 765 407	9 300 614	19,8%
Supervision Management systems certification	7 075 750	6 808 584	5 962 271	7 378 029	6 021 193	-18,4%
Performance in an accredited laboratory	57 495 283	57 018 759	56 119 782	60 012 610	65 940 489	9,9%
Information, SGP, normalization	2 119 714	2 333 218	2 567 195	2 276 247	2 040 624	-10,4%
Metrology	4 768 742	5 177 379	5 084 898	5 709 467	7 124 724	24,8%
Assesment, education	1 229 533	378 288	333 952	413 086	330 527	-20,0%
Environmental Services	485 675	583 890	465 192	479 329	366 200	-23,6%
Technical Inspection	190 400	266 668	3 351 893	6 546 652	6 889 710	5,2%
Other	-474 625	-699 495	-512 444	-996 412	-725 738	-27,2%
Total	132 445 418	153 922 494	156 916 324	163 370 699	176 791 980	8,2%

- A further increase in sales by 5.8 % was recorded in 2011 in the conformity assessment (AO) activities. This increase in the field of conformity assessment is determined, in particular, by sales from abroad followed by the 24.5 % increase in the supervision over this field.
- The activities of the accredited laboratory (technological support for clients, analyses of competition products, automotive industry, etc.) grew by nearly 10 %, following a certain stagnation or even decline since 2007. These activities (testing) holds an irreplaceable position in the Company's portfolio and direct sales from this area account for 40 % of the



Company's total production and, indirectly, it is the basic link to virtually all other competency and authorizations.

- ☞ The decrease in the sales generated from educational activities in 2010/2011 was expected, particularly in connection with the new requirements for independence and impartiality of accredited notified bodies; this activity has no effect on the activities of the Company as a whole and is considered complementary by the Company management.
- ☞ Metrological services of the accredited calibration laboratory Division 4 increased by 24.8 % in 2010. This is primarily related to the completion of the investment project to strengthen metrological services provided in the segment of very high frequencies and to the acquisition of the new metrological laboratory in Brno.
- ☞ In certification of management systems (QSM, EMS and other), a minor increase in the total sales was recorded compared to 2010, in particular with a 20 % increase of primary certifications. The services of management system certification are under strong competitive pressure, which is further aggravated by the aftermath of the economic crisis. The development of new services in this line of business is extremely desirable, given the gradually exploited potential of certifications according to ISO 9001:2008.
- ☞ Sales revenue from services related to the gaming machines accounted for 19 % of the Company's total sales in 2011, and the Company has a dominant position on the market with these services in the Czech Republic. In 2011, our Company successfully defended its competence in this field before the Ministry of Finance of the Czech Republic; another major change, which might have a significant impact on this area, will be brought by the upcoming legislative modifications in the "gambling act".





Major Clients

The following table provides an overview of the Company's key accounts in terms of sales volume in 2011:

ITC ASIA Co. Ltd.	Soul, Korea	CE conformity assessment, certificatin of QMS
Intacto Games a.s.	Brno	Assessment of gaming machines
TESCOMA s.r.o.	Zlín	Testing, household
SYNOT TIP, a.s.	Uherské Hradiště	Assessment of gaming machines
LEGO System A/S	Billund, Dánsko	Testing, toys, CE conformity assessment
Synot W , a.s.	Uherské Hradiště	Assessment of gaming machines
ZENITH QUALITY ASSESSORS Pvt.Ltd.	Pune, Indie	CE conformity assessment, certificatin of QMS
C.S.G. SOFTWARE GROUP LIMITED	Brno	Assessment of gaming machines
Tesco Stores ČR, a.s.	Praha	Testing, household
ENDL + K a.s.	Olomouc	Assessment of gaming machines
Magna Exteriors & Interiors (Bohemia) s.r.o.	Liberec	Testing, Automotive industry
Balton Sp. z o.o.	Varšava, Polsko	CE conformity assessment, medical devices
Continental Automotive Systems Czech	Frenštát pod Radhoštěm	Testing, Automotive industry
ofi - Technologie und Innovation GmbH	Vídeň, Rakousko	Testing, plastic products
GAPA GROUP a.s.	Vamberk	Assessment of gaming machines
HI-POWER Assessoria Técnica Ltda	Rio de Janeiro, Brazílie	CE conformity assessment, certificatin of QMS
Forbes Game, a.s.	Praha	Assessment of gaming machines

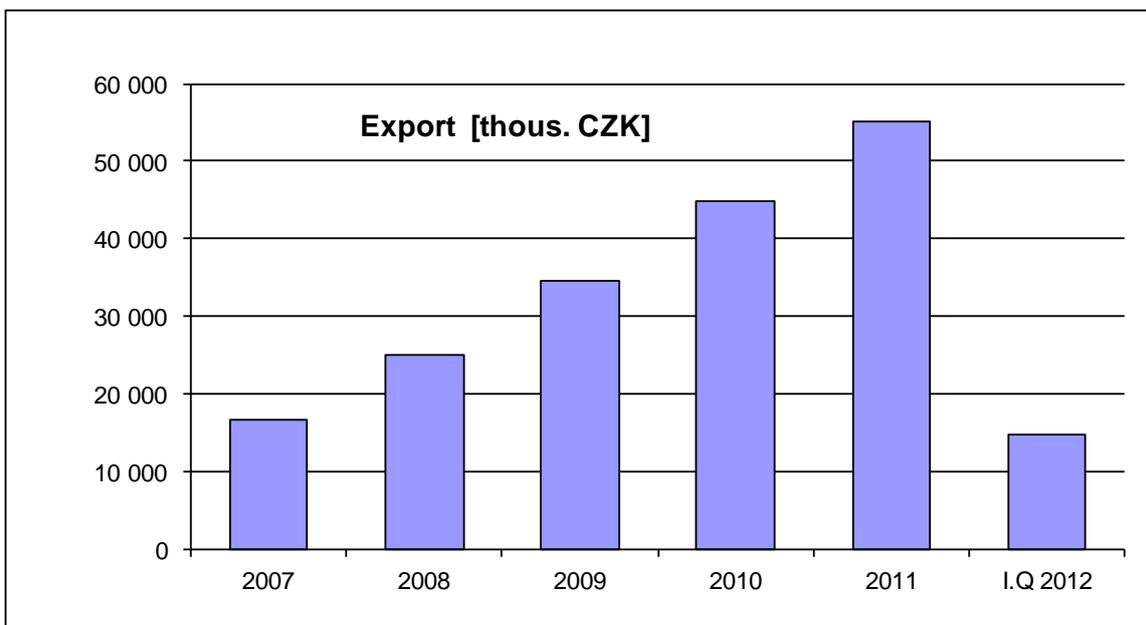
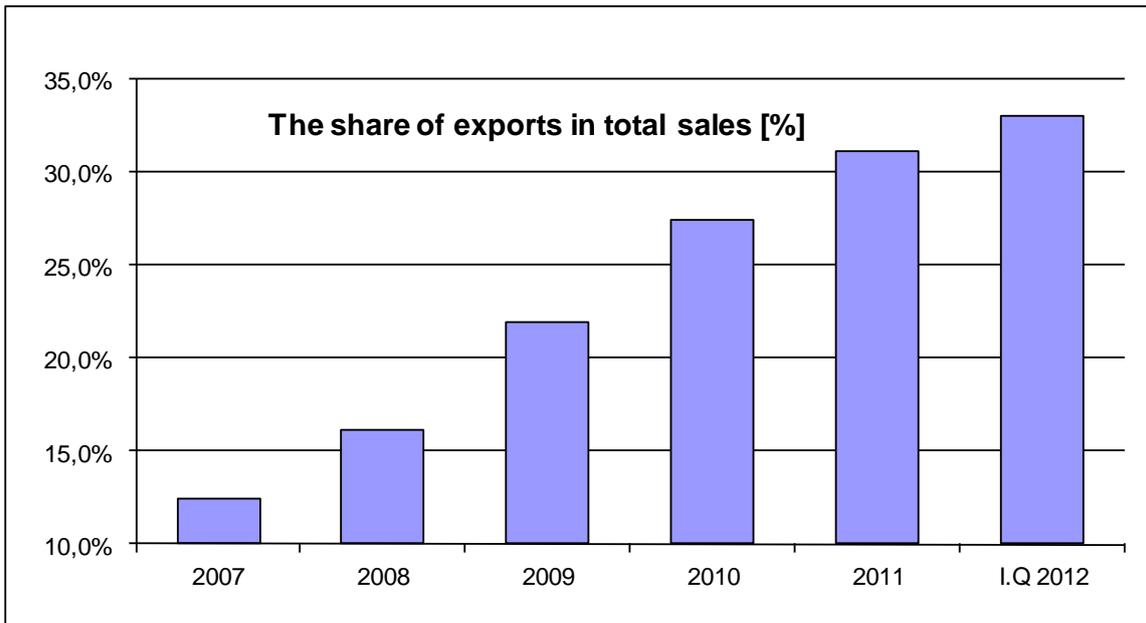
The average price of a contract invoiced in 2011 was CZK 18,156 – with a total of 9,732 contracts (in 2010, the average contract price was CZK 18,159 with a total of 9,000 contracts).





Company's Exports – Comments

The following charts indicate the percentage share of exports in the Company's total sales in the relevant period and the total export volumes, respectively.





The following table shows an overview of the Company's main export destinations (CZK):

Country	2007	2008	2009	2010	2011	I.Q 2012
Poland	3 615 109	7 298 574	10 052 341	11 292 288	15 172 868	2 843 131
Korea	2 147 967	2 850 457	4 211 920	6 344 002	6 165 853	2 113 109
SR	3 732 794	3 812 053	3 561 802	4 911 563	4 964 597	1 376 350
Germany	1 942 356	2 735 067	2 614 732	2 288 783	2 164 818	865 891
India	1 200 653	1 469 675	1 873 637	2 269 769	3 566 737	832 845
Turkey	1 447 085	1 749 401	1 983 486	2 863 463	2 119 711	479 928
Denmark		168 206	210 365	1 756 671	3 537 050	1 268 223
Austria	304 023	556 818	890 932	2 098 867	2 718 243	221 185
Russia	292 505	246 977	582 456	1 381 128	1 552 388	197 402
China	7 675	520 773	807 517	1 023 019	1 014 205	566 885
Italy	310 562	184 227	881 768	602 512	1 491 527	295 324
Sweden	165 767	172 951	284 894	508 755	1 673 233	569 524
Netherlands	333 981	871 252	790 199	543 304	416 949	168 307
United Kingdom	188 804	226 628	247 575	783 273	948 428	100 597
Hungary	80 947	318 233	1 067 277	465 403	274 879	249 742
Brazil		18 803	90 323	775 374	1 206 322	297 774
Others	737 775	1 753 736	4 392 936	5 745 415	7 370 193	2 434 152





Auditor's Report

ZPRÁVA NEZÁVISLÉHO AUDITORA

Auditorská zpráva pro společníka a vedení účetní jednotky

Institut pro testování a certifikaci, a.s.

Zlín, tř. T. Bati 299, 764 21, IČ 479 10 381

Identifikace auditované účetní závěrky

Provedli jsme audit přiložené účetní závěrky k 31.12.2011 obchodní společnosti identifikované v přiložené účetní závěrce, která se skládá z rozvahy k 31.12.2011, výkazu zisku a ztráty za rok končící 31.12.2011 a přílohy této účetní závěrky obsahující popis použitých podstatných účetních metod a další vysvětlující informace. Převažujícím předmětem činnosti obchodní společnosti je provádění certifikace systému jakosti, EMS a výrobků.

Odpovědnost statutárního orgánu účetní jednotky za účetní závěrku

Statutární orgán účetní jednotky je odpovědný za sestavení účetní závěrky, která podává věrný a poctivý obraz v souladu s českými účetními předpisy, a za takový vnitřní kontrolní systém, který považuje za nezbytný pro sestavení účetní závěrky tak, aby neobsahovala významné (materiální) nesprávnosti způsobené podvodem nebo chybou.

Odpovědnost auditora

Naši odpovědnost je vyjádřit na základě našeho auditu výrok k této účetní závěrce. Audit jsme provedli v souladu se zákonem o auditorech, mezinárodními auditorskými standardy a souvisejícími aplikačními doložkami Komory auditorů České republiky. V souladu s těmito předpisy jsme povinni dodržovat etické požadavky a naplánovat a provést audit tak, abychom získali přiměřenou jistotu, že účetní závěrka neobsahuje významné (materiální) nesprávnosti.

Audit zahrnuje provedení auditorských postupů k získání důkazních informací o částkách a údajích zveřejněných v účetní závěrce. Výběr postupů závisí na úsudku auditora, zahrnujícím i vyhodnocení rizik významné (materiální) nesprávnosti údajů uvedených v účetní závěrce způsobené podvodem nebo chybou. Při vyhodnocování těchto rizik auditor posoudí vnitřní kontrolní systém relevantní pro sestavení účetní závěrky podávající věrný a poctivý obraz. Cílem tohoto posouzení je navrhnout vhodné auditorské postupy, nikoli vyjádřit se k účinnosti vnitřního kontrolního systému účetní jednotky. Audit též zahrnuje posouzení vhodnosti použitých účetních metod, přiměřenosti účetních odhadů provedených vedením i posouzení celkové prezentace účetní závěrky.

Jsmo přesvědčeni, že důkazní informace, které jsme získali, poskytují dostatečný a vhodný základ pro vyjádření našeho výroku.

Výrok auditora k účetní závěrce

Podle našeho názoru účetní závěrka ve všech významných ohledech podává věrný a poctivý obraz aktiv, pasiv a finanční pozice obchodní společnosti Institut pro testování a certifikaci, a.s. k 31.12.2011 a nákladů, výnosů a výsledku hospodaření za rok 2011 v souladu s českými účetními předpisy.

Ověřili jsme soulad informací o auditované společnosti za uplynulé období, uvedených ve výroční zprávě, s ověřovanou účetní závěrkou. Podle našeho názoru jsou tyto informace ve všech významných ohledech v souladu s touto účetní závěrkou, z níž byly převzaty.

Za úplnost a správnost zprávy o vztazích mezi propojenými osobami odpovídá statutární orgán společnosti. Ověřili jsme věcnou správnost údajů uvedených v této zprávě a nezjistili jsme významné nesprávnosti.

Datum vydání zprávy

Ve Zlíně dne 12. června 2012

Alois BERKA s. r. o.

auditorská a daňová kancelář

tř. T. Bati 640, 760 01 ZLÍN

DIČ: CZ60701331

odpovědný auditor ing. Berka Alois

osvědčení KA ČR č. 0249

auditorská firma: Alois Berka s.r.o.

osvědčení KA ČR č. 108

za auditovanou účetní jednotku

Příloha: auditovaná rozvaha
auditovaný výkaz zisku a ztráty
auditovaná příloha k účetní závěrce





Foreign Branch of Institut pro testování a certifikaci, a. s. Extract from the Commercial Register in Slovakia

Trade name of the foreign branch:	Institut pro testování a certifikaci, a.s., branch of a foreign entity business	(since: 30 January 2007)
Registered office of the foreign branch:	Mlynské Nivy 54 Bratislava 821 05	(since: 30 January 2007)
Comp. reg. No.:	36 731 307	(since: 30 January 2007)
Registration date:	30 January 2007	(since: 30 January 2007)
Legal form:	Foreign entity business (branch of a foreign entity business)	(since: 30 January 2007)
Sphere of activities:	Business consulting services in the scope of a non-regulated trade	(since: 30 January 2007)
	Letting of real-estates combined with provision of complementary services and procurement services related to the letting, in the scope of a non-regulated trade	(since: 30 January 2007)
	Purchase of goods for their resale to the end consumer (retail trade)	(since: 30 January 2007)
	Purchase of goods for their resale to other trade operators (wholesale trade)	(since: 30 January 2007)
	Rental of movable assets in the scope of a non-regulated trade	(since: 30 January 2007)
	Automated data processing	(since: 30 January 2007)
	Computer network administration	(since: 30 January 2007)
	Activities related to the Notified Body No. 1023 of the European Union	(since: 31 May 2007)
	Assessment and certification of management systems	(since: 31 May 2007)
	Activities of testing laboratories in the scope of a non-regulated trade	(since: 31 May 2007)
	Product certification in the scope of a non-regulated trade	(since: 31 May 2007)
	Impartial control of status check of certain matters, or verification of results of certain activities and issue of control certificates	(since: 31 May 2007)
	Head of the branch:	Ing. <u>Jiří Heš</u> Louňovice 231 Mukařov 251 62 Czech Republic
Acting on behalf of the company:	In matters related to the branch, the Head of the branch shall individually represent and sign on behalf of the branch by attaching his authorized signature to the written or printed trade name of the branch.	(since: 30 January 2007)
Established by:	Institut pro testování a certifikaci, a.s. Comp. reg. No.: 47 910 381 Tř. T. Bati 299 Zlín 764 21	(since: 30 January 2007)
Any other legally relevant facts:	The branch of a foreign entity business was established on the basis of a decision of the founding entity of 21 December 2006 in accordance with Section 21 et seq. of the Commercial Code No. 513/1991 Coll., as amended.	(since: 30 January 2007)
	Decision by the founding entity of 29 March 2007.	



Company's Balance Sheet in full format

	CZK	2007	2008	2009	2010	2011	
1	0	TOTAL ASSETS (lines 02+03+31+ 63)=1. 67	52 916 155	62 404 536	61 443 580	59 325 511	68 368 997
2	A.	Receivables from subscribed capital					
3	B.	Fixed assets (l. 04 + 13 + 23)	26 359 422	27 015 762	26 764 683	22 217 693	26 896 732
4	B.I.	Intangible assets (l. 05 to 12)	100 339	109 839	62 239	50 065	72 222
5	1	Start-up costs	0	0	0	0	0
6	2	Research and development					
7	3	Software	100 339	109 839	62 239	50 065	72 222
8	4	Royalties	0	0	0	0	0
9	5	Goodwill	0	0	0	0	0
10	6	Other intangible fixed assets	0	0	0	0	0
11	7	Intangible assets					
12	8	Advance payments for intangible fixed assets					
13	B.II.	Tangible fixed assets (l.14 to 22)	26 259 083	26 905 923	26 702 444	22 167 628	26 824 510
14	1	Lands	1 128 088	1 128 088	1 128 088	1 128 088	7 362 732
15	2	Buildings	8 309 129	8 469 210	8 572 837	8 181 613	8 513 128
16	3	Property, plant and fixtures	10 420 454	11 832 518	12 412 613	9 367 895	8 161 225
17	4	Cultivated areas					
18	5	Basic Livestock					
19	6	Other tangible fixed assets	19 444	11 512	9 027	9 027	9 027
20	7	Tangible fixed assets	116 050	134 372	185 350	22 171	73 175
21	8	Prepayments for tangible fixed assets	0	0	0	0	182 085
22	9	Adjustment to acquired assets	6 265 919	5 330 224	4 394 529	3 458 834	2 523 139
23	B.III.	Long-term investments (L. 24 to 30)	0	0	0	0	0
24	1	Shares - controlled organizations					
25	2	Shares in accounting units with substantial influence					
26	3	Other securities and investments					
27	4	Loans to group companies					
28	5	Other financial assets					
29	6	Unfinished long financial assets					
30	7	Poskytnuté zálohy na dlouhodob. fin. maj.					
31	C.	Current assets (L31 + 38 + 48 + 58)	23 614 202	31 973 642	31 790 383	34 025 409	38 571 870
32	C.I.	Inventories (l. 33 to 38)	2 942 253	4 173 051	4 421 144	4 860 428	4 088 419
33	1	Material	455 136	788 568	796 551	944 201	524 504
34	2	Unfinished production and semi-products	2 487 117	3 384 483	3 624 593	3 916 227	3 563 915
35	3	Products					
36	4	Animals					
37	5	Goods	0	0	0	0	0
38	6	Advance payments for inventory					
39	C.II.	Long-term receivables (l. 40 to 47)	527 140	527 140	507 358	510 693	515 205
40	1	Trade receivables	0	0	0	0	0
41	2	Receivables - managing entity controlled					
42	3	Receivables from accounting units with substantial influence					
43	4	Receivables from partners, cooperative members and association members					
44	5	Long-term deposits given	527 140	527 140	507 358	510 693	515 205
45	6	State - tax receivable					
46	7	Unbilled revenue					
47	8	Other receivables	0	0	0	0	0
48	C.III.	Short-term receivables (l. 49 to 57)	16 028 174	16 475 889	17 551 971	17 565 252	19 650 182
49	1	Trade receivables	15 758 706	15 720 686	15 230 353	16 253 405	18 966 931
50	2	Receivables - managing entity controlled					
51	3	Receivables from accounting units with substantial influence					
52	4	Receivables from partners, cooperative members and association members					
53	5	Social security and health security	0	0	0	0	0
54	6	State - tax receivable	0	5 893	505 377	970 560	0
55	7	Short-term deposits given	124 796	227 408	606 867	241 602	592 656
56	8	Unbilled revenue	0	0	0	0	0
57	9	Other receivables	117 672	521 903	1 209 374	99 685	90 596
58	C.IV.	Short-term financial assets (L. 59 to 62)	4 116 635	10 797 562	9 309 910	11 089 037	14 318 065
59	1	Money	282 369	161 983	409 789	403 013	702 476
60	2	Bank accounts	3 834 266	10 635 579	8 900 121	10 686 024	13 615 589
61	3	Short-term securities and shares					
62	4	Short-term financial assets acquired					
63	D.I.	Accruals (L59 to 60)	2 942 531	3 415 132	2 888 514	3 082 410	2 900 345
64	1	Prepaid expenses	2 938 531	3 384 436	2 888 514	3 081 990	2 867 064
65	2	Complex deferred costs	0	0	0	0	0
66	3	Deferred income	4 000	30 696	0	420	33 281



Company's Balance Sheet in full format

	CZK	2007	2008	2009	2010	2011
67	TOTAL LIABILITIES (L 68 + 85 + 118) = L 001	52 916 155	62 404 536	61 443 580	59 325 511	68 368 997
68	A. Equity (L 69 + 73 + 78 + 81 + 84)	22 398 307	28 191 808	29 624 078	28 858 015	32 031 308
69	<i>A.I. Registered capital (L 70 to 72)</i>	5 455 000	5 455 000	5 455 000	5 455 000	5 455 000
70	1 Registered capital	5 455 000	5 455 000	5 455 000	5 455 000	5 455 000
71	2 Company's own shares and ownership interests					
72	3 Changes of registered capital					
73	<i>A.II. Capital funds (ř. 74 to 77)</i>	10 847 208	10 847 208	10 847 208	10 847 208	10 847 208
74	1 Share premium					
75	2 Other capital funds	10 847 208	10 847 208	10 847 208	10 847 208	10 847 208
76	3 Revaluation of assets and liabilities					
77	4 Revaluation reserve on transformation					
78	<i>A.III. Reserve funds and other reserves (L 79+80)</i>	1 564 791	1 613 971	1 455 173	1 451 802	1 228 863
79	1 Statutory reserve / non-distributable reserves	1 100 000	1 100 000	1 100 000	1 100 000	1 100 000
80	2 Statutory and other funds	464 791	513 971	355 173	351 802	128 863
81	<i>A.IV. Retained earnings (L 82 + 83)</i>	2 258 177	3 081 307	8 121 228	9 866 697	10 504 005
82	1 Retained earnings from previous years	2 258 177	3 081 307	8 121 228	9 866 697	10 504 005
83	2 Accumulated losses from previous years	0	0	0	0	0
84	<i>A.V. Profit / loss - current year</i>	2 273 130	9 857 242	3 745 469	1 237 308	3 996 232
85	B. Liabilities (L 86 + 91 + 102 + 114)	30 106 645	33 625 658	31 120 607	29 570 089	34 212 546
86	<i>B.I. Reserves (L 87 to 90)</i>	13 116	43 854	39 629	60 221	36 693
87	1 Reserves under special regulations	0	0	0	0	0
88	2 Reserves for pension and similar payables	0	0	0	0	0
89	3 Provision for income tax					
90	4 Other reserves	13 116	43 854	39 629	60 221	36 693
91	<i>B.II. Long-term liabilities (L 92 to 101)</i>	448 755	760 795	663 148	570 415	590 098
92	1 Trade payables					
93	2 Liabilities controlling entity					
94	3 Commitments - significant influence	2 766	9 661	14 184	11 198	11 219
95	4 Payables from partners, cooperative members and association members					
96	5 Long-term advances received					
97	6 Issues bonds					
98	7 Long-term notes payables					
99	8 Estimated payables					
100	9 Other long-term liabilities	0	263 345	131 793	19 441	218 667
101	10 Deferred tax liability	446 009	514 789	517 170	539 777	34 212 546
102	<i>B.III Short-term liabilities (L 103 to 113)</i>	19 345 941	24 321 446	23 699 672	21 939 452	23 613 778
103	1 Trade payables	6 148 515	8 350 795	8 653 881	5 724 437	6 305 094
104	2 Liabilities controlling entity					
105	3 Commitments - significant influence					
106	4 Payables from partners, cooperative members and association members	0	0	0	0	0
107	5 Payables to employees	61 263	91 697	106 304	127 115	162 951
108	6 Payables to social securities and health insurance	2 153 192	2 134 849	1 920 122	2 463 128	2 791 634
109	7 Due from state - tax liabilities and subsidies	2 306 613	2 698 656	1 417 053	1 642 644	2 502 898
110	8 Short-term deposits received		6 506 636	6 899 187	7 432 583	6 811 952
111	9 Bonds					
112	10 Estimated payables	1 979	534	15 261	15 234	21 945
113	11 Other liabilities	3 353 937	4 538 278	4 687 863	4 534 311	5 017 304
114	<i>B.IV. Bank loans and overdrafts (L 115 to 117)</i>	10 298 812	8 499 563	6 718 158	7 000 000	9 971 300
115	1 Long-term bank loans	2 999 563	718 158	0	0	1 599 700
116	2 Short-term bank loans	7 299 249	7 781 405	6 718 158	7 000 000	8 371 600
117	3 Short-term accommodations		0	0	0	0
118	C. I Accruals (L 119 to 120)	411 203	587 071	698 895	897 408	2 125 143
119	1 Accrued expenses	388 603	587 071	698 895	897 408	2 125 143
120	2 Deferred revenues	22 600				