

Institut pro testování a certifikaci, a. s.

Annual Report 2015

Chairman of the Board of Directors: Ing. Jiří Heš

Approved by the Shareholder's decision on 23 may 2016



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 joint-stock company Institut pro testování a certifikaci, a. s. (Institute for Testing and Certification, ITC) has provided public services as joint-stock company since 1993.

From the perspective of the Czech Republic last year was exceptionally successful, especially in terms of economic indicators. The reviewed estimate of the Czech Statistical office of 4 March 2016 has confirmed last-year's growth of Czech economy by 4.3 %, which is the highest growth rate in the past 8 years. This growth was mainly supported by manufacture of automobiles, plastics and food – the areas in which ITC provides its key services. The growth of Czech economy was further enhanced by the civil engineering sector and the related building product manufacture, where ITC also provides a large part of its services.

The year 2015 was a year of excellence for ITC considering the achieved earnings. Revenues from sales of in-house products and services reached CZK 211,601 thousand, which is the best result in the history of ITC.

In 2015 no major changes were implemented in the area of authorisations and competences and the company continues to be involved in traditional testing, certifications and related services.

With regard to services and revenues from them the leading areas include laboratory work with its year-on-year increase by more than CZK 10 million in revenues and for the first time in history exceeded boundary of CZK 100 million.

Considering revenues and profit the other end of the internal performance spectrum is occupied by conformity assessment activities.

Our company has long provided services abroad too. The services are provided through direct contracts and cooperation with foreign long-term partners in 14 destinations. In 2015, after several years of stagnation, the volume of revenues from abroad increased by 13% to CZK 72 million. Revenues from exports in 2015 represented 34% of all revenues.

We permanently strive and have to strive to increase our knowledge in the areas related to the subject of our business activity. To that end dozens of educational events for company employees were organized in 2015, with the main focus on our profile areas, including assessment of medical devices, building products and nanotechnologies. Another method of staff qualification improvement is cooperation with higher education institutes where not only major education has been provided but also extensive research has been implemented and valuable information has been accumulated about new developments and development trends in applied research. In this respect higher education institutes are our major partner especially in areas where laboratory capacities can be shared between our testing laboratories of ITC, laboratories operated at technical colleges and universities in the Czech Republic and foreign laboratory sites. Our institute has established long-term cooperation with the following universities: Mendel University in Brno, Palacký University in Olomouc – Cellular Culture Laboratory of the Faculty of Medicine, University of Chemistry and Technology in Prague, Tomáš Bata University in Zlín – Faculty of Technology, Faculty of Applied Informatics, Centre of Polymer Systems, Technical University in Liberec,



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UCEEB (University Centre of Energy Effective Buildings of the Czech University of Technology in Prague), Czech University of Technology in Prague, and Technische Universität Dresden.

We have also cooperated with higher education in the area of lecturing to undergraduates and promotion of technical branches and technical education. Selected ITC employees have been long-term visiting teachers bringing to the classroom observations from the industrial practice as an important complement of theoretical education of the students. This is connected with supervising undergraduate theses and occasional involvement of students in selected projects implemented by our company.

ITC has been long-term provider of technical information and contributor to standardisation processes. Since 2009 our company has been working as the Centre of Technological Standardisation in the fields of plastics, rubber, products for children, building products, materials in contact with food, products for sport and entertainment, footwear and leather. In 2015 ITC prepared 81 Czech national technical standards (ČSN) in the context of the Technical Standardisation Plan. ITS further commented on prepared ISO and CEN standards for 33 technical commissions and updated several sections of the web site of the Czech Office for Standards, Metrology and Testing (Information Portal – Standards and Regulations, Information Portal for Building Products, Database of Harmonised Standards, Best Practice Handbooks), a valuable source of publicly accessible information. In 2015 we organized seminars on technological standards and regulations related to product marketing for manufacturers, testing laboratories and certification authorities. For that purpose ITS prepared the commercial portal called legislative Acts and Standards, whose scope of information was extended last year with more industrial sectors. Since 1993 the Association for Technical Standardisation in Rubber and Plastics Industry (SGP-STANDARD) as part of ITC has associated Czech and Slovak enterprises with the aim to obtain information about standards and regulations in advance for increased competitiveness of their products.

In 2015 our Institute for Technical and Certification received a subsidy in the context of the now already implemented project entitled Innovation of Thermal Tests in the total amount of CZK 2,250 thousand. The project addressed increase of effectiveness of the process of physical and mechanical (function and life) tests and their sequences in product and component testing. The main focus of the project was integration of related tests into a single testing process with human involvement between individual tests replaced with automatic regulation, proprietary research result of our company.

In the area of human resources two new job opportunities have been provided in the context of the Operational Programme Human Resources and Employment. The establishment of these positions was supported by the project entitled “Learn for Growth! - Job Opportunities“ (project number CZ.1.04/2.1.00/03.00015). We also created one job opportunity with support from the project “Professional Practice for Young People under 30 in Zlínský Region”, also in the context of the Operational Programme Human Resources and Employment (project number CZ.1.04/2.1.00/70.00057).



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To maintain competitiveness of our company we need to provide continuous education to our employees. The system of employee education we operate is based on a nationwide system usually implemented by accredited sites for personnel certification. Just for information, in 2015 the volume of internal staff training in our company amounted to 877 man-days. Eternal education was provided within the scope of 285 man-days and direct costs reached CZK 1,090 thousand.

Not less important from our point of view are educational events for clients and auditors we provide. In 2015 we organized 8 educational events for clients and foreign auditors, attended in total by 334 individuals.

The year 2015 brought a big challenge for our company. The owner of the building we have long rented needed some of the rented laboratory space used by us for its own business activities. The spaces needed to be cleared by the end of August 2015, or by the end of the year 2015. With regard to this and the need for further extensive development of our activities and complex stabilisation of the company the Management Board of the company decided for a radical solution to the situation – purchase of an operational building in Zlín on the premises of the former Bata plant (Svit section). Implementation of this decision consisted of several stages – first occupancy on the basis of lease since 1 September 2015 (with the necessary adaptation of the laboratory rooms worth about CZK 7 million), followed by purchase contract preparation and assurance of a financing loan and accomplished by the final acquisition. The purchase contract was executed and the proposal for our ownership right entry in the Land Register was filed at the turn of February/March 2016.

Of course the laboratories had to be moved from the current building in July – December 2015. Our worries about the amount of the related costs of the move and potential revenue decrease (for the reason of impossibility of continuous use of the moved technology) did not materialise in the end, both thanks to excellent management planning of the move and personal engagement of every individual employee involved in the move. Although the whole process was not and could not be free of complications and stressful moments, our revenues in 2015 still reached our maximum. Great acknowledgement for this belongs to all employees who did all the work connected with space preparation, move, commissioning of the moved equipment and logistics of the whole event outside their regular workload, willing and able to work over weekends, overtime, and bring in ideas assisting in development in the right direction. It is very comfortable to know that ITC can rely on loyalty and congruence of its staff in emergency and the company management greatly appreciates this. In this context I cannot avoid expressing my thanks to all our suppliers and external contractors taking part in this move and greatly contributing to its successful accomplishment.

The new address of the place of business of ITC is třída Tomáše Bati 5264, 760 01 Zlín. On this address we currently operate our physical, mechanical and building laboratory where the following tests are carried out: specification of product resistance to climatic change, pressure tests (overpressure, under pressure), testing of products and systems for children, pipeline systems and their components – special tests, rubber and plastic products – special tests, sanitary technology – special tests, bitumen testing, building material and product tests, specification of tensile and compressive properties, bending and shear tests; static load tests; cohesion and adhesion



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specification; measurement of geometrical quantities, specification of planarity, weight and volume, humidity and infiltration, water tightness, capillarity, frost resistance, soaking properties, processing properties, sport surface testing, additional tests – wood. The new laboratory space was subject to periodic audit by the Czech Institute for Accreditation – national accreditation body – with excellent result.

The year 2016 will see further reconstructions and adaptations of the new building for support of smooth move of other activities of the company and the official change of seat of the company to the new address in 2017.

The year 2015 was not easy for our company. However, ITC proved to itself that it is a mature and stable company able to face big challenges without any loss. This fact is very positively viewed by the company management. We are fully aware that this fact reflects our mission to satisfy the needs of our clients with best professional care, to develop long-term partnerships with our clients and assure loyalty of satisfied customers. We understand this to be our future commitment as well to be implemented through further improvement of quality standards of our services.

Let me use this opportunity to thank all our customers for their favour, all our business partners and external contractors for their cooperation and all our employees for their efforts and contributions to our excellent business results in 2015.

I am looking forward to further cooperation with all of you and wish you every success in 2016.

RNDr. Radomír Čevelík
Deputy President of Board of Directors



Key Financial Indicators of the Company

		2013	2014	2015
Total Revenues	tis. Kč	208 307	195 501	211 601
	of the ČR	tis. Kč	143 723	130 917
	of which expo	tis. Kč	64 584	72 090
Value	tis. Kč	125 978	121 190	133 047
Staff costs	tis. Kč	105 384	103 238	113 799
Depreciation	tis. Kč	7 501	7 786	8 329
Profit for the period	tis. Kč	7 162	4 810	4 172
Assets	tis. Kč	78 356	82 625	100 765
Liabilities	tis. Kč	33 800	35 211	50 760
Equity	tis. Kč	42 424	44 859	47 656
Staff costs	přepočtený stav	161,4	161,7	169,6
Ratios				
Sales / of employees	tis. Kč	1 291	1 209	1 248
Value / Equity	tis. Kč	781	749	785
Profit / Equity	%	16,9%	10,7%	8,8%
Liabilities / Assets	%	43,1%	42,6%	50,4%
Sales / Equity	%	491,0%	435,8%	444,0%





Company's Sphere of Business

Institut pro testování a certifikaci, a. s., Zlín (hereinafter referred to as "ITC") is a joint-stock company founded and existing pursuant to the Commercial Code in 1993. Since 2000, ITC is an independent joint-stock company with a sole shareholder – the Czech company ITC-SERVIS, spol. s r. o.

As at 31 December 2015, the sphere of business of ITC, Inc. 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 competences

The ITC's technical, organizational, personnel and legislative competencies for the above activities are based on the following appointments, authorizations and accreditations (as at 31 December 2015):

- **Authorized Body No. 224**

(see: <http://www.unmz.cz/urad/ao-aktualni-seznam>)

- Government Decree No. 173/1997 Coll. laying down selected products for conformity assessment;
- Government Decree No. 163/2002 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. 54/2015 Coll. laying down technical requirements for medical devices (Directives 93/42/EEC, 2003/12/EEC, 2003/32/EEC), as amended;
- Government Decree No. 56/2015 Coll. laying down technical requirements for in vitro diagnostic medical devices (Directive 98/79/EC); as amended;
- Government Decree No. 55/2015 Coll. laying down technical requirements for active implantable medical devices (Directive 90/385/EEC); as amended;
- Government Decree No. 118/201 Coll. laying down technical requirements for low voltage electrical equipment (Directive 2006/95/EC; ex - 73/23/EEC); as amended;
- Government Decree No. 117/2016 Coll. laying down technical requirements for products as regards their electromagnetic compatibility (Directive 2004/108/EC); 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. 219/2016 Coll. (as amended by the last amendment to Government Decree No. 621/2004 Coll.) laying down technical requirements for pressure devices (Directive 97/23/EC); as amended.

- **Notifikovaná osoba č. 1023 - Oznámený subjekt**

- Regulation of the European Parliament and the Council (EU) 305/2011 (CPR) (Construction products)



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- Accredited Testing Laboratory No. 1004
- Accredited Testing Laboratory No. 1004.3
- Accredited Calibration Laboratory No. 2222
- Accredited certification body for management systems No. 3002
- Accredited certification body for products No. 3020
- Accredited certification body for qualification in the system of certified construction suppliers pursuant to Act No. 137/2006 Coll.
- 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 air cleanliness, transport, economy, power industry, chemistry, leather and fur, packages, environmental protection, food industry, services, sport, construction, engineering, various technical fields, textiles, art crafts, water management, health care and agriculture;
- Authorization by the Ministry of Finance to perform expert assessments 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;
- Authorization by the Civil Aviation Authority L-3-061/5 for verification tests of electrical and electronic aircraft components and devices;
- Organisation authorised for military aircraft technology testing within the scope of assessment and verification of compliance of military aircraft technology product properties with the requirements of the relevant technical standards – Certificate no MAA 009 on the basis of Section 35n of Act no 219/1999 Coll., on Armed Forces of the Czech Republic, in the wording of Act no 147/2010 Coll.



Overview of Membership in Associations

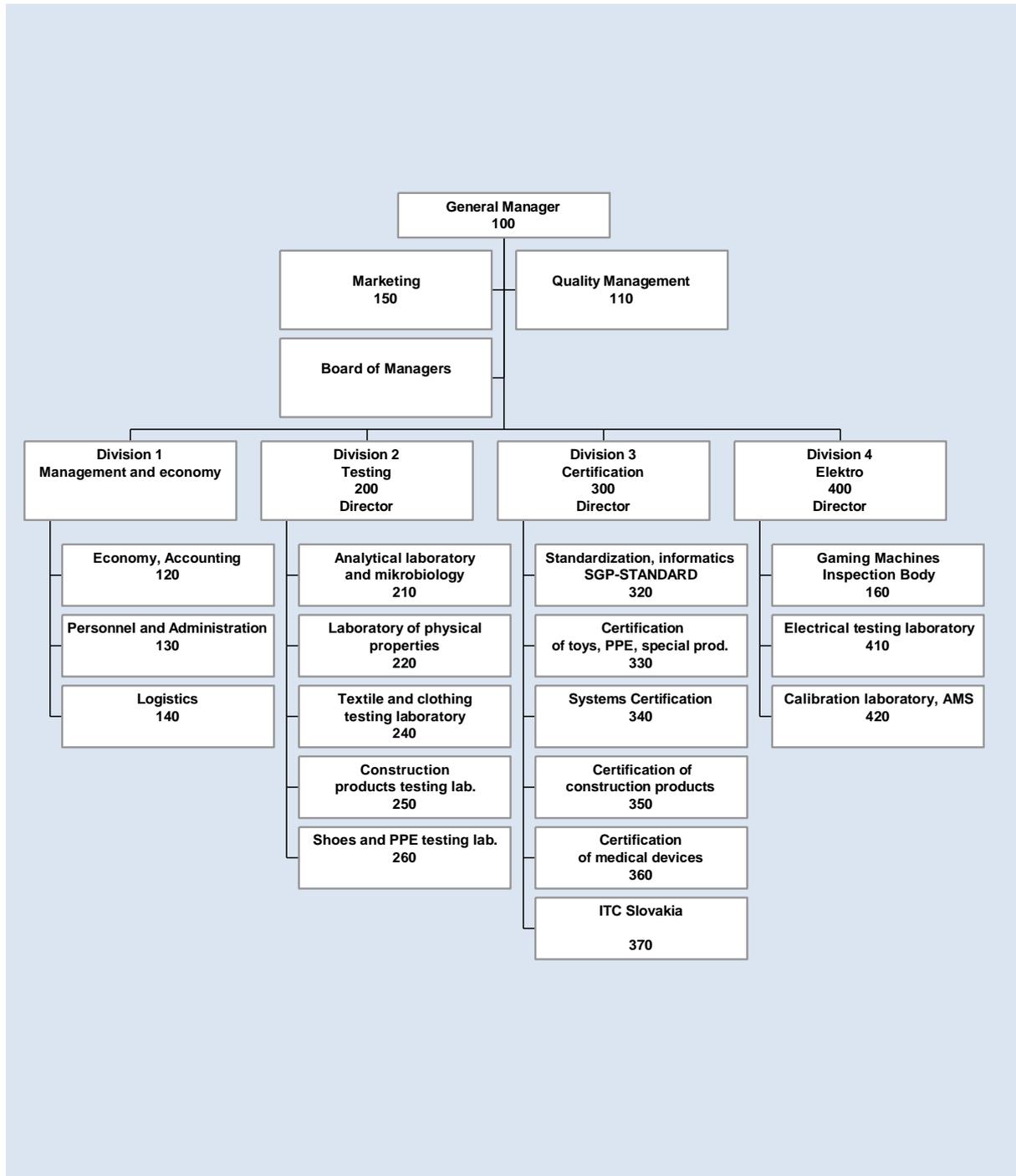
ITC is actively engaged in various technical activities in the Czech Republic, which is demonstrated by its membership in many professional as well as social associations and confederations.

- 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;
 - the aforementioned associations form the Eurolab-CZ alliance which has been a full member of EUROLAB since 1 May 2004 (<http://www.eurolab.org>)
- ČSJ – Czech Society for Quality, Prague;
- Sdružení pro hračku a hru (Toy and Game Association), Prague;
- Regional Chamber of Commerce of the Zlín Region
- 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), Dobrá; SCJ – Sdružení pro cenu České republiky za jakost, Praha
- 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 plastikářského 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)
- Československá společnost pro sluneční energii (Czech Association for Solar Energy)
- TEAM-NB, Liège, Belgie
- LVD Notified Bodies Forum, Paris, France



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 2015.





Persons Holding the Key Functions in the Company

The members of the Board of Directors and the Supervisory Board did not change in 2015. Company's bodies still include representatives from various fields of the civic association of the Czech Republic. The emphasis is put on professional qualification and on the representation of the Zlín Region

Board of Directors

Position	Held by
Chairman of the Board of Directors	Ing. Jiří Heš
Vice chairman of the Board of Directors	RNDr. Radomír Čevelík
Member of the Board of Directors	MgA. Pavlína ÚlehlaSenić

Supervisory Board

Position	Held by	
Chairman of the Supervisory Board	Mgr. Jiří Heš	Head of the ITC Division
Member of the Supervisory Board	Ing. Petr Karlík	Head of a ITC centre, a company employees' representative
Member of the Supervisory Board	Magdaléna Čevelíková	Manager of PAP-OIL, s.r.o.

Commission for assurance of impartiality

Commission for assurance of impartiality which supervise the assurance of activities associated with certifications of products, conformity assessment and management systems certification in ITC consisted of the following members in 2014:

Funkce	Obsazení	
Chairman of the Board	RNDr. Anna Christianová, CSc.	ITC, Zlín – expert for environment, ekodesign, National Register of Qualifications
Vice chairwoman of the Board	Ing. Jaroslav Toufar	Plasticcluster
Member of the Certification Board	MUDr. Milena Dostálková	Practitioners association, Zlín

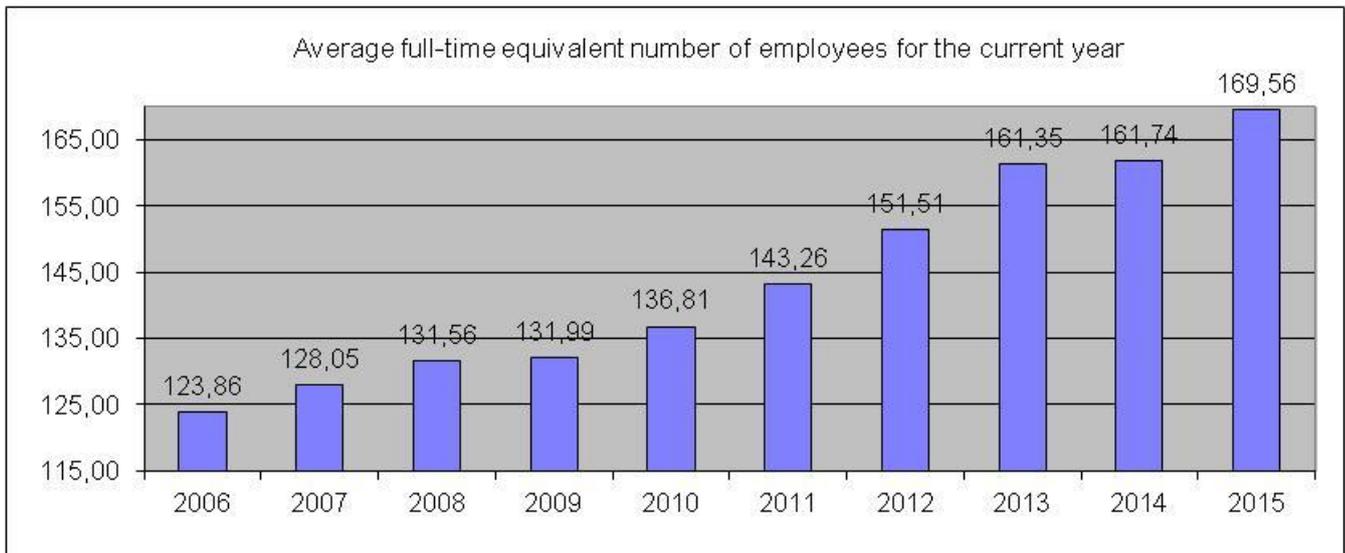


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Funkce	Obsazení	
Member of the Certification Board	Zdeněk Krul	CTI, Principal Administrator of the Central Inspectorate of the CTI in Prague
Member of the Certification Board	Ing. Petr Houdek	Academic institutions (Pilsen University nominations) - Systems management+IT, ITSM and information security, risk management.
Member of the Certification Board	Ing. Milan Báša	Consumer sector (FEP nomination) - manufacturing sector, the plastics industry, wood industry
Member of the Certification Board	RNDr. Vlastislav Trnka	Consumer sector (nominated by GESOS, spol. s r.o.)
Member of the Certification Board	Ing. Alena Chalupová, MBA.	Institut pro testování a certifikaci, a. s., Zlín
Member of the Certification Board	Ing. Milan Kovář	Institut pro testování a certifikaci, a. s., Zlín

In 2015 the average full-time equivalent number of employees was 169,56.





Company's Quality Policy

In connection with extended certification authority accreditation in the area of management systems with ČSN ISO/IEC 27001 standard the quality policy of ITC was revised and extended with selected principles of information security and corporate social responsibility. The new quality policy of ITC was approved by the company Board of Directors on 26 June 2015.

The basic principle of activity of the Institute for Testing and Certification, joint-stock company, Zlín (hereinafter ITC) is creation of spiritual and material values by way of permanent satisfaction of the needs of customers and other parties interested in the company products by highly professional, quick, perfect and complex actions. Satisfaction of customer needs and expectations is the driving force of ITC progress.

Quality and reliability of all our products may only be guaranteed by a team of satisfied, qualified and motivated employees.

Customer orientation:

- Customer satisfaction is ITC priority.
- Product provision is based on non-discriminatory approach.
- Customer quality requirements, compliance with contractual terms and conditions and commitments towards the customer must be specified and fulfilled. Deadline meeting is one of the fundamental principles of ITC activity.
- Every employee should know what the customer requests, or may request, what the customer needs or might need, what more ITC has to offer and what the organisational department where the employee is placed can do.
- Every employee is bound to seek ways towards continuous improvement of work activities and procedures aimed at preservation or extension of existing competences assuring quality and professional standards of products in their complexity.
- Every employee must do their best for the customer without compromising their confidentiality, impartiality and integrity.
- Every product supply should constitute a recommendation for further purchase.
- Our orders are implemented in harmony with our commitment for impartiality and arm-length principle as one of the most important aspects assuring trust in what we do.

Employee orientation:

- Company management and ITC as a whole create conditions for development of a stable team of professionally competent and motivated employees seeking continuous improvement of their professional qualifications and complexity of the products offered.
- Internal cooperation creates synergic effect on the outside multiplying ITC reputation as a homogeneous grouping of top professionals who know what the customer needs, wants or might want and how to satisfy their expectations and what to reasonably require as remuneration for their work.
- ITC management cultivates long-term good relationships with employees, thus contributing to employee trust and loyalty. Employee contributions to further progress of ITC include loyalty, active personal involvement and interest in extension of personal professional qualifications.



Supplier orientation:

- ITC cooperation with its suppliers is based on the principle of long-term partnership for the benefit of all stakeholders.
- The company requires high quality of the supplied products from its suppliers.

Sustainable business orientation

- Corporate social responsibility:
 - ITC is aware of their responsibility for impact of their activities on the society.
 - ITC is organised and operated to assure ethical conduct, independence, arm-length dealing and impartiality of their actions under any circumstances.
- Process management:
 - ITC produces sufficient in-house resources as the necessary condition for its future development.
 - Search for ways towards high rate of return, improvement of management system effectiveness and activity and product quality improvement form an integral part of corporate culture to which work organisation and methods are subordinated.
 - Management system principles permit open decisions and transparent activities of ITC. They are the tool for transparent fulfilment of stakeholders' (employees, shareholders, customers, public administrative authorities and general public) expectations.
- Information security:
 - Principles of information security management in ITC define the framework for confidentiality of information and are clearly defined and applied across ITC.
 - Employees of ITC are aware of their basic commitments and obligations when working with information at ITC.
- Environment:
 - ITC requires from all its personnel responsible approach towards the environment.
 - ITC supervises responsible approach towards environment protection and effective use of resources.
 - All activities at ITC are performed with a focus on prevention of harmful emissions, waste minimisation and possible elimination of hazards for the nature



Company's Balance Sheet – Comments

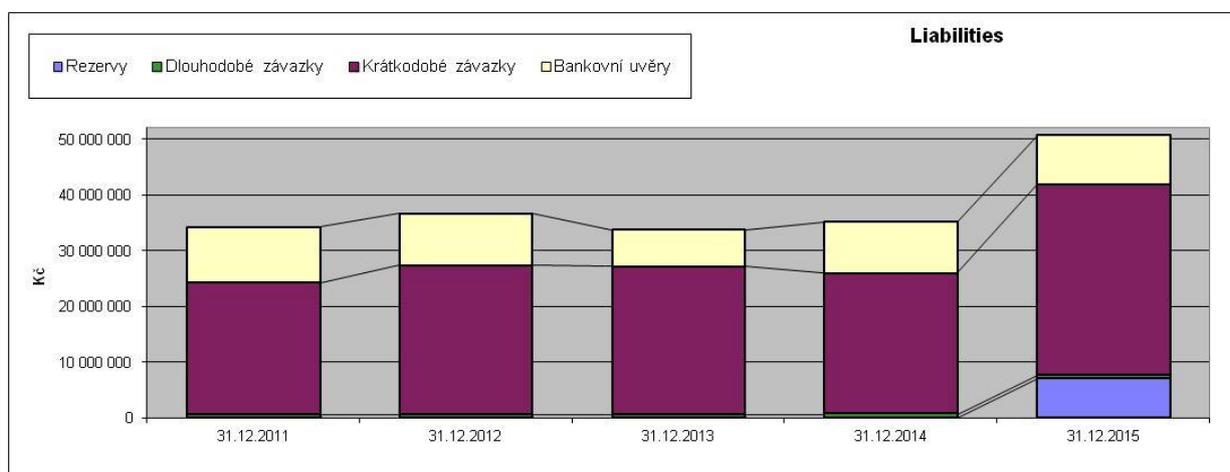
The total balance sum of assets (and liabilities) as of 31 December 2015 amounted to CZK 100.8 million. On the asset side total assets grew by CZK 18.1 million. The growth was mainly caused by circulating assets (growth by CZK 21.5 million – especially financial (CZK +19.5 million) and work in progress (CZK + 2.3 million). Residual value of fixed assets of the company as of 31 December 2015 in comparison to the previous accounting period dropped by CZK 3.8 million, in connection with the planned big investment in February 2016 – building acquisition.

Company equity increased year-on-year by CZK 2.7 million, especially thanks to the earnings in 2015 (CZK 4.2 million) and the higher value of undivided profit of part periods.

Foreign resources grew by CZK 15.4 million. The growth was caused by increase of short-term liabilities (unpaid investment into the operation space reconstruction) and creation of a reserve for planned repairs of the newly acquired building for the company operation. The unpaid principal of bank loans decreased by about CZK 0.5 million.

	31.12.2011	31.12.2012	31.12.2013	31.12.2014	31.12.2015
Kč					
Total assets	68 368 997	77 417 897	78 356 242	82 625 485	100 765 242
Subscription receivables	0	0	0	0	0
Fixed assets (devices, buildings etc.)	26 896 732	31 782 431	30 981 051	34 274 602	30 470 104
Current assets (money, receivables)	38 571 870	42 585 403	44 287 947	44 208 249	66 058 976
Sundry assets - temp. accounts of assets	2 900 395	3 050 063	3 087 244	4 142 634	4 236 161
Total liabilities	68 368 997	77 417 897	78 356 242	82 625 485	100 765 242
Owner's equity (registered capital, funds)	32 031 308	38 061 935	42 424 219	44 858 926	47 655 660
Not-own capital (payables, advance payments received,	34 212 546	36 725 383	33 800 308	35 210 871	50 760 398
Sundry liabilities	2 125 143	2 630 578	2 131 715	2 555 687	2 349 184

As foreign resources still represent a substantial part of company liabilities their development is shown in the diagram chart below for comparison.





The diagram shows, inter alia, that foreign resources of the company mainly include short-term liabilities from business contact (invoices, leasing, advances received for orders to be implemented), reserve creation for repairs of the purchased building and bank loans (decrease as of 31 December 2015 – see the comment in the previous paragraph). Total sum of bank loans as of 31 December 2015 amounted to CZK 8.8 million.

Company's Economic Results – Comments

Company earnings for 2015 amount to CZK 4.171 million after tax with revenues worth CZK 211.6 million. Although this indicator dropped in comparison to the previous year, the result is acceptable regarding the reserve creation for the planned repairs of the purchased building.

Profit and Loss Account [CZK]	2011	2012	2013	2014	2015
I. Revenues from sold goods	0	0	1 157	1 400	308 600
A. Costs on sold goods	0	0	0	-1 383	-240 000
II. Performance (sales+/-inventories change)	176 952 090	196 262 254	208 650 848	195 226 327	214 232 755
B. Production consumption	-73 771 708	-75 484 225	-82 673 610	-74 036 492	-81 254 621
Added value	103 180 383	120 778 029	125 978 395	121 189 851	133 046 734
C. Persibal costs	-86 930 452	-98 953 401	-105 383 706	-103 238 279	-113 798 686
D. Taxation and charges	-122 813	-126 259	-125 663	-135 013	-130 835
E. Depreciations of intang. And tangible assets	-6 781 196	-6 845 446	-7 501 135	-7 785 681	-8 329 150
VI. Other operating revenues	807 858	1 188 252	716 141	1 240 563	419 790
I. Other operating expanses	-3 859 141	-3 865 088	-4 386 720	-4 154 843	-3 312 639
Economic results from financial operations	-1 212 202	-2 077 726	-391 276	-1 288 095	-2 901 174
R. Income tax on ordinary activities	-1 192 302	-2 023 644	-1 936 628	-1 389 597	-1 389 597
Extraordinary economic results	0	0	0	0	0
Economic results of current year	3 996 232	7 999 354	7 161 749	4 810 049	4 171 694

The above table clearly implies the following:

- Year-on-year performance increase by 9.7 % (with increased revenues for in-house services by 8.2 %).
- Increase of consumption by manufacture by 9.7 %, the main item represented by external cooperation in resolution of assessment of gambling machines and subcontracted supplies by cooperating foreign partners.
- Corporate added value increased by 9.8 % in comparison to 2014 reaching CZK 133 million.
- Personnel costs represent a significant cost item. Their sum increased year-on-year by 10.2 %. The growth is given by increased average staff number (by 4.8% in rated numbers) and the method of employee remuneration – individual performance benefits paid amounting up to 23 % where the defined conditions were fulfilled. The mean wage tariff increased year-on-year (2014/2015) by 7.1 %, the mean wages paid out (including allowances and performance benefits) growing by 12.2 %. The share of surcharges, remunerations, allowances and benefits (variable wage components) in the wage tariff amounted to 38% in 2015.
- Productivity (expressed as CZK revenues/CZK wages) dropped by 2.6 % to 2.65 with mean annual revenues per employee CZK 1,247 thousand (in comparison to 2014 up 3.2 %).



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The following table provides an overview of the Company's key accounts in terms of the type of contract:

Invoicing (full year)	2012	2013	2014	2015	14/15
Grants, Development, CQS	1 736 040	1 800 086	2 053 885	1 735 128	-15,5%
Gaming machines + Authorized body module A	27 130 479	32 388 828	21 984 514	24 439 833	11,2%
Performance of Authorized body 224 in the regulated area	25 853 413	24 673 403	22 979 023	20 388 549	-11,3%
Supervision of Authorized body 224	18 461 729	19 870 297	22 358 740	26 856 970	20,1%
Product certification of Product certification body No. 3020 + ITC (+supervision)	12 679 611	7 315 434	4 476 295	3 408 434	-23,9%
Supervision of Product certification body No. 3020 + ITC	585 934	547 016	536 940	726 334	35,3%
Management systems certification	9 665 795	7 113 538	7 661 655	8 379 456	9,4%
Supervision Management systems certification	5 347 599	5 652 046	5 215 554	4 976 199	-4,6%
Performance in an accredited laboratory	75 696 306	90 944 223	90 439 449	101 936 146	12,7%
Information, SGP, normalization	1 838 407	2 252 809	2 021 236	1 888 706	-6,6%
Metrology	8 445 480	9 696 912	9 823 059	12 107 014	23,3%
Assessment, education	375 898	280 516	333 500	307 608	-7,8%
Environmental Services	442 870	267 155	278 750	298 550	7,1%
Technical Inspection	7 232 383	6 401 845	6 142 483	4 691 730	-23,6%
Other	-1 034 111	-994 955	-795 778	-539 823	-33,2%
Total	194 457 833	208 209 153	195 509 304	211 600 832	8,2%

Major Clients

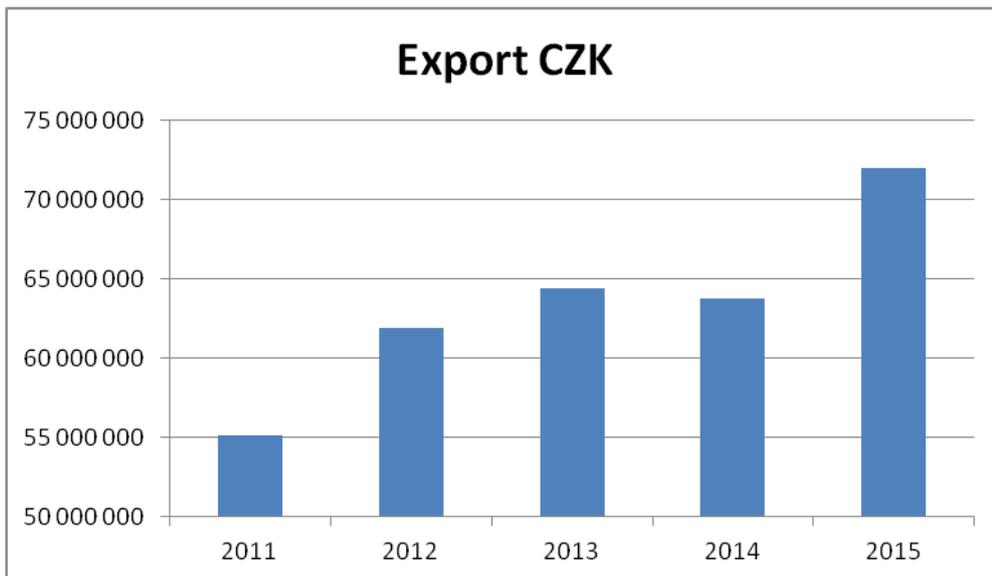
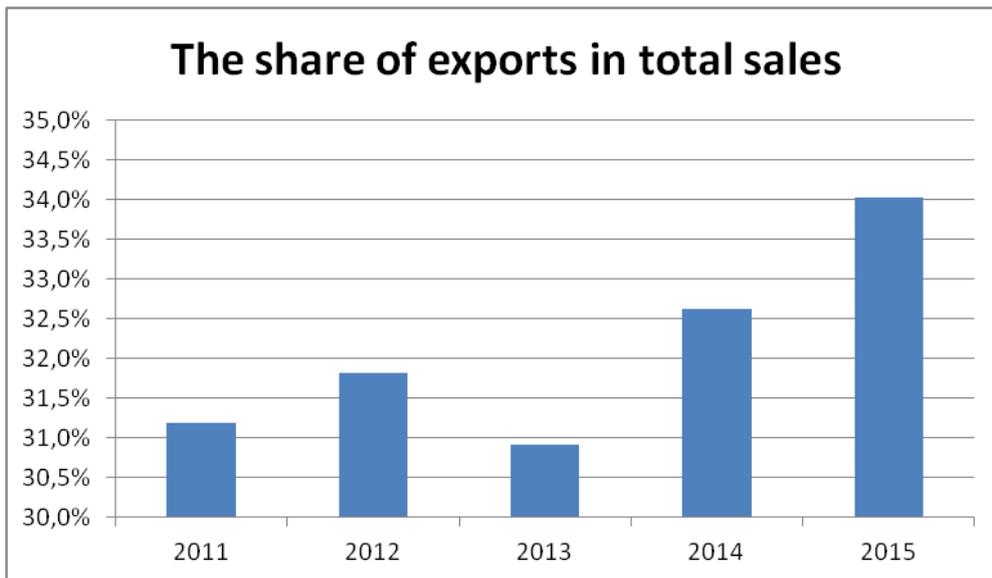
The following table provides an overview of the Company's key accounts in terms of sales volume in 2015. The average price of a contract invoiced in 2015 was CZK 22.114 – with a total of 9569 contracts (in 2014, the average contract price was CZK 20.264 with a total of 9648 contracts).

TESCOMA s.r.o.	Zlín	Testing, household
C.S.G. SOFTWARE GROUP LIMITED	Brno	Assessment of gaming machines
ITC ASIA Co. Ltd.	Soul (Korea)	CE conformity assessment, certification of QMS
SYNOT TIP, a.s.	Uherské Hradiště	Assessment of gaming machines
Emerson Climate Technologies s.r.o.	Mikulov	Calibration laboratory services
Avon Otomotiv San. Tic. Ltd. Sti.	GEBZE (Turecko)	Testing, Automotive industry
Continental Automotive Czech Republic s.r.o.	Jičín	Testing, Automotive industry
IMS - Drašnar s.r.o.	Česká Třebová	Testing, Automotive industry
Magna Exteriors & Interiors (Bohemia) s.r.o.	Liberec	Testing, Automotive industry
Varroc Lighting Systems, s.r.o.	Praha	Assessment of gaming machines
APOLLO SOFT k.s.	Praha	Assessment of gaming machines
Zenith Quality Assessors Pvt. Ltd.	Maharashtra (Indie)	CE conformity assessment, certification of QMS
Gumárny Zubří, akciová společnost	Zubří	Testing, Automotive industry



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.





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, 763 02, IČ 479 10 381

I. Zpráva auditora o ověření roční účetní závěrky

Identifikace auditované účetní závěrky

Provedli jsme audit přiložené účetní závěrky k 31.12.2015 obchodní společnosti identifikované v přiložené účetní závěrce, která se skládá z rozvahy k 31.12.2015, výkazu zisku a ztráty za rok končící 31.12.2015 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 odpovědností 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 31.12.2015 a nákladů, výnosů a výsledku hospodaření za rok 2015 v souladu s českými účetními předpisy.



II. Ostatní informace

Za ostatní informace se považují informace uvedené ve výroční zprávě mimo účetní závěrku a naši zprávu auditora. Za ostatní informace odpovídá statutární orgán společnosti.

Náš výrok k účetní závěrce se k ostatním informacím nevztahuje, ani k nim nevydáváme žádný zvláštní výrok. Přesto je však součástí našich povinností souvisejících s ověřením účetní závěrky seznámení se s ostatními informacemi a zvážení, zda ostatní informace uvedené ve výroční zprávě nejsou ve významném (materiálním) nesouladu s účetní závěrkou či našimi znalostmi o účetní jednotce získanými během ověřování účetní závěrky, zda je výroční zpráva sestavena v souladu s právními předpisy nebo zda se jinak tyto informace nejeví jako významně (materiálně) nesprávné. Pokud na základě provedených prací zjistíme, že tomu tak není, jsme povinni zjištěné skutečnosti uvést v naší zprávě. V rámci uvedených postupů jsme v obdržovaných ostatních informacích nic takového nezjistili.

Datum vydání zprávy

Ve Zlíně dne 31. května 2016

Alois BERKA s. r. o.
auditorská a daňová kancelář
tř. T. Bati 640, 760 01 ZLÍN
DIČ: CZ60701831 -2-

.....
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



Appendix to Balance Sheet – Institute for Testing and Certification, joint-stock company – as of 31 December 2015

The appendix is prepared in compliance with Decree 500/2002 Coll., as amended, laying down the scope of balance sheet for businesses. The appendix data come from the accounting records of the accounting unit (accounting documents, books of accounts and other accounting materials) and other sources available to the accounting unit. The values are given in whole thousands of CZK, unless otherwise specified.

Current accounting period is the period from	1 Jan 2015	to	31 Dec 2015
The past accounting period is the period from	1 Jan 2014	to	31 Dec 2014

A. General Data

1. Accounting unit Description (§ 39 (1) of the Decree)

Business name: Institut pro testování a certifikaci , a.s. [Institute for Testing and Certification]
 Joint-stock company
 Registered seat: třída Tomáše Bati 299,Louky, Zlín ,
 Legal status : Joint-stock company
 Business ID: 47910381
 VAT ID: CZ47910381

Main subject of business activity: Technical tests and analyses
 Date of incorporation: 13 April 1993

Persons/entities with more than 20% share in accounting unit equity:

Natural person/legal entity name	Residence, registered seat	Current accounting period		Past accounting period	
		Share	i.e. %	Share	i.e. %
ITC-SERVIS, spol. s r. o.	třída Tomáše Bati 299, Louky, 763 02 Zlín	5,455,000	100.00%	5,455,000	100.00%

Amendments in Commercial Register in the current accounting period:

Type of amendment	Date of amendment
XXX	

Organisational structure of the accounting unit and its fundamental changes in the past accounting period:



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Organisational structure of the accounting unit can be found on www.itczlin.cz. With effect as of 30 January 2007 an organisational unit of the company was registered in the Slovak Republic on the basis of Commercial Register entry at the District Court in Bratislava I, section Po, file no 1455/B.

Members of statutory and supervisory bodies as of the balance sheet date:

Name and surname	Position:
Ing. Jiří Heš	President of Board of Directors
RNDr. Radomír Čevelík	Deputy President of Board of Directors
MgA. Pavlína Úlehla-Senić	Member of Board of Directors
Mgr. Jiří Heš	President of Supervisory Board
Magdalena Čevelíková	Member of Supervisory Board
Ing. Petr Karlík	Member of Supervisory Board

2. Property or contracted share of accounting unit in other entities (subsidiaries) (§ 39 (2) of the Decree)

Property share over 20% :

Subsidiary name	Subsidiary registered seat	Share in equity	Amount of equity	Earnings
-----------------	----------------------------	-----------------	------------------	----------

XXX

Share of accounting unit in companies where the accounting unit is partner with unlimited liability:

Subsidiary name	Subsidiary registered seat	Subsidiary legal status
-----------------	----------------------------	-------------------------

XXX

Agreements between partners of subsidiaries constituting decision-making rights regardless the business share; Controlling contracts or Profit transfer contracts

No controlling contract has been executed between ITC-Servis, spol. s r.o. and Institut pro testování a certifikaci, a. s.



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3. Company employees, personnel costs (§ 39 (3) of the Decree)

Company employees including management	Employees total		Of which managers	
	Current accounting period	Past accounting period	Current accounting period	Past accounting period
Mean number of employees	170	162	20	20
Wage costs	79,788	71,751	21,211	19,766
Remuneration to statutory and supervisory body members	4,176	4,176	4,008	4,008
Health insurance and social security costs	27,803	25,286	6,516	6,136
Social costs	2,032	2,025	549	567
Personnel costs total	113,799	103,238	32,284	30,477
Statutory bodies and members of statutory and supervisory bodies	Statutory bodies and statutory body members		Supervisory body members	
	Current accounting period	Past accounting period	Current accounting period	Past accounting period
Mean number of persons	3	3	3	3
Wage costs	0	0	0	0
Remuneration to statutory and supervisory body members	3,924	3,924	252	252
Health insurance and social security costs	1,334	1,334	86	86
Social costs	0	0	0	0
Personnel costs total	5,258	5,258	338	338



4. Monetary and other Supplies (§ 39 (4) of the Decree)

Amounts of monetary supplies and payments in kind to current body members

Type of supply	Management		Statutory body		Supervisory board	
	Current accounting period	Past accounting period	Current accounting period	Past accounting period	Current accounting period	Past accounting period
Loans	0	0	0	0	0	0
Guarantees and sureties provided	0	0	0	0	0	0
Pension schemes	0	0	12	12	0	0
Life insurance	0	0	36	36	0	0
Free use of company car	0	0	286	286	0	0
Other	0	0	0	0	0	0
Total	0	0	334	334	0	0

Amounts of monetary supplies and payments in kind to former body members

Type of supply	Management		Statutory body		Supervisory board	
	Current accounting period	Past accounting period	Current accounting period		Current accounting period	Past accounting period
Loans	0	0	0	0	0	0
Guarantees and sureties provided	0	0	0	0	0	0
Pension schemes	0	0	0	0	0	0
Life insurance	0	0	0	0	0	0
Free use of company car	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	0	0	0	0	0	0

B. Accounting methods applied, general accounting principles and valuation methods (§ 39 (5) of the Decree)

The submitted balance sheet was prepared pursuant to Act no 563/1991 Coll., on Accounting, and on the basis of Measure of the Ministry of Finance of CR laying down accounting procedures and content of balance sheet for businesses.

1. Asset Valuation and Depreciation (§ 39 (5) (a) of the Decree)

1.1. Inventories

Inventories are recognised:

* By method A inventory record keeping.



Release from storage is recognised:

* On the basis of stock prices.

Valuation of in-house produced stock:

* By actual manufacturing costs including direct costs and manufacturing overheads.

Purchased stock valuation:

* By actual acquisition prices including acquisition price and secondary costs of acquisition (transport, customs duty, insurance etc.)

1.2. Fixed Assets

Valuation of fixed tangible and intangible assets generated by in-house activity

* Fixed tangible assets were valued on the basis of in-house costs consisting of: direct costs of manufacture + manufacturing overheads + administrative overheads

* Fixed intangible assets were valued on the basis of in-house costs consisting of: direct costs of manufacture + manufacturing overheads + administrative overheads

1.3. Securities and Shares

Valuation of securities and shares

In the current accounting period the accounting unit valued securities and shares as follows:

* Not applicable, no such cases in the current accounting period.

1.4. Animals

Valuation of purchases and offspring

In the current accounting period the accounting unit valued animal purchases:

* Not applicable, no such cases in the current accounting period.

In the current accounting period the accounting unit valued offspring of bred animals:

* Not applicable, no such cases in the current accounting period.

1.5. Depreciations

Depreciations of fixed tangible assets

* Accounting depreciation plan for fixed tangible assets was included by the accounting unit in its internal bylaws and based on the assumed wear and tear under standard conditions of use. Accounting and tax depreciations are not equal.

Depreciations of fixed intangible assets

* Accounting depreciation plan for fixed intangible assets was based on Section 28 (3) of Act no 563/1991 Coll., on Accounting. The basic principle observed was depreciation for accounting purposes in maximum five years from acquisition. Accounting and tax depreciations are not equal.

Tax depreciations – methods applied



* Even depreciation

Depreciation system for small fixed assets

* Small fixed tangible assets worth CZK 10,001 to 40,000 are recognised in account no 02x – Small fixed tangible assets, and depreciated for 2 years from start of use.

* Small fixed intangible assets worth CZK 10,001 to 60,000 are recognised in account no 01x – Small fixed intangible assets, and depreciated for 2 years from start of use.

2. Deviations from Methods pursuant to Section 7 of Accounting Act (§ 39 (5) (b) of the Decree)

Way of deviation from §7 of Accounting Act	Financial expression of effect on Assets and liabilities Financial standing Earnings
--	---

XXX

3. Asset Valuation Corrections (§ 39 (5) (c) of the Decree)

3.1. Corrective Items and Asset Depreciation Reserve

* Not applicable, no such cases in the current accounting period.

Type of corrective item/reserve	Method of corrective item specification	Source of information for corrective item calculation
Valuation differences in assets acquired by purchase of part of business	Difference between asset purchase price and valuation in accounting of the seller, reduced by taken over liabilities, depreciatino period 15 years	Contract for sale of part of PSG, a.s. business, company ID 00014834
Valuation differences in assets acquired by purchase of part of business	Difference between asset purchase price and valuation in accounting of the seller, reduced by taken over liabilities, depreciatino period 15 years	Contract for sale of part of VÚSH, a.s. business, company ID 49453874



Corrective items to:	Past accounting period			Current accounting period			
	Balance as of 1 st day	Creation	Recognition	Balance as of 1 st day	Creation	Recognition	Balance as of balance sheet day
- Fixed assets	14,035	0	13,926	109	0	107	2
- Inventories	0	0	0	0	0	0	0
- Financial assets	0	0	0	0	0	0	0
- Receivables – Legal	465	45	222	288	64	94	258
- Receivables – Other	0	59	0	59	285	59	285
Total	14,500	104	14,148	456	349	260	545

3.2. Foreign currency conversions to Czech currency

For foreign currency conversions to Czech crown the company uses:

* Monthly exchange rate announced by the Czech National Bank as of the 1st business day of the current month.

Assets and liabilities in foreign currencies recognised as of the balance sheet date were converted by the exchange rate of the Czech National Bank as of the balance sheet date.

3.3. Specification of actual value of assets and liabilities appreciated by actual value, changes in actual values

* Not applicable, no such cases in the current accounting period.

C. Additional Information to Balance Sheet and Profit and Loss Sheet (§ 39 (6) to (12) of the Decree)

1. Items relevant for assessment of asset and financial standing of accounting unit (§ 39 (6) of the Decree)

1.1. Additional income tax imposed for past accounting periods payable in the current accounting period

Taxation period	Reasons for additional tax imposition	Amount imposed
XXX		0
	Total	0

1.2. Breakdown of deferred tax receivable or liability

* The company recognised a referred tax receivable. The amount is shown in the table in the following paragraph 1.3.



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1.3. Reserves

Reserves	Past accounting period			Current accounting period			
	Balance as of 1 st day	Creation	Recognition	Balance as of 1 st day	Creation	Recognition	Balance as of balance sheet day
Legal reserves	1,100	0	0	1,100	0	0	1,100
Income tax reserve	0	0	0	0	0	0	0
Other reserves	0	0	0	0	7,000	0	7,000
Deferred tax liability	547	151	0	698	0	31	667
Total	1,647	151	0	1,798	7,000	31	8,767

1.4. Long-term bank loans

Year of loan provision	Year of maturity	original principal amount	Unpaid loan principal	Interest	Surety
2014	2019	4,500	3,311	Floating rate	Bank guarantee
2014	revolving	5,000	5,000	Floating rate	Receivable pledge contract
	Total	9,500	8,311		

1.5. Liabilities past maturity towards state authorities

Type of liability	Total amount of liability		
Legal social security related liabilities	0		
Legal health insurance related liabilities	0		
Customs duty underpayments	0		
Tax underpayments	0		
Total	0		



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1.6. Received subsidies for investment and operation purposes

Reason for subsidy	Subsidy provider	Current accounting period	Past accounting period
Subsidy of SVV Spielwarenmesse	Czech Trade Support Agency	120	120
Subsidy of SW Automechanika	Czech Trade Support Agency		120
Subsidy of SPS IPC Drives	Czech Trade Support Agency		119
Contribution pursuant to Agreement on Reservation of Socially Beneficial Position	Czech Labour Office	140	74

1.7. Additional data

Type of data	Information/amount			
Individual reference quantity of milk	XXX			
Individual production quota	XXX			
Individual premium right limit	XXX			
Other quotas and limits	XXX			
Types of animals recognised as fixed tangible asset	XXX			
Types of animals recognised as stock	XXX			
total area of forest land	XXX			
Appreciation of forest land	XXX			

1.8. Other relevant items substantial for assessment of financial standing and assets and earnings of accounting unit

Types of relevant items	Financial expression of effect on		
	Assets and liabilities	Financial standing	Earnings
None.			



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2. Relevant Asset and Liability Data (§ 39 (7) of the Decree)

2.1. Receivables past maturity

No of days	Current accounting period		Past accounting period	
	Business contact	Other	Business contact	Other
Up to 30	3,834	0	4,286	0
30 - 60	1,467	0	1,313	0
60 – 90	793	0	414	0
90 – 180	826	0	213	0
180 and more	480	0	605	0
Total	7,400	0	6,831	0

2.2. Liabilities past maturity

No of days	Current accounting period		Past accounting period	
	Business contact	Other	Business contact	Other
Up to 30	288	0	577	0
30 - 60	0	0	0	0
60 – 90	0	0	0	0
90 – 180	108	0	0	0
180 and more	70	0	82	0
Total	466	0	659	0

2.3. Long-term liabilities before maturity

Maturity	Current accounting period		Past accounting period	
	Business contact	Other	Business contact	Other
Over 5 years	0	0	0	0
Over 10 years	0	0	0	0

Comment to table:

2.4. Long-term asset leases

Leased property	Current accounting period		Past accounting period	
	Accounting value	Period of lease	Accounting value	Period of lease
XXX	0	0	0	0



2.5. Assets Pledged or Burdened with Right of Use

Burdened asset	Current accounting period				Past accounting period			
	Accounting value	Burden type	Amount of secured liability	Security end	Accounting value	Burden type	Amount of secured liability	Security end
See excerpt from Land Register	0		0		0		0	
Total	0	XX	0	XX	0	XX	0	XX

2.6. Pension related liabilities

Liability type	Current accounting period		Past accounting period	
	Liability amount	Liability maturity	Liability amount	Liability maturity
XXX	0	0	0	0

2.7. Liabilities towards Units in Consolidation Whole

Creditor	Current accounting period		Past accounting period	
	Liability amount	Liability maturity	Liability amount	Liability maturity
XXX	x		0	
Total	0	XXX	0	XXX

2.8. Major events between the balance sheet date and balance sheet compilation

Change content	Date of change	Effect on balance sheet	Effect on profit and loss sheet	Change appreciation
Purchase of building	01. March 2016	Asset increase	xxxx	62,000
Loan: operation building purchase	01. March 2016	Liability increase	xxxx	48,000



3. Off-Balance Sheet Information (§ 39 (9) of the Decree)

3.1. Total amount of off-balance sheet liabilities

	Current accounting period	Past accounting period
Liabilities total	xxx	xxx

3.2. Market value of small fixed tangible and intangible assets

Type of asset	Current accounting period	Past accounting period
Small fixed tangible asset	xxx	xxx
Small fixed intangible asset	xxx	xxx

4. Other Compulsory Information (§ 39 (10) to (14) of the Decree)

4.1. Special Transactions between Accounting Unit and Majority Shareholders

Name of majority shareholder	Transaction description	Financial value
XXX		0
	Total	0

4.2. Special Transactions between Accounting Unit and Members of Administrative, Supervisory and Management Bodies

Name of body member	Transaction description	Financial value
XXX		0
	Total	0

4.3. Total Costs of Remuneration for Statutory Auditor

Remuneration amount for:	Current accounting period	Past accounting period
Compulsory balance sheet audit	6	9
Other auditing services	100	92
Tax consultancy	39	20
Other non-auditing services	0	0
Total costs	145	121



4.4. Classification of Revenues from Sales of Goods, Services and Products by Activity Type

Activity type	Current accounting period			Past accounting period		
	Goods	Service	Product	Goods	Service	Product
Technical tests and analyses	0	211,471	0	0	195,502	0
Sale of testing equipment	309	0	0	0	0	0
Lease	0	130	0	0	0	0
Total	309	211,601	0	0	195,502	0

4.5. Classification of Revenues from Sales of Goods, Services and Products by Geographical Location of Market

Activity type	Current accounting period			Past accounting period		
	Goods	Service	Product	Goods	Service	Product
In Czech Republic	309	139,511	0	0	131,648	0
Outside Czech Republic	0	72,090	0	0	63,854	0
	0	0	0	0	0	0
	0	0	0	0	0	0
Total	309	211,601	0	0	195,502	0

4.6. Foundation Costs

* Foundation costs are not included in the balance sheet of accounting unit as of 31 December 2015.

4.7. Information on Going Concern

* The accounting unit is assumed to continue its business activity further on. This assumption was used in its accounting and as of the balance sheet compilation date the accounting unit is not aware of any information suggesting that the accounting unit might not be able to continue its business activity and fulfil its liabilities.

Information suggesting break of the going concern assumption

None.

Measures or proposed solutions

None.



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. 01. 2007)
Registered office of the foreign branch:	MlynskéNivy 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:	Joint-stock company, a foreign entity business (organisational unit 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. Jiří Heš 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 třídaTomášeBati 299, Louky, 763 02 Zlín	(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. Decision by the founding entity of 29 March 2007.	(since: 30 January 2007)



Company's Balance Sheet

CZK	31. prosinec 2013	31. prosinec 2014	31. prosinec 2015
Total Assets	78 356 242	82 625 485	100 765 242
Receivables from subscribed capital	0	0	0
Fixed assets	30 981 051	34 274 602	30 470 104
Intangible assets	532 810	645 435	204 616
Tangible fixed assets	30 448 241	33 629 167	30 265 488
Long-term investment	0	0	0
Current assets (ř.31 + 38 + 48 + 58)	44 287 947	44 208 249	66 058 976
Inventories	4 363 246	3 852 310	6 188 035
Long-term receivables	518 563	514 593	0
Short-term receivables	22 537 267	19 489 403	19 964 608
Short-term financials assets	16 868 872	20 351 943	39 906 334
Accruals	3 087 244	4 142 634	4 236 161
	31. prosinec 2013	31. prosinec 2014	31. prosinec 2015
Total liabilities	78 356 242	82 625 485	100 765 242
Equity	42 424 219	44 858 926	47 655 660
Register capital	5 455 000	5 455 000	5 455 000
Capital funds	10 847 208	10 847 208	10 847 208
Reserve funds and other reserves	1 060 672	1 085 330	1 160 370
Retained earnings	17 899 591	22 661 339	26 021 388
Profit/lost - current year	7 161 749	4 810 049	4 171 694
Liabilities	33 800 308	35 210 871	50 760 398
<i>Reserves</i>	<i>96 508</i>	<i>202 912</i>	<i>7 130 798</i>
<i>Long-term liabilities</i>	<i>593 517</i>	<i>710 768</i>	<i>667 357</i>
<i>Short-term liabilities</i>	<i>26 382 183</i>	<i>24 967 003</i>	<i>34 157 977</i>
<i>Bank loans and overdrafts</i>	<i>6 728 100</i>	<i>9 330 188</i>	<i>8 804 266</i>
Accruals	2 131 715	2 555 687	2 349 184