

**Institut pro testování a certifikaci, a. s.**

# **Annual Report 2022**

**Chairman of the Board of Directors: Ing. Jiří Heš**

**Approved by shareholder resolution on 26.06.2023**



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

**Institut pro testování a certifikaci, a. s.**

[www.itczlin.cz](http://www.itczlin.cz)



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Dear friends,

Institut pro testování a certifikaci, a. s. (ITC) is a Czech independent organization with worldwide activity providing services in areas of testing, certification, technical inspection, calibration and standardization. ITC has been acting on the market of services as a joint-stock company from 1993.

The last few years can be described as a very turbulent and in all respects exceptional period, when the world is facing not only health, but also ecological, economic and geopolitical changes. People and societies have had to, must and will continue to adapt to new conditions, to this extraordinary, unprecedented situation in modern history. We are not yet able to see the resulting impact of these changes today, and we are also affected by the shocking reality of war and the news of the number of refugees from Ukraine.

Based on information from the Czech Statistical Office and the Ministry of Industry and Trade of the Czech Republic, I will briefly touch upon the macroeconomic conditions in which ITC was operating in 2022.

The global pandemic COVID-19, which spread worldwide in 2019-2021, causing a series of national and global restrictions against further spread resulting in a sharp decline in economic activity in the vast majority of the world's countries and a deep slump in the global economy, has been overshadowed by two major issues in 2022, namely:

- the outbreak of war on European territory between Ukraine and Russia, which began in February with Russia's invasion of Ukraine, resulting in a huge humanitarian and human catastrophe; and
- escalating energy crisis, which has its epicentre in Europe. One of the main causes of the energy crisis can be considered the reduced supply of natural gas from Russia to Europe. Russia had already been reducing gas supplies before the war, but after the outbreak of the war it almost stopped, while at the same time Europe has adopted actions aimed at reducing Europe's dependence on gas supplies from Russia.

As a result of these events, combined with the increased demand for this commodity and the breadth of its use, particularly in the energy and industrial sectors, energy prices have risen sharply and accelerated inflation worldwide (the average annual inflation rate in the Czech Republic in 2022 reached 15.1%). This is an economic shock comparable perhaps only to the first oil crisis, when the Persian Gulf States declared an embargo on oil exports to selected countries, leading to stagflation in the West, i.e. a combination of high inflation, slow growth and high unemployment. Unfortunately, this scenario is also threatening now. Rising commodity prices, particularly energy, disrupted supply and demand chains and other negative shocks, compounded by the Russian-Ukrainian conflict, have therefore contributed to the fact that a significant part of the world's economies is already in, or at least heading for, another recession. Governments, central banks, etc. are trying to mitigate the effects of the energy crisis and high prices by implementation of various preventive and emergency actions that should contribute to stabilising the situation and the subsequent recovery, even at the cost of higher national debt and a temporary slowdown in economic growth.

The arrival of 2022 was filled with expectations of a recovery from the downturn caused by the pandemic, dramatic and often perhaps excessive subsidies, and rising energy commodity prices. However, these hopes were completely dashed as early as February 2022 by Russia's unprecedented military aggression against Ukraine, which compounded the economic difficulties, especially rising inflation and price instability across all sectors.



Gross Domestic Product (GDP) grew by 2.4% in 2022, driven mainly by capital outlays and external demand. On the contrary, domestic consumption declined last year. In the EU, GDP increased by 1.7% year-on-year overall in Q4 and fell by 0.1% quarter-on-quarter. The Czech Republic was among the countries with below-average GDP growth at the end of the year.

Gross value added (GVA) grew by 2.5% in 2022, driven mainly by services, while various problems persisted in industry, such as disruptions in the supply of components and rising energy and raw material prices. Information and communication activities and professional, scientific, technical and administrative activities also prospered. Driven by a favourable performance in motor vehicle manufacturing and associated industries, manufacturing GVA grew solidly, but industry as a whole grew more moderately. At the end of the year, GVA in manufacturing grew the most year-on-year. On the contrary, it fell in the major cluster of trade, transport, accommodation and food services.

Exports of goods and services and imports increased by the same 5.7% year-on-year in real terms last year. The balance of foreign trade in goods and services at current prices fell further into a significant deficit. The main contributors to the deterioration in the merchandise trade balance last year were trade in oil and gas as well as other imported goods and raw materials, which experienced significant price increases. Price influences were also behind the improvement in the balance of trade in electricity, gas, steam and conditioned air, and the recovery in motor vehicle exports also contributed positively. Since 2020, there has been a decline in trade with the United Kingdom, which has left the EU. The negative balance of trade in goods persists with Asian countries.

The available data confirm that the domestic industry continued a moderate post-pandemic recovery for most of last year, even managing to compensate for the weaker performance of the automotive segment at the beginning of the year and then of some major companies in other sectors affected by the disruption of supply chains due to the unexpected outbreak of the war in Ukraine. In Q3 2022, when quarter-on-quarter growth in the domestic economy stalled, industrial production grew by 1.9%, what was the most since late 2020. This was helped by the fact that investment activity in the economy did not weaken significantly. The same was also true of the level of foreign orders, as the eurozone and the German economy itself continued to resist the threat of recession. The fact that the supply situation for automotive components had temporarily improved played an important role. Overall industrial production thus surpassed the pre-pandemic level for the first-time last summer.

The summer of 2022 saw an escalation of electricity and gas prices on the European exchanges, which, together with the continued rapid rise in the prices of other material inputs, negatively affected the performance of the more energy-intensive sectors (primarily metallurgy, metal production, glass production and mining and building materials) and, due to savings on the part of households and companies, also the important energy sector. Along with this, industrial enterprises in the Czech Republic began to feel increasingly worried about the deteriorating economic situation in a number of important export territories, which logically began to be reflected in negative expectations of companies. At the end of 2022, production growth in the industry and in its key segment of automotive production effectively came to a halt. Although output fell in about one-third of industries last year, it increased slightly in aggregate for the industry as a whole. This was mainly due to automotive production, but was also helped by strong demand related to the renewal of company fleets (interrupted during the pandemic) and the gradually expanding electromobility segment - as evidenced by the physical production data. Despite this, the situation in the automotive industry remains complicated.





Other important industries certainly include construction. The performance of the construction industry in the Czech Republic was volatile during 2022. At the beginning of 2022, due to a warm winter and a high stock of public and private contracts, output grew rapidly, surpassing the pre-crisis level of 2019 for the first time. However, by mid-year, output began to decline, as the negative impact of strong price increases (for energy, fuel and material inputs), poorer availability of materials, equipment and labour (partly due to the war in Ukraine) became increasingly apparent. This often led to the extension of the implementation of existing projects or to the postponement of the start or revision of planned investment projects. The end of the year brought a partial recovery, with construction output increasing by 2.6% cumulatively for the full year 2022, building on similar growth from the previous year.

Overall, domestic industrial production grew by 5.2% year-on-year at the end of 2022, an above-average result in the EU. With unprecedented increases in the prices of physical inputs and energy, the situation is not easy for almost any sector. In addition, the real purchasing power of the population is falling, which has an adverse effect on household consumption.

The economic slowdown is being felt across Europe. Industrial production in the European Union showed moderate growth of 2.9% year-on-year on average in late 2022. Eurozone countries grew slightly slower at 1.8%. In Germany, which has reduced its output in 14 of the last 17 quarters, industrial production grew by 1.8%. Among the other major European economies, France grew only slightly, by 0.3%, and Italy stagnated. The manufacturing industry itself achieved similar results, with output up 3.3% on average year-on-year in the European Union and 2.1% in the Eurozone.

The future development is clouded, as a Czech fairy tale says, in "a fog so thick it could be cut". In particular, the intensity and duration of the war, which has intensified macroeconomic problems, will be a key factor. For 2023, we can expect a fading of the problems with global chains as well as a gradual reduction in inflation.

The labour market continued to exhibit significant imbalances, reflected in acute shortages of skilled and unskilled labour and persistent pressures for rapid wage growth. The number of job vacancies has been higher than the number of applicants since 2018. However, the gap between these indicators is narrowing and the situation could reverse if the economy enters a prolonged recession. The general unemployment rate has fallen to 2.3% year-on-year and remains the lowest in the EU. Labour shortages are registered in technical and blue-collar occupations, services, as well as low-skilled jobs. Companies report the lack of employees as one of the reasons holding back their expansion. This imbalance creates pressures not only on wage growth but also on the involvement of foreign workers. Employers continue to struggle to recruit new staff. This fact also affects our company, and it will therefore have to rely mainly on improving labour efficiency and productivity to continue to grow.

The areas in which ITC delivers its services to clients didn't change in 2022. The core business remains testing, conformity assessment (certification) and related services, which we provide mainly for the automotive industry, chemical industry (plastics, rubber, paints), light industry (footwear, textiles), testing of products coming into contact with food, services of authorized body in the field of the Gambling Act, construction products, including pipeline systems and sanitary care, electrical products and medical devices, certification of management systems, assessment of toys and personal protective equipment.

In 2022, the AZL 1004 underwent one CAI regular and two extraordinary audits at its own request. The reason for the first extraordinary audit was the reducing the scope of accreditation by the



construction testing, which was organizationally moved to AZL 1007.1. The second audit focused on changes in the scope of accreditation, which included regular updating of standards and expansion of the scope of the Certificate of Accreditation annex to include new tests and methods. Both audits were successfully completed.

In order to maintain and develop the laboratory's competencies, several key testing facilities were renewed and upgraded. In area of non-accredited activities, modifications have been made to test procedures following the current trend in the automotive industry - the transition from internal combustion engines to electromobility.

Accredited calibration laboratory no. 2222 was not planned and did not pass the surveillance of the Czech accreditation institute CAI in 2022, it maintains a stable scope of competencies at the workplace in Uherské Hradiště (in the fields of calibration of electrical quantities - including measurement by network analyzer, frequency, time, temperature - including AMS 2750, pressure, humidity, length, planar angle), at the Zlín site (in the fields of calibration of ozone concentration, spectrometric quantities (UV-VIS, IR, FTIR), hardness of plastics and rubbers), at the site in Prague (in the field of spectrometric quantities IR and FTIR - including colorimetric standards and samples) and at the Brno site (in the fields of calibration of temperature and pressure gauges) - all in the scope of OA No. 21/2022 valid till 7 January 2027. In 2022, in addition to the performance of current tasks, the focus was on the preparation of the extension of the accreditation scope according to the quality objectives for 2022, namely: at the Uherské Hradiště site, the extension of the scope of calibration of DC and low-frequency electrical power and at the Brno site, the extension of the scope of temperature measurements to negative temperatures up to -80 °C. This preparation has resulted in an application for extension. The assessment itself was then carried out in parallel with the planned periodic surveillance by the CAI in 2022. At present, the surveillance action has been successfully concluded and the laboratory is awaiting a new Certificate of Accreditation and extended Certificate of Accreditation Annex from the CAI.

Accredited Testing Laboratory No. 1004.3 maintained the scope of its competences in 2022 in the individual fields in Uherské Hradiště (tests of climatic, mechanical, electromagnetic compatibility, electrical safety), except for noise measurement, which was planned to be moved to AZL 1004 in Zlín and Prague (testing of technical competence of software and HW gaming machines and technical equipment for the operation of betting games, including additional equipment). AZL 1004.3 successfully underwent the re-accreditation in the past period, together with the extension of the scope of accreditation to include flammability testing due to the construction of a new workplace for these tests. AZL 1004.3 has currently valid competences for assessment and verification of military aviation equipment (ODVL - Certificate No. MAA 009 until 30 November 2023) and Authorisation to conduct tests of aviation equipment No. L-3-061/6 dated 14 November 2016 issued by the Czech Civil Aviation Authority (CAA). Within the framework of the CAA Authorization, the laboratory successfully underwent the audit in 2022 and the validity of the Authorization for the next period was confirmed.

Accredited Testing Laboratory 1007.1 underwent one extraordinary audit (MDA) in 2022, joined with regular surveillance (PDN). During the MDA, the Zlín Building Testing Laboratory (originally in AZL 1004) was included in the AZL structure, while the controlled documentation was unified in accordance with ITC documentation. The scope of accreditation also reflected changes related to the update of standards. The scope of accreditation of individual specialist laboratories, thermal



engineering, acoustics, fenestration, finishing and structural engineering remained otherwise unchanged.

Accredited Testing Laboratory 1007.4 - Physical properties of materials, structures and buildings, had to respond to the end of the transition period under EA Document - 2/17 M 2020, the EA accreditation document for notification purposes. As part of the forthcoming regular surveillance visit, an application for extension of accreditation for the assessment of constancy of performance in System 3 (CPR) under Notified Laboratory No. 1023 PDN was submitted in 12/2022 and the extension of the Certificate of Accreditation Annex to include assessment for authorisation/notification purposes was successfully completed by OA No. 101/2023. In 11/2022, successfully completed a surveillance audit for the purpose of vindicating the competencies of a laboratory registered under the international KEYMARK scheme (the KEYMARK mark is a voluntary quality mark with high-standard requirements for measurement accuracy and is owned by the European standardisation organisations CEN and CENELEC).

In 2022, the ITC Technical Assessment Body (TAB) has requested to extend its competence to perform activities for additional product groups according to Annex IV of Regulation (EU) No 305/2011 of the European Parliament and of the Council. In 08/2022, the TAB successfully extended its competence in the requested scope - geotextiles, geomembranes and related products, equipment for sanitary facilities, structural wood products and elements and accessories, cement, building lime and other hydraulic binders, products for sewerage systems, products for road construction, pipes, tanks and accessories not in contact with water intended for human consumption, construction products in contact with water intended for human consumption, seals for joints, fasteners.

In 2022, Accredited Inspection Body No. 4035 was re-accredited by the CAI and successfully defended the scope of its competencies in the field of inspection of means of popular entertainment and gambling.

In 2022, ITC also achieved success in renewing and updating the accreditations of management systems certification body and product certification body. The ITC Management Systems Certification Body No. 3002 successfully underwent the inspection process by accreditation body in the form of regular surveillance audit, during which the scope of accreditation was confirmed. The scope of accreditation includes standards ČSN EN ISO 9001:2016, EN ISO 9001:2015, ISO 9001:2015, ČSN EN ISO 13485 ed.2:2016, EN ISO 13485:2016, ISO 13485:2016, CAN/CSA-ISO 13485:2016, ČSN EN ISO 14001:2016, EN ISO 14001:2015, ISO 14001:2015, ČSN ISO 45001:2018, ISO 45001:2018, ČSN OHSAS 18001:2008, BS OHSAS 18001:2007, General requirements for a hazard analysis and critical control point (HACCP) system and conditions for its certification, Part 1-4, MoA Bulletin 2/2010, ČSN EN ISO/IEC 27001:2014, EN ISO/IEC 27001:2017, ISO/IEC 27001:2013, ČSN EN ISO 22000:2019, EN ISO 22000:2018, ISO 22000:2018, ČSN EN ISO 50001:2019, EN ISO 50001:2018, ISO 50001:2018.

The ITC Product Certification Body (PCB) No. 3020 successfully underwent the inspection process by the accreditation body in the form of regular surveillance audit, including an assessment of compliance with the requirements of EA-2/17 M:2020. In 01/2022, PCB No 3048 completed a surveillance audit to prolong accreditation, extending the scope of accreditation, along with a request for accreditation for authorization/notification purposes. Extension of accreditation scope is made to include items related to construction products in PC 3020, AB 224, NB 1023, extension of assessment team. Successfully completed by receiving Certificate of Accreditation No. 32/2022 valid



until 19 January 2027, with recommendation to conduct WA. Activities, related to the end of the transition period for the EA - 2/17 M 2020, EA document for accreditation for notification purposes, were initiated to reduce the scope of PCB accreditation for the purposes of authorization and notification for the assessment of constancy of performance in system 3 (CPR). This assessment system newly implemented in the same scope but under Notified Laboratory Scheme No. 1023.

In the area of regulated activities, a wide range of notifications was still maintained in 2022, both in the area of personal protective equipment, in accordance with Regulation (EU) 2016/425 of the European Parliament and of the Council, and in the area of conformity assessment of toys in accordance with Directive 2009/48/EC, in the area of conformity assessment of pressure products in accordance with Directive 2014/68/EU, in the area of conformity assessment of products with regard to their electromagnetic compatibility in accordance with Directive 2014/30/EU, as well as in the field of assessment and verification of the constancy of performance of construction products in accordance with Regulation (EU) 305/2011 of the European Parliament and of the Council.

The Ministry of Industry and Trade (MIT) in earlier years drafted a new separate act on construction products and their use in buildings (hereinafter referred to as the Act on Construction Products) for construction products, which should comprehensively solve both the marketing of construction products and the rules for their use in buildings in the Czech Republic, including the area of supervision, in a similar way as it already works in most European countries. As the original draft was not passed by the Chamber of Deputies in the previous parliamentary term, the law should be included in the legislative work of the government for 2023 with a deadline for submission to the government on 08/2023, expected to take effect on 07/2024. However, the situation is now complicated by an amendment to the CPR, the draft of which was published on 30 March 2022 and which contains significant changes. Therefore, at the meeting of the working group at the MIT on 7 April 2022, it was proposed to first make a rapid amendment to Government Regulation 163/2002 Coll. and, if necessary, to amend Act 22/1997 Coll. ČAS was assigned to implement the amendment of GR 163. Furthermore, it will be necessary to follow the development of the CPR revision and, once the version is settled, only then to modify the relevant provisions of the original draft Law on Construction Products and to resubmit it to the inter-ministerial comment procedure, to the Government for notification and then to the Chamber of Deputies, a process that could be implemented in 2025-2028.

Similarly, in the area of authorization in accordance with GR 173/1997 Coll. concerning conformity assessment of selected products, its scope remained unchanged.

In the area of in vitro diagnostic medical device assessment under Directive 98/79/EC of the European Parliament and of the Council, due to the termination date of 26 May 2022, only due diligence of the issued certificates is carried out during the transition period in accordance with the requirements of Article 110(3) of the new Regulation (EU) 2017/746 of the European Parliament and of the Council on in vitro diagnostic medical devices and repealing Directive 98/79/EC and Commission Decision 2010/227/EU (IVDR).

Similarly, in the area of ITC's operation under the Medical Devices Directive 93/42/EEC, due to its termination on 26 May 2021, audits (quality system assessment of the manufacturer) of medical devices were still carried out in accordance with the requirements of Article 120(3) of the MDR during the transition period.

From November 2022, ITC has newly started acting as a Notified Body No. 1023 for conformity assessment activities for medical devices under Regulation (EU) 2017/745 of the European





Parliament and of the Council of 5 April 2017 on medical devices, amending Directive 2001/83/EC, Regulation (EC) No. 178/2002 and Regulation (EC) No. 1223/2009 and repealing Council Directives 90/385/EEC and 93/42/EEC (MDR). The scope of the appointment is available in the NANDO European database.

ITC continues in professional assessment and certification of gamble based on the mandate of the Czech Ministry of Finance to professional assessment and certification of gambling, internet games and equipment through which such gambling is conducted, in accordance with the relevant provisions of Act No. 186/2016 Coll., on gambling, as amended.

In connection with the acquisition of its own operating and administrative building in 2016, one of ITC's activities is also real estate activities, property management and maintenance. This is because part of the ITC building is intended to be rented and ITC creates adequate conditions for tenants to use the leased premises properly, and at the same time this rental income is a significant part of ITC's income.

ITC has dealt with the difficult situation head on, it is facing the problems head on, and we can also evaluate the past period positively from an economic point of view. While ITC has experienced the very tangible impact of the global coronavirus pandemic in a number of its businesses, the scale of ITC service portfolio, its ability to respond and adapt to new conditions, the solid foundations and strong financial stability on which ITC is based, together with ITC contribution to the safety and quality of products and services on the EU market, have resulted in a very good economic performance. The sales volume of CZK 290 645 thousand was also very good; this can even be considered very positive in view of the conditions and circumstances under which ITC carried out its professional activities in 2022. Compared to previous periods, the volume of sales achieved can even be considered the highest to date. Despite the generally very difficult and volatile situation and conditions and an economic view burdened with a high degree of uncertainty, ITC has been able, thanks to its performance and stability, to make important and necessary investments in 2022, including in maintaining the standards and improving the quality of ITC services and in acquiring and renovation assets directly related to testing and related services.

From the service point of view, the highest share of the reached sales was achieved in the accredited laboratory (55%) and AB/NB/DB (26%).

In territorial structuring, the sales from the Czech Republic amounted to CZK 160 million. Sales from abroad amounted to CZK 131 million. In percentage terms, the share of foreign sales in total sales is 45%, which represents a 6% year-on-year increase compared to the result for 2021.

Attention is permanent paid to increasing the knowledge and expertness of our employees. In the past year, 37 internal training courses were realized (947 participants in total). ITC employees attended 64 external training courses and seminars in the past year, totalling 343 man-days. Of these, 10 were on technical topics, 11 on economic or personnel matters, 11 on mandatory maintenance or upgrading of qualifications (training of drivers, electricians, crane operators, etc.) and 29 on the development of special knowledge and qualifications.

Due to the extent of activities abroad and the need to permanently acquire knowledge and information from foreign sources, emphasis is placed on maintaining and improving the language skills of employees, and in 2022 the training of ITC employees continued in the form of language courses. The costs of language courses attended by ITC employees based on their choice were (subject to proper attendance and successful completion) covered by ITC funds in 2022 up to a



maximum of CZK 5,000 per graduate per year. In the past year, 30 employees took advantage of this option. In recent years, language teaching in small groups (8 persons) has been successfully implemented directly at ITC premises. This allows the teaching to be focused more specifically according to the abilities of the participants and their professional needs. Last year, 24 employees attended these courses and they were fully covered by the project Training of employees of the members of the Regional Chamber of Commerce of the Zlín Region II. The Marketing department covered two events in 2022 - a training course on "Professional Communication 2" and a training course on "Business Skills" (18 participants in total).

ITC has participated in standardization activities and provides technical information in the long term. In 2022, a total of 26 ČSNs were processed in ITC as part of the technical standardization plan. ITC staff is actively involved in the activities of 26 technical standardization committees set up by COSMT. ITC is responsible for managing the updating of the sections of the COSMT and the Czech Standardization Agency, namely: Information portal - Regulations and standards; Database of harmonized standards; Database of European assessment documents, Information portal - Building products, Terminology database. These websites are publicly accessible and were processed with the support of COSMT and Czech Standardization Agency within the tasks of PRZ, PRTN. Since 2022, ITC has been updating and maintaining the Product placing on the market portal, which is also publicly accessible and which summarises this issue in a comprehensive and detailed manner.

Long-term cooperation with universities can be included in the category of maintenance and extension of the knowledge of our employees. ITC has contractual cooperation with the following universities: Mendel University in Brno; University of Chemistry and Technology Prague; Tomas Bata University in Zlín, Faculty of Technology, Applied Informatics and Polymer Systems Centre; Technical University in Liberec; Czech Technical University in Prague; University Centre for Energy Efficient Buildings CTU in Prague (UCEEB); Palacký University Olomouc.

In 2022, ITC presented itself as a direct exhibitor at FOR ARCH 2022 (building products), K-MESSE 2022 (plastics segment), MEDICA 2022 (medical devices), International Technical Fair PLOVDIV 2022 (automotive), Automotive Testing Expo 2022 (automotive), Amper 2022 (electrical segment).

We are living in a world, which is facing not only health, but also ecological, economic and geopolitical changes, and is now, for more than a year, has also dealing with the consequences of a near war conflict. It is more valuable to know and be reassured that we face these difficult times together, as a determined and focused team, and not individually. ITC stands on solid pillars of tradition, professionalism, experience, expertness and trust, which will continue to be supported by ITC independence and impartiality. ITC is a purely Czech company, built mainly on human capital, expertise, technical equipment, loyal team or know-how. On behalf of ITC, it is a great honour for me to acknowledge the attitude and commitment and to thank ITC colleagues and staff for their loyalty, mutual support, performance, results, commitment, creative atmosphere, mutual respect and cooperation.

On behalf of ITC, I would also like to thank our customers, partners and external collaborators for their support. Every success is at the same time a commitment for ITC and every failure is a motivation for further work and improvement. ITC will do its utmost to remain a reliable and trustworthy business partner for the provision of highly professional services to all. ITC will continue to treat the requirements of its customers and support its employees, partners or external collaborators with all responsibility and respect.



## Annual Report 2022



I am convinced that ITC is a proud and mature company in its prime, not only willing and able to properly meet the requirements of its customers and its responsibilities, which has granted it broad competencies, but also willing and able to learn new things and take on new challenges “with an open mind”.

I wish everyone the most important thing - good health and peace.

Mgr. Jiří Heš, General Director



## Main financial results

			2020	2021	2022
Total revenues	ths CZK		284 680	285 541	290 645
	of the CZ	ths CZK	169 892	173 747	159 865
	of which export	ths CZK	114 789	111 795	130 780
Added value	ths CZK		202 388	201 721	203 103
Personnel expenses	ths CZK		164 342	165 844	165 757
Depreciation	ths CZK		13 939	15 145	15 379
Profit (loss) of current accounting period	ths CZK		15 794	13 506	12 236
Assets	ths CZK		223 736	220 102	204 015
Liabilities	ths CZK		121 273	106 573	81 668
Equity	ths CZK		100 483	111 036	119 963
Employees		recalculated state	228,0	227,5	219,8
Ratio indicators					
Revenues/Employees	ths CZK		1 249	1 255	1 322
Added value/Employees	ths CZK		888	887	924
Profit (loss)/Owned capital	%		15,7%	12,2%	10,2%
Liabilities/Assets	%		54,2%	48,4%	40,0%
Revenues/Owned capital	%		283,3%	257,2%	242,3%





## Scope of the Company's business activities

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, which in 2014 conformed to the Act on commercial corporations. Since 2000, it has been an independent joint-stock company with the only one shareholder – a Czech company ITC-SERVIS, spol. s r. o.

Scope of business according to the copy of its entry in the Company Register was on the date 31.12.2022 following:

### Scope 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 listed in Annexes No. 1 to 3 of the Trade Licensing Act

### Scope of activities

- activities of an authorized (notified) body for conformity assessment according 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
- products certification
- management systems certification
- performance of inspection
- 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
- activities of a notified body according to Act. No. 90/2016 Coll., on conformity assessment of certain products when made available on the market, as amended



## Company's competency

In 2022, ITC carried out its activities based on the following mandates, authorizations and accreditations:

- **Authorized body No. 224**

(see: <https://www.unmz.cz/statni-zkusebnictvi/autorizovane-osoby-oznamene-subjekty/ao-os-uno-aktualni-seznam/>)

- GR No. 173/1997 Coll., laying down selected products for conformity assessment, as amended
- GR No. 163/2002 Coll., laying down technical requirements for selected construction products, as amended

- **Designated Body 1023 / Notified Body No 1023**

(see: [https://ec.europa.eu/growth/tools-databases/nando/index.cfm?fuseaction=notifiedbody.notifiedbody&refe\\_cd=EPOS%5F46625](https://ec.europa.eu/growth/tools-databases/nando/index.cfm?fuseaction=notifiedbody.notifiedbody&refe_cd=EPOS%5F46625))

- Regulation (EU) 2017/745 of the European Parliament and of the Council of 5 April 2017 on medical devices, amending Directive 2001/83/EC, Regulation (EC) No 178/2002 and Regulation (EC) No 1223/2009 and repealing Council Directives 90/385/EEC and 93/42/EEC (MDR)
- GR No. 56/2015 Coll., on technical requirements for in vitro diagnostic medical devices (until 26.5.2022 in accordance with the repeal of Directive 98/79/EC of the European Parliament and of the Council, from that time onwards, during the transitional period as provided for in Article 110(3) of Regulation (EU) 2017/746, only the due supervision of the certificates issued by it in accordance with Directive 98/79/EC is carried out
- GR No. 86/2011 Coll., on technical requirements for toys (Directive 2009/48/EC), as amended
- Regulation of the European parliament and of the Council (EU) No. 305/2011, as amended, (CPR) (Construction products)
- Regulation (EU) 2016/425 of the European Parliament and of the Council No. 2016/425 on personal protective equipment
- GR No. 219/2016 Coll., on conformity assessment of pressure devices when made available on the market
- GR No. 117/2016 Coll., on conformity assessment of products in term of electromagnetic compatibility when made available on the market

- **Technical Assessment Body - Technical Assessment Body-TAB** - according to Regulation of the European parliament and of the Council (EU) No. 305/2011 (CPR)

(see: [https://ec.europa.eu/growth/tools-databases/nando/index.cfm?fuseaction=notification.html&ntf\\_id=315197&version\\_no=2](https://ec.europa.eu/growth/tools-databases/nando/index.cfm?fuseaction=notification.html&ntf_id=315197&version_no=2))

- **Accredited Testing Laboratory No. 1004**

- **Accredited Testing Laboratory No. 1004.3**



- Accredited Testing Laboratory No. 1007.1
- Accredited Testing Laboratory No. 1007.4
- Accredited Calibration Laboratory No. 2222
- Management systems certification body accredited by CAI under No. 3002
- Products certification body No. 3020
- Products certification body No. 3048
- Accredited certification body for qualification in system of certified construction suppliers according to Act No. 134/2016 Coll.
- Accredited inspection body No. 4035
- Authorized metrological centre for verification of specified gauges (official assigned number K123)
- Operator of the Technical standardization Association for rubber and plastic industry (SGP - Standard)
- Technical standardization centre authorized by COSMT
- Based on a decision of the Ministry of Justice ref. no. MSP-44/2015-OJSZN/22 of 18 January 2017, ITC is registered in the second section of the list of institutes qualified for expert activities in electronics, with the authorization covering expert assessments of technical gaming facilities and systems necessary to run gambling as regards hardware and software
- Based on a decision of the Ministry of Justice ref. no. 218/2004-ODS-ZN/16/2 of 29 April 2005 ITC is registered in the 2<sup>nd</sup> section of the list of institutes qualified for expert activities in the fields: air cleanliness, transport, economy, power industry, chemistry, leather and fur, packaging, environmental protection, food industry, services, sport, construction, engineering, various technical fields, textiles, art crafts, water management, healthcare and agriculture
- Ministry of Finance Authorization No. MF-8752/2022/73-8 dated 15 July 2022 - ITC authorization for for expert assessment and certification of games of chance in accordance with the provisions of Section 3(2)(a) to (e) of Act No. 186/2016 Coll., on Gambling, as amended, Internet games pursuant to the Act and the devices through which these games of chance are operated
- Authorization by the Civil Aviation Authority L-3-061/6 in compliance with § 17 of Act No. 49/1997 Coll. (Civil Aviation Act) according to the Procedure CAA-TI-012-4/99 for demonstrative and verification test of electrical and electronic aircraft components and devices



- **Organization approved for testing of military aviation equipment** in the scope of assessment and verification of conformity of properties of military aviation products with the requirements set by technical standards – Certificate No. MAA 009 pursuant to § 35n of Act No. 219/1999 Coll., on the Armed Forces of the Czech Republic, as amended of Act No. 147/2010 Coll.
- **Registration of Accredited Testing Laboratory No. 1004 at certification company DVGW cert GmbH**, for test in field of “water engineering products”.
- **Authorization of Accredited testing laboratory (ATL) No. 1004 at State Health Institute according to Act No. 258/2000 Coll.** for authorization set D 3 – Sampling and examination of health safety of products coming into contact with food and food stuffs.
- **Administrator of the “Safe Toys” mark** registered in the Czech Quality program.
- **Administrator of the “ITC Certified Quality”** registered in the Czech Quality program.
- **Authorized Certified Body KEYMARK No. 032**
- **KEYMARK registered laboratory**
- **Certified Laboratory Service Provider for Volkswagen ID 0123**
- **Certification body authorized for activities in the certification system “Proven for Construction”** – administrator SZV ([www.szv.cz](http://www.szv.cz))





## Overview of membership in associations

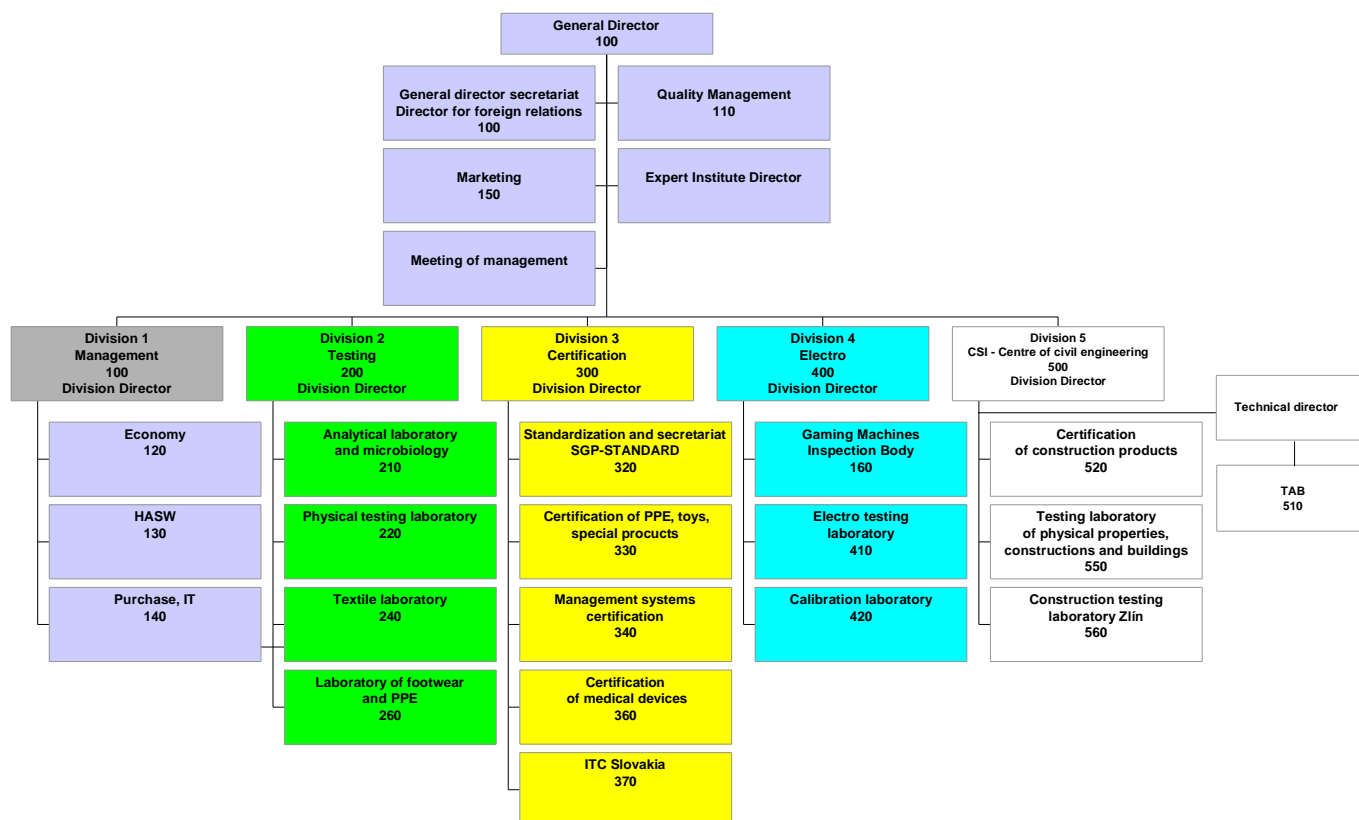
ITC is actively engaged in various technical activities in the Czech Republic through membership in the following professional as well as social associations and confederations.

- AAAO – Association of accredited and Authorized Organizations, Prague
- AUTOSAP – Association of the Automotive Industry
- Czech Society for Industrial Chemistry, Rubber Industry Group Zlín
- Czech-Slovak Association for Solar Energy
- ČKAIT – Czech Chamber of Authorized Engineers and Technicians in Construction
- CQS z.s., Prague, member of the international IQNET association
- ČKS - Czech Calibration Association, Brno
- ČOKA - Czech Footwear and Leather Association based in Zlín
- EOTA – European Organisation for Technical Assessment, Brusel
- EURACHEM ČR, Ústí nad Labem
- EUROLAB-CZ, Prague (association members: Association of Accredited and Authorized Organizations, z.s.; Association of Czech Testing Laboratories, z.s.; Association of Testing Laboratories for Construction, z.s.)
- Institute for Gambling Regulation, z. s., Prague
- KEYMARK, Brussels
- Regional Chamber of Commerce of the Zlín Region
- SCOV - Association of Product Certification Bodies, Dobrá
- SČZL - Association of Czech Testing Institutes and Laboratories, Zlín
- Toy and Game Association, Prague
- SGP STANDARD - Association of Technical Standardization of Rubber and Plastic Industry, Zlín
- Association of Building Entrepreneurs of the Czech Republic
- Confederation of Industry of the Czech Republic, Prague
- SZV - Alliance of Construction Testing Laboratories, Prague



## Company's organizational chart

The company pursues its activities in a divisional organizational structure. The diagram below shows the organizational chart:





## Persons holding key positions in the company

The members of the ITC Board of Directors remained unchanged in 2022.

### 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 Úlehla Senić

### Supervisory Board

Position	Held by	
Chairman of the Supervisory Board	Mgr. Marie Hešová	ITC lawyer
Member of the Supervisory Board	Ing. Petr Karlík	Head of ITC department, a company employees' representative
Member of the Supervisory Board	Magdalena Čevelíková	entrepreneur

### Commission for Impartiality Assurance

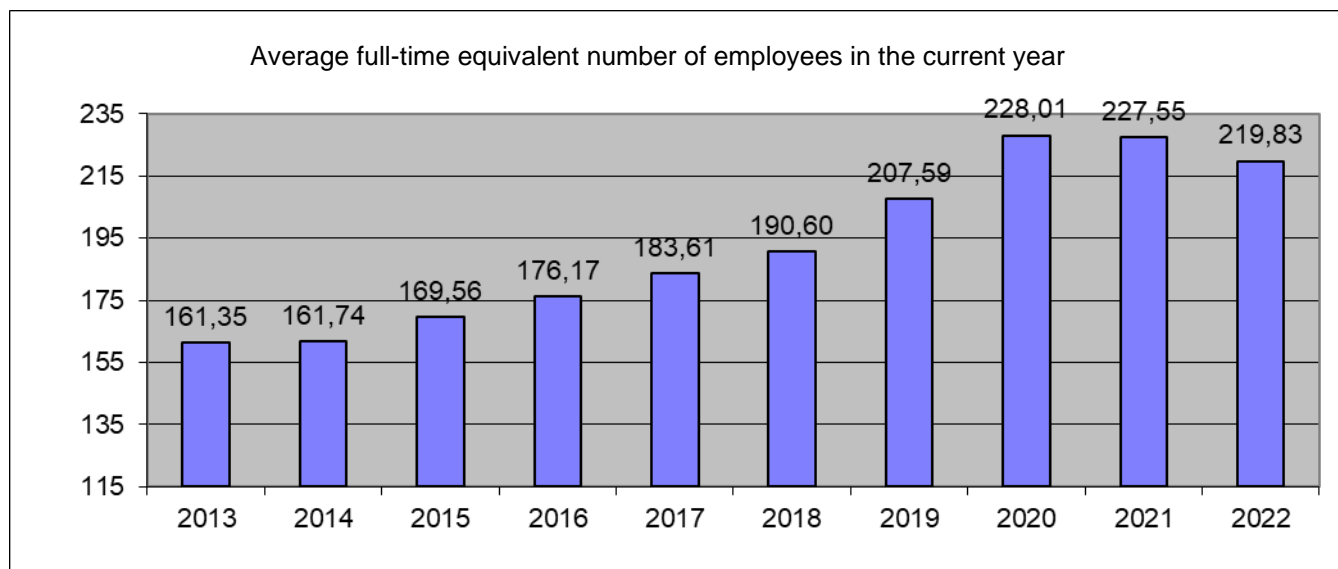
Trustworthiness and impartiality in activities related to the performance of conformity assessment, products and management systems certification are guaranteed in the ITC by the Commission for Impartiality Assurance, which had the following members as of 31 December 2022:

Position	Held by	
Chairman of the Commission	Ing. Petr Houdek	Academic bodies (nominated by Pilsen University) – management systems + IT, ITSM and information security, risk management.
Vice Chairman of the Commission	Ing. Jaroslav Toufar	Plastics Cluster.



Position	Held by	
Member of the Commission	MUDr. Milena Dostálková	Association of General Practitioners of the Zlín Region.
Member of the Commission	Ing. Jan Veselý	CTIA, Inspector of the Technical Inspection department of the II. Inspectorate of the CTIA Central Bohemia and the Capital City of Prague.
Member of the Commission	Ing. Milan Báša	Customer sector (nominated by FEP, a.s.) – production field, plastic industry, wood processing industry.
Member of the Commission	RNDr. Vlastislav Trnka	Customer sector (nominated by GESOS, spol. s r.o.).
Member of the Commission	Ing. Petr Mašek	Customer sector (nominated by Association of Manufacturers and Suppliers of Medical Device).
Secretary of the Committee	Ing. Milan Kovář	Institut pro testování a certifikaci, a. s., Zlín.

In 2022, the average full-time equivalent number of employees was 219.83.







## Company Quality Policy

ITC Quality policy adopted by the Company' Board of Directors with effect from 1 September 2015 remains valid without any changes in 2022:

The basic principle of the activities of Institut pro testování a certifikaci, a. s. Zlín (hereinafter referred to as ITC) 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, through a highly professional, quick, perfect and complex output. The satisfaction of the customer's needs and expectations is the driver of the Company's development.

Team of satisfied, qualified and motivated employees is a warranty for quality and reliability of all provided products.

### Orientation on customers:

- Customer satisfaction is a priority for ITC.
- 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 condition, duties and liabilities in relation to the customer must be fully established and met. Respecting the agreed deadlines forms an integral part of the basic principles behind the activities of ITC.
- 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 ITC 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 extend its competencies, ensuring besides the required quality and professional level of the products offered also their complexity.
- Every employee must do whatever they can do for the customer, within employment relationship, and must not jeopardize its confidentiality, objectivity and impartiality.
- Every delivery of a product should generate recommendations for further business at the destination.
- During realization of job orders we need the obligation of objectivity and impartiality, which is understood as one of the most important aspects securing trust in the activities carried out by ITC.

### Staff focus:

- The managers and ITS as a whole shall create suitable conditions for the stability of a team of professionally competent and motivated employees bent of continuous improvement of the expert level and complexity of the offered products.
- By the internal cooperation between employees, we create synergy effect outwards, multiplying the ITC reputation as a homogeneous group of top-class professionals, who know what the customer needs, wants or might want, and how to satisfy the customer's expectations, as well as what they may fairly require for their work.



- The management of ITC strengthens good and long-term relationships with employees, thus contributing to the trust of employees towards the company. Loyalty, personal activity and interest in increase of professional qualifications are a major contribution of the employees to further development of ITC.

### Supplier focus:

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

### Sustainable business focus:

- Social responsibility:
  - ITC is aware of the responsibility for the impact of its activities on society.
  - ITC is organized and operated as to safeguard ethical behaviour, independence, objectivity and impartiality of its activities in all circumstances.
- Process management:
  - ITC creates sufficient own resources as a prerequisite for its future development.
  - Integral part of the corporate culture is searching for ways leading towards high profitability, improvement of management system efficiency and improving of products and all activities. The organization and method of work are both subject to that culture.
  - The principles of management system provide for openness in ITC decisions and activities. They are a means of transparently meeting the expectations of interested parties (workers, shareholders, customers, public authorities and the general public).
- Security of information:
  - The principles of information security management in ITC determine the information security framework and set out clearly formulated principles that are applied in ITC.
  - ITC personnel are aware of their main responsibilities and duties in working with information and ICT.
- Environment:
  - ITC requires all its employees to ensure environmentally responsible behaviour.
  - ITC pays attention to environmentally responsible behaviour and to efficient energy use.
  - In all operations of ITC, we behave in such a way as to prevent any leakage of harmful emissions, minimize waste generation, thus limiting potential hazard to nature.



## Company's balance sheet – comments

As at 31 December 2022, the total balance sheet sum of assets and liabilities was CZK 204 million. CZK, so it decreased by CZK 16 million compared to 2021.

Decreases on the asset side - current assets decreased by CZK 16.7 million. The decrease is mainly due to

- reduction of short-term financial assets (- CZK 13 million)
- reduction of inventories (mainly work in progress - CZK 2.2 million)
- reduction of short-term receivables (- CZK 1.3 million)

The decrease in short-term financial assets is attributable to the repayment of the revolving credit facility (31.12.2021: CZK 15 million, 31.12.2022: CZK 1 million, i.e. CZK - 14 million) and a decrease in the value of advances received for the solution of contracts (31.12.2021: CZK 22.4 million, 31.12.2022: CZK 14.8 million, i.e. CZK - 7.6 million).

On the asset side, after a two-year decline, fixed assets grew by approximately CZK 1.3 million year-on-year. The increase was mainly in tangible assets (test equipment and technology) by + CZK 1.6 million, which reflects higher investments in the renewal and modernisation of testing equipment.

The company's equity increased by CZK 8.9 million year-on-year. CZK 8.8 million mainly due to higher retained earnings of previous periods (change compared to 2021 + CZK 10.5 million). The results of y. 2022 compared to the previous year was lower by CZK 1.2 million. However, it fully covers the company's needs and its amount corresponds to the interests of the shareholder. On the other hand, it should be noted that the economic result has fallen for the second year in a row.

External liabilities decreased by CZK 24.9 million

- decrease of long-term payables by CZK 8.2 million
  - decrease in long-term loans by CZK 5.1 million characterizes the fulfilment of liabilities to lending banks
  - decrease in long-term trade payables - CZK 3.1 million due to the fulfilment of the repayment schedule from the contract for the purchase of part of the business of Centre of Building Construction Engineering (the final maturity of the liability was in 2022 and the corresponding liability was fully redeemed)
- short-term liabilities decreased year-on-year by CZK 16.7 million
  - advanced payments for order settlement decreased by CZK 7.6 million. There are two main reasons for this
    - termination of contracts in the area of conformity assessment of medical devices according to Directive 93/42/EEC, on medical devices and slow start of new contracts for this area of conformity assessment of medical devices according to the Medical Devices Regulation (Regulation (EU) 2017/745, where we renewed the competence only in December 2022



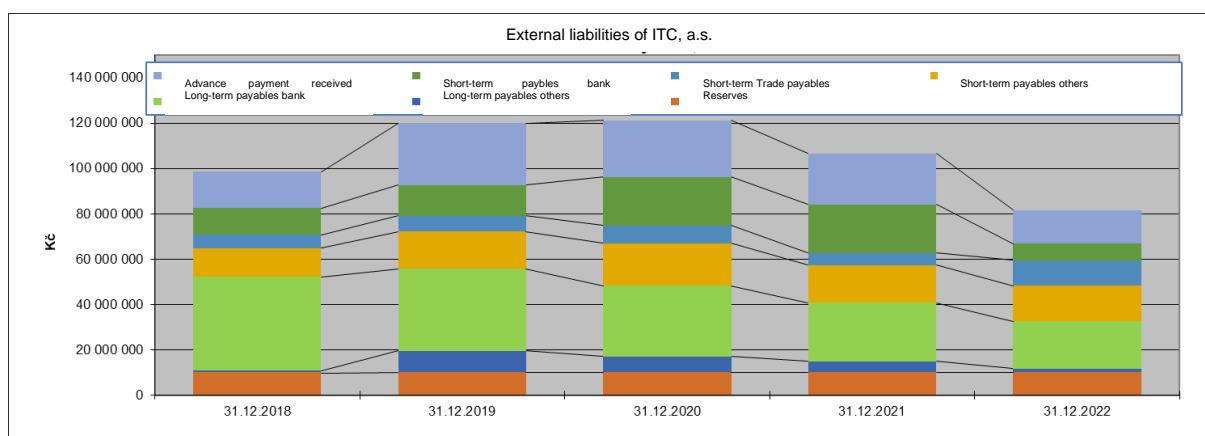
# Annual Report 2022



- overall weaker demand for services provided by our company due to the end of the covid calamity and the consequences of the war in Ukraine (i.e. the loss of orders from Russia, Belarus and Ukraine)
  - short-term loans - CZK 14 million CZK 14 million. Repayment of the loan was mainly due to extremely rising interest rates
- under "Trade payables" there was an increase of CZK 5.8 million. This is a method of financing the acquisition of tangible fixed assets. Under "normal" circumstances, the company would have used a direct purchase with immediate payment for the delivered test equipment (free cash financing), but due to the reduction in the amount of revolving credit due to high interest rates, a staggered payment option (supplier credit) was chosen on more favourable terms for a total of 7 pieces of equipment.

	31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022
<b>CZK</b>					
<b>TOTAL ASSETS</b>	176 649 758	208 979 182	223 736 417	220 101 521	204 014 906
Receivables for equity subscription	0	0	0	0	0
Fixed Assets	108 038 959	129 048 866	138 508 402	130 966 028	132 209 279
Current Assets (cash, receivables)	64 842 310	76 231 845	81 606 794	85 549 764	68 796 263
Assets accruals	3 768 489	3 698 471	3 621 221	3 585 729	3 009 364
<b>TOTAL LIABILITIES</b>	176 649 758	208 979 182	223 736 445	220 101 521	204 014 906
Owner's equity	75 220 573	86 339 822	100 483 353	111 035 929	119 963 019
External Liabilities (payables, advance payments received, loans)	98 631 098	119 967 030	121 273 500	106 572 850	81 668 147
Liabilities accruals	2 798 087	2 672 330	1 979 592	2 492 743	2 383 740

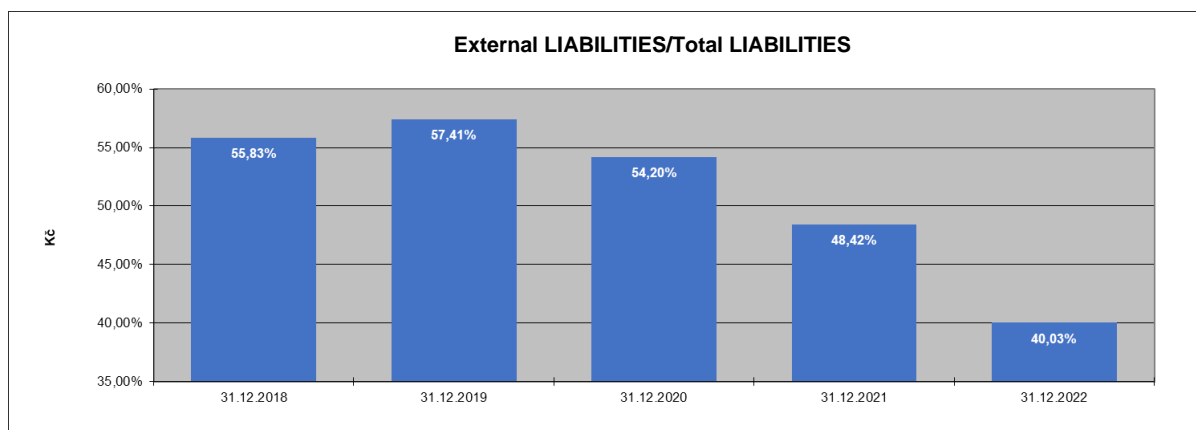
As external liabilities still form a significant part of the company's liabilities, their development is illustrated in the chart below for comparison.







The chart shows, in particular, that the external liabilities consist of short-term trade liabilities (invoices, leasing, advance payments for contract solutions), bank loans. Total about of bank loans is CZK 28.3 million as at 31 December 2022.



The above chart demonstrates the year-on-year development of ratio indicator (external liabilities vs. total liabilities) and they were affected especially by two parameters – repayment of bank loans and liability from the contract for the purchase of part of the company Centre of Building Construction Engineering.



## Company's economic results - comments

The company's economic result for 2022 reached CZK 12.2 million after taxes with the sales revenues amounting to CZK 290.6 million. The revenues in 2022 are historically the highest ever, the economic result is lower than in 2021 by approx. CZK 1.3 million (a decrease for the second year in a row).

Profit and loss account (CZK)	2018	2019	2020	2021	2022
<b>I. Revenues from products and services</b>	250 279 352	265 149 228	284 680 475	285 541 340	290 644 782
<b>II. Revenues from goods</b>	0	0	0	0	57 773
<b>A. Production consumption</b>	89 421 149	85 759 289	79 957 152	85 716 395	86 325 998
<b>B. Change in inventory of own production(+/-)</b>	-748 183	-2 077 393	2 338 547	-1 271 453	2 107 250
<b>C. Capitalization</b>	-400 312	-830 270	-2 828	-624 221	-833 959
<b>* Added value</b>	162 006 698	182 297 601	202 387 604	201 720 619	203 103 265
<b>D. Personnel expenses</b>	138 383 431	149 178 752	164 341 541	165 843 892	165 756 667
<b>E. Adjustments to operating expenses</b>	10 136 195	11 842 716	13 641 041	15 088 690	15 394 770
<b>III. Other operating revenues</b>	232 956	1 504 014	527 164	639 164	1 065 236
<b>F. Other operating expenses</b>	1 959 425	3 665 815	3 616 326	3 512 335	3 644 949
<b>* Operating profit (loss)</b>	11 760 602	19 114 333	21 315 860	17 914 865	19 372 116
<b>VII. Other financial revenues</b>	576 513	560 245	1 926 857	2 301 664	2 206 587
<b>K. Other financial expenses</b>	1 215 493	1 700 747	2 501 005	2 552 314	3 975 783
<b>* Profit (loss) from financial operations</b>	-1 753 112	-2 724 858	-1 858 855	-1 549 292	-4 207 111
<b>** Profit (loss) before tax (+/-)</b>	10 007 490	16 389 475	19 457 005	16 365 573	15 165 005
<b>L. Income tax</b>	1 798 408	3 206 318	3 663 168	2 859 972	2 928 720
<b>** Profit (loss) after tax (+/-)</b>	8 209 082	13 183 157	15 793 837	13 505 602	12 236 285
<b>* Net turnover for the accounting period</b>	251 088 821	267 213 486	287 134 496	288 482 167	293 974 527

The table above clearly implies the following:

- There was a year-on-year growth in production and revenues by 1.8% and the revenues of 2022 are nominally at their historical maximum since the joint-stock company was founded in 1993. However, given inflation in 2022, it is not appropriate to cheer prematurely.
- Growing revenues at the end of the year brought with it a slight growth of output consumption, which increased by approx. 0,7 %. This growth has been driven by decline in the scope of purchased services (-7.6%), but mainly to the material consumption (especially energy in 2022) - growth of this item +25.4% - and unfortunately 2023 does not give an optimistic forecast for energy prices.
- The company's value added grew slightly (by +0.7% compared to 2021) and exceeded the value CZK 203.1 million.
- Personnel costs constitute an important cost item, their sum stagnated year-on-year. The average tariff wage stagnated year-on-year (2021/2022), with an increase in the remuneration and personal evaluation of employees and a decrease in the remuneration of managers. the average wage paid (including bonuses, remuneration and personal evaluation) decreased by



## Annual Report 2022



0.6%. The share of bonuses, remuneration and personal evaluation (variable components of wages) in the tariff wage in 2022 was 34%.

- Mainly, due to the stagnation of personnel costs (and a slight increase in revenues), labour productivity (expressed as CZK of sales/CZK of wages) increased by +2.2% to 2.39 with average annual sales per employee of CZK 1 321 thousand compared to 2021, although the maximum values of 2016 were not reached in this area of indicators.



# Annual Report 2022



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

<i>Invoicing (whole year)</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>21/22</i>
Grants, Development, CQS	1 390 234	938 493	1 385 679	1 283 967	-7,3%
Gaming machines + AO module A	19 017 124	18 772 925	21 228 394	13 395 859	-36,9%
Production AB (STL) 224 in the regulated area	29 349 655	55 909 590	43 831 040	34 596 574	-21,1%
AO 224 surveillances	26 882 601	30 764 668	31 596 557	41 639 760	31,8%
Product certification COV 3020 + ITC (+surveillances)	3 972 070	6 127 671	3 526 074	7 553 432	114,2%
Surveillances COV + ITC	660 276	792 434	679 885	751 199	10,5%
Systems certification	5 897 302	6 346 839	7 300 981	5 542 912	-24,1%
Surveillance of systems certification	7 883 081	7 273 094	6 282 660	8 434 421	34,2%
Production in accredited laboratory	157 016 420	146 039 649	157 225 284	163 775 302	4,2%
Information, SGP, standardization	1 979 398	1 890 737	2 056 796	1 695 086	-17,6%
Metrology	9 421 413	9 087 471	9 220 672	9 852 017	6,8%
Assessment, education	290 100		58 300	346 434	494,2%
Environmental services	230 250	175 350	340 300	386 480	13,6%
Technical inspection	34 100	54 400	79 100	94 500	19,5%
Expert opinions	55 000	399 983	164 998	146 195	-11,4%
Others	1 070 203	107 171	564 619	1 150 643	103,8%
<b>Total</b>	<b>265 149 228</b>	<b>284 680 475</b>	<b>285 541 340</b>	<b>290 644 782</b>	<b>1,8%</b>

## Major clients

The following table provides an overview of the company's key accounts in terms of sales volume in 2022:

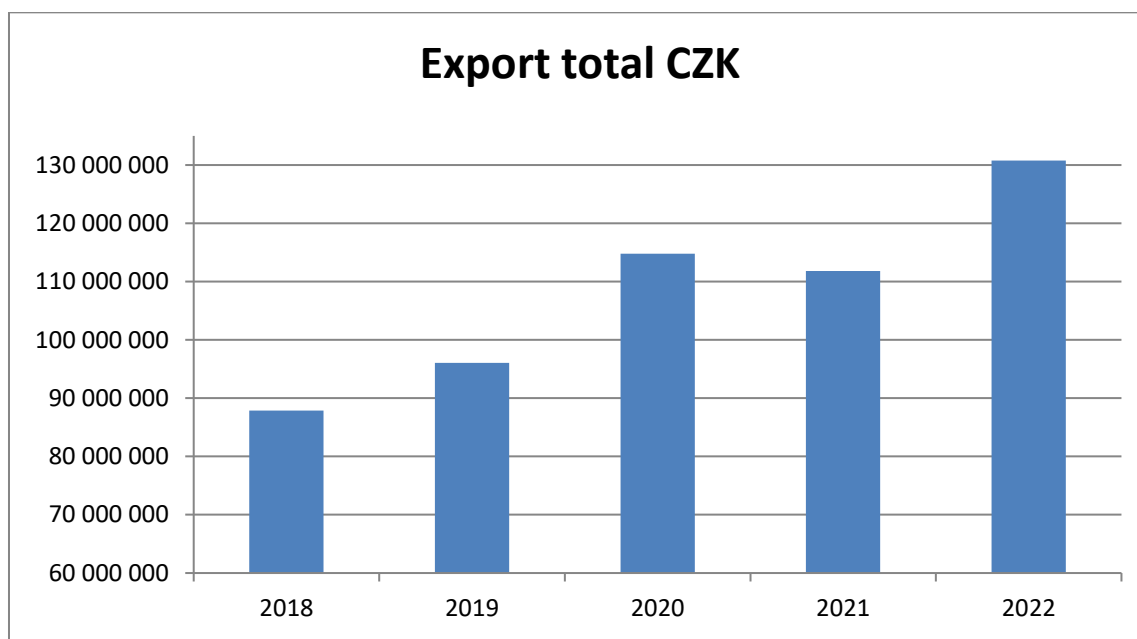
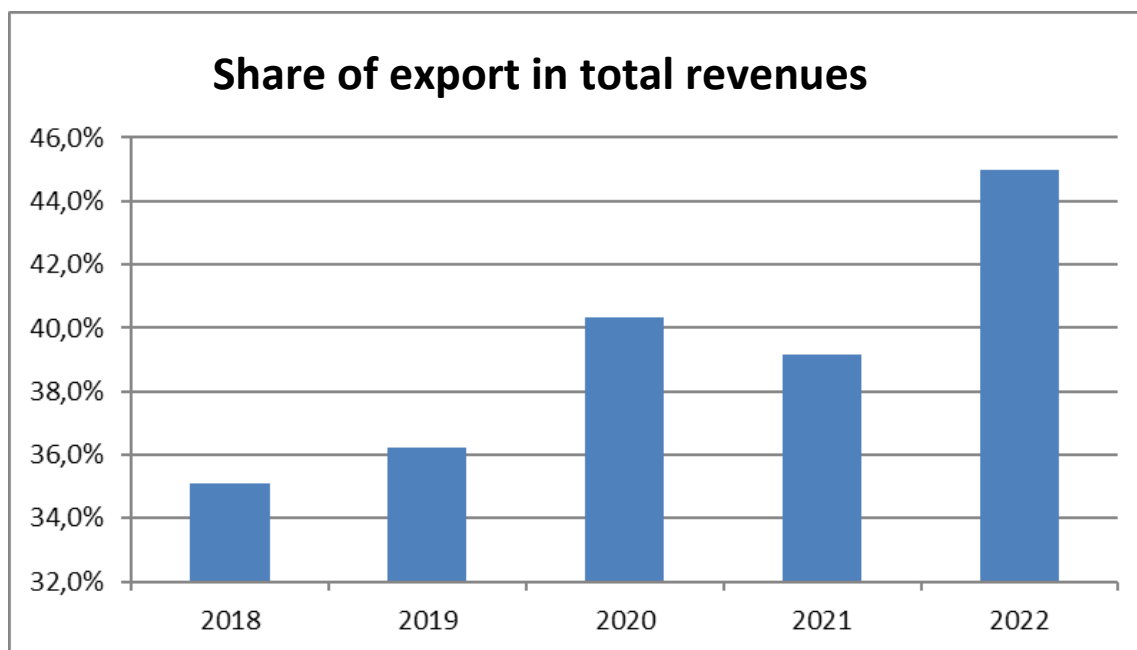
SFC SOLUTIONS ČESKÁ REPUBLIKA Sp. z o.o.	ČESKÁ REPUBLIKA	Testing, automotive
TESCO s.r.o.	Zlín	Testing, household
ROCKWOOL POLSKA Sp. z o.o.	CIGAIKE (Polsko)	Testing, EC conformity assessment, construction products
Vitesco Technologies Czech	Horní Předměstí	Testing, automotive
MOL Petrochemicals Private Company Limited	Tiszaújváros (Maďarsko)	Testing, plastics
International Automotive Components	Piešťice	Testing, automotive
J.S. Hamilton Poland Sp. z o.o.	Gdynia (Polsko)	Testing, plastics
PEZZUTTI GROUP S.p.A.	Fiume Veneto (Itálie)	Testing, plastics
Synot W, a.s.	Uherské Hradiště	Assessment of gaming machine
Tweettop Sp. z o.o.	Szczecin (Polsko)	Testing of heat pumps
Zenith Quality Assessors Pvt. Ltd.	Pune (Indie)	EC Conformity assessment, QMS certification
JUTA a.s.	Dvůr Králové nad Labem	Testing, automotive
PO LIGHTING CZECH s.r.o.	Šenov u Nového Jičína	Testing, automotive

In 2022, the average value of a contract invoiced was CZK 32,653 - a total of 8,901 contracts (in 2021 the average value of a contract was CZK 31,440, - with 9,082 contracts).



## Company's exports – comments

The following charts indicate the percentage share of exports in the company's total sales in the given period and the total export volumes.







## Auditors' 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

#### **Výrok auditora**

*Provedli jsme audit přiložené účetní závěrky společnosti Institut pro testování a certifikaci, a.s. (dále také „Společnost“) sestavené na základě českých účetních předpisů, která se skládá z rozvahy k 31. prosinci 2022, výkazu zisku a ztráty, přehledu o změnách vlastního kapitálu a přehledu o peněžních tocích za rok končící 31. prosincem 2022 a přílohy k účetní závěrce, která obsahuje popis použitých podstatných účetních metod a další vysvětlující informace. Údaje o Společnosti jsou uvedeny v bodě 1 přílohy k této účetní závěrce.*

*Podle našeho názoru přiložená účetní závěrka podává věrný a poctivý obraz aktiv a pasiv Společnosti k 31. prosinci 2022 a nákladů a výnosů a výsledku jejího hospodaření a peněžních toků za rok končící 31. prosincem 2022 v souladu s českými účetními předpisy.*

#### **Základ pro výrok**

*Audit jsme provedli v souladu se zákonem o auditorech a standardy Komory auditorů České republiky pro audit, kterými jsou mezinárodní standardy pro audit (ISA), případně doplněné a upravené souvisejícími aplikačními doložkami. Naše odpovědnost stanovená těmito předpisy je podrobněji popsána v oddílu Odpovědnost auditora za audit účetní závěrky. V souladu se zákonem o auditorech a Etickým kodexem přijatým Komorou auditorů České republiky jsme na Společnosti nezávislí a splnili jsme i další etické povinnosti vyplývající z uvedených předpisů. Domníváme se, že důkazní informace, které jsme shromáždili, poskytují dostatečný a vhodný základ pro vyjádření našeho výroku.*

#### **Ostatní informace**

*Ostatními informacemi jsou v souladu s §2 písm. b/ zákona o auditorech 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. Přesto je však součástí našich povinností souvisejících s auditem účetní závěrky seznámení se s ostatními informacemi a posouzení, zda ostatní informace nejsou ve významném nesouladu s účetní závěrkou či s našimi znalostmi o Společnosti získanými během auditu nebo zda se jinak tyto informace nejeví jako významně nesprávné. Také posuzujeme, zda ostatní informace byly ve všech významných ohledech vypracovány v souladu s příslušnými právními předpisy. Tímto posouzením se rozumí, zda ostatní informace splňují požadavky právních předpisů na formální náležitosti a postup vypracování ostatních informací v kontextu významnosti, tj. zda případné nedodržení uvedených požadavků by bylo způsobilo ovlivnit úsudek činěný na základě ostatních informací.*



Na základě provedených postupů, do míry, již dokážeme posoudit, uvádíme, že

- ostatní informace, které popisují skutečnosti, jež jsou též předmětem zobrazení v účetní závěrce, jsou ve všech významných ohledech v souladu s účetní závěrkou a
- ostatní informace byly vypracovány v souladu s právními předpisy.

Dále jsme povinni uvést zda na základě poznatků a povědomí o Společnosti k nimž jsme dospěli při provádění auditu, ostatních informace neobsahují významné věcné nesprávnosti. V rámci uvedených postupů jsme v obdržení ostatních informací žádné významné věcné nesprávnosti nezjistili.

### **Odpovědnost statutárního orgánu Společnosti za účetní závěrku**

Statutární orgán Společnosti odpovídá za sestavení účetní závěrky podávající 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.

Při sestavování účetní závěrky je statutární orgán Společnosti povinen posoudit, zda je Společnost schopna nepřetržitě trvat, a pokud je to relevantní, popsat v příloze k účetní závěrce záležitosti týkající se jejího nepřetržitého trvání a použití předpokladu nepřetržitého trvání při sestavení účetní závěrky, s výjimkou případů, kdy statutární orgán plánuje zrušení Společnosti nebo ukončení její činnosti, resp. kdy nemá jinou reálnou možnost, než tak učinit.

### **Odpovědnost auditora za audit účetní závěrky**

Naším cílem je získat přiměřenou jistotu, že účetní závěrka jako celek neobsahuje významnou (materiální) nesprávnost způsobenou podvodem nebo chybou a vydat zprávu auditora obsahující náš výrok. Přiměřená míra jistoty je velká míra jistoty, nicméně není zárukou, že audit provedený v souladu s výše uvedenými předpisy ve všech případech v účetní závěrce odhalí případnou existující významnou (materiální) nesprávnost. Nesprávnosti mohou vznikat v důsledku podvodů nebo chyb a považují se za významné (materiální), pokud lze reálně předpokládat, že by jednotlivě nebo v souhrnu mohly ovlivnit ekonomická rozhodnutí, která uživatelé účetní závěrky na jejím základě přijmou.

Při provádění auditu v souladu s výše uvedenými předpisy je naší povinností uplatňovat během celého auditu odborný úsudek a zachovávat profesní skepticismus. Dále je naší povinností:

- Identifikovat a vyhodnotit rizika významné (materiální) nesprávnosti účetní závěrky způsobené podvodem nebo chybou, navrhnout a provést auditorské postupy reagující na tato rizika a získat dostatečné a vhodné důkazní informace, abychom na jejich základě mohli vyjádřit výrok. Riziko, že neodhalíme významnou (materiální) nesprávnost, k níž došlo v důsledku podvodu, je větší, než riziko neodhalení významné (materiální) nesprávnosti způsobené chybou, protože součástí podvodu mohou být tajné dohody, (koluze), falšování, úmyslná opomenutí, nepravdivá prohlášení nebo obcházení vnitřních kontrol.
- Seznámit se s vnitřním kontrolním systémem Společnosti relevantním pro audit v takovém rozsahu, abychom mohli navrhnout auditorské postupy vhodné s ohledem na dané





- okolnosti, nikoli abychom mohli vyjádřit názor na účinnost jejího vnitřního kontrolního systému.
- Posoudit vhodnost použitých účetních pravidel, přiměřenost provedených účetních odhadů a informace, které v této souvislosti statutární orgán Společnosti uvedl v příloze k účetní závěrce.
  - Posoudit vhodnost použití předpokladu nepřetržitého trvání při sestavení účetní závěrky statutárním orgánem a to, zda s ohledem na shromážděné důkazní informace existuje významná (materiální) nejistota vyplývající z událostí nebo podmínek, které mohou významně zpochybnit schopnost Společnosti nepřetržitě trvat. Jestliže dojdeme k závěru, že taková významná (materiální) nejistota existuje, je naší povinností upozornit v naší zprávě na informace uvedené v této souvislosti v příloze k účetní závěrce, a pokud tyto informace nejsou dostatečné, vyjádřit modifikovaný výrok. Naše závěry týkající se schopnosti Společnosti nepřetržitě trvat vycházejí z důkazních informací, které jsme získali do data naší zprávy. Nicméně budoucí události nebo podmínky mohou vést k tomu, že Společnost ztratí schopnost nepřetržitě trvat.
  - Vyhodnotit celkovou prezentaci, členění a obsah účetní závěrky, včetně přílohy, a dále to, zda účetní závěrka zobrazuje podkladové transakce a události způsobem, který vede k věrnému obrazu.

Naší povinností je informovat osoby pověřené správou a řízením mimo jiné o plánovaném rozsahu a načasování auditu a o významných zjištěních, která jsme v jeho průběhu učinili, včetně zjištěných významných nedostatků ve vnitřním kontrolním systému.

#### **Datum vydání zprávy**

*Ve Zlíně dne 12. června 2023*

#### **AB Consult, s.r.o.**

třída Tomáše Bati 640

760 01 Zlín

DIČ: CZ18811205

.....  
odpovědný auditor ing. Berka Alois

osvědčení KA ČR č. 0249

auditorská firma: AB Consult, s.r.o.

osvědčení KA ČR č. 615

.....  
**Mgr. Jiří Heš**  
generální ředitel

za auditovanou účetní jednotku



Příloha: auditovaná rozvaha

auditovaný výkaz zisku a ztráty

auditovaná příloha k účetní závěrce

auditovaný výkaz Přehled peněžních toků a změn vlastního kapitálu



## INDEPENDENT AUDITOR'S REPORT

Auditor's report for the shareholder and the management of the accounting unit

Institut pro testování a certifikaci, a. s.

Zlín, tř. T. Bati 299, 763 02, Reg. ID No. 47910381

### Auditor's statement

We audited the accompanying statement of balance of the company Institut pro testování a certifikaci, a.s. (hereinafter referred to as the "Company") prepared on the basis of Czech accounting standards, which consists of the balance sheet as at 31 December 2022, the profit and loss account, overview of changes in equity and cash flow overview for the year ended 31 December 2022 and annexes to the statement of balance, which contains a description of the significant accounting methods used and other explanatory information. Information about the Company is stated in point 1 of the annex to this statement of balance.

In our opinion, the accompanying statement of balance give a true and fair view of the assets and liabilities of the Company as at 31 December 2022 and its expenses and revenues and its economic result for the year ended 31 December 2022 in accordance with Czech accounting standards.

### Basis for the statement

We performed our audit in accordance with the Act on Auditors and the Standards of the Chamber of Auditors of the Czech Republic for Auditing, which are International Standards on Auditing (ISA), eventually supplemented and modified by related application clauses. Our responsibilities under these regulations are described in more detail in the Auditor's Responsibility for the Audit of Statement of balance section. In accordance with the Act on Auditors and the Ethics Code adopted by the Chamber of Auditors of the Czech Republic, we are independent of the Company and have also complied with other ethical obligations arising from these regulations. We suppose that the audit evidence we have collected is sufficient and appropriate to provide an appropriate basis for our statement expression.

### Other information

Other information is in accordance with §2 letter b) of the Act on Auditors information stated in the annual report outside the financial statements and our auditor's report. The statutory body of the Company is responsible for other information.

Our opinion on the financial statements does not relate to other information. Nevertheless, it is our responsibility to audit the financial statements to review other information and to assess whether other information is materially inconsistent with the financial statements or our knowledge of the Company obtained during the audit or otherwise does not appear to be materially incorrect. We also assess whether other information has been prepared in all material respects in accordance with applicable law. This assessment means whether the other information meets the legal requirements for formalities and the procedure for preparing the other information in the context of materiality, ie whether any non-compliance with those requirements would be capable of influencing the judgment made on the basis of the other information.



Based on the procedures performed, to the extent that we can already assess, we state that

- other information that describes matters that are also disclosed in the financial statements is consistent in all material respects with the financial statements, and
- other information has been prepared in accordance with the legal regulations.

In addition, we are required to indicate whether, based on our knowledge and awareness of the Company that we obtained in performing our audit, the other information does not contain material misstatements. As part of these procedures, we did not identify any material misstatements in the other information received.

### **The statutory body's responsibility for the statement of balance**

The Company's statutory body is responsible for the preparation of the statement of balance giving a true and fair view in accordance with Czech accounting standards and for such internal control system as it considers necessary for the preparation of the statement of balance not to contain significant (material) incorrectness caused by fraud or mistake.

During preparation of the statement of balance, the Company's statutory body is required to assess whether the Company is able to continue as a going concern and, if applicable, to describe in the annex to the statement of balance the matters relating to its continuity and use of the going concern assumption, when the statutory body plans to wind up the Company or terminate its activities, respectively when he has no other real option but to do so.

### **Auditor's responsibility for auditing statement of balance**

Our goal is to obtain reasonable assurance about whether the statement of balance as a whole does not contain any significant (material) incorrectness caused by fraud or mistake and to issue an auditor's report containing our opinion. An adequate rate of certainty is a high certainty rate nevertheless it is not a guarantee that the audit performed in accordance with the above standards discloses eventual existing significant (material) incorrectness in all cases in statement of balance. Incorrectness may arise as a result of fraud or mistakes and are considered as significant (material), if it is possible factually suppose that they could separately or in total affect the economic decisions that users of the statements of balance make on its basis.

During audit performance in accordance with the above stated standards it is our duty to apply within whole audit the expert opinion and to keep the professional scepticism. Further our duty is:

- To identify and evaluate the risks of significant (material) incorrectness of the statement of balance caused by fraud or mistake, to suggest and implement audit procedures responding to these risks, and obtain sufficient and appropriate probative information to provide an opinion. The risk of not detecting significant (material) incorrectness caused by fraud is higher than the risk of not detecting the significant (material) incorrectness by mistake, because the part of fraud can be conspiracy (collusion), falsification, and intentional act of omissions, false declarations, or evasion of internal controls.





- To understand the Company's internal control system relevant to the audit in the extent that we can propose audit procedures suitable with regard to the circumstances, rather than giving an opinion on the effectiveness of its internal control system.
- To evaluate the appropriateness of used accounting rules, the adequacy of accounting estimates made and the information provided by the Company's statutory body in the annex to the statement of balance.
- To review the appropriateness of continuous persistency use during statement of balance preparation by the statutory body and whether, with regard to the collected probative information, there is significant (material) uncertainty arising from events or conditions that may significantly impeach the ability of the Company to continue as a going concern. If we conclude that there is such significant (material) uncertainty, it is our duty to disclose in our report the information included in the annex to the statement of balance in this context and, if that information is not sufficient, to express a modified opinion. Our conclusions regarding the Company's ability to continue as a going concern are based on the probative information obtained up to the date of our report. Nevertheless, future events or conditions may result in the Company losing its ability to continue on an ongoing basis.
- To evaluate the overall presentation, structuring and content of the statement of balance, including the annex, and whether the statement of balance presents source transactions and events in a manner that gives a true and fair view.

It is our duty to inform the persons authorized by the board and management, among others, of the planned scope and timing of the audit and the significant findings we have found during the audit, including found significant deficiencies in the internal control system.

### **Date of report issue**

In Zlín, 12 June 2023

Alois BERKA s. r. o.  
Audit and tax office  
Tř. T. Bati 640, 760 01 Zlín  
VAT reg. No: CZ60701331

Responsible auditor dipl. eng. Berka Alois  
Czech Auditors Office Certificate No. 0249  
Auditing company: AB Consult, s. r. o.  
Czech Auditors Office Certificate No. 615

Annex: audited balance sheet  
audited profit (loss) account  
audited annex to statement of balance  
audited overview of cash flows and changes in equity



## Foreign branch of Institut pro testování a certifikaci, a. s. – extract from the commercial register in the Slovak Republic as of 31 December 2022

Trade name of foreign branch:	Institut pro testování a certifikaci, a.s., organizational unit of foreign entity's business	(from: 30. 01. 2007)
Registered seat of foreign branch:	Mlynské Nivy 54 Bratislava 821 05	(from: 30. 01. 2007)
Reg. ID No.:	36 731 307	(from: 30. 01. 2007)
Date of registration:	30. 01. 2007	(from: 30. 01. 2007)
Legal form:	foreign entity's business (organizational unit of foreign entity's business)	(from: 30. 01. 2007)
Scope of business activities:	business consultancy in the scope of free trade	(from: 30. 01. 2007)
	rental property associated with the provision of additional services and procurement services associated with the hire in the scope of free trade	(from: 30. 01. 2007)
	purchase of goods for sale to final consumer (retail)	(from: 30. 01. 2007)
	purchase of goods for sale to other trades (wholesale)	(from: 30. 01. 2007)
	rental of movable property in the scope of free trade	(from: 30. 01. 2007)
	computerized data processing	(from: 30. 01. 2007)
	computer network management	(from: 30. 01. 2007)
	activities related to European Union notified body No. 1023	(from: 31. 05. 2007)
	assessment and certification of management systems	(from: 31. 05. 2007)
	activities of testing laboratories in the scope of free trade	(from: 31. 05. 2007)
	certification of products in the scope of free trade	(from: 31. 05. 2007)
	impartial inspection of the finding of a certain thing, or verification of the result of a certain activity and issue of a control certificate	(from: 31. 05. 2007)
Head of the foreign branch:	Mgr. Jiří Heš commencement of the function: 01.03.2019	(from: 29.04.2019)
Acting on behalf of the company:	In matters of the foreign branch, the head of the organizational unit shall represent and sign for it separately by attaching his handwritten signature to the written or printed name of the organizational unit.	(from: 30. 01. 2007)
Other legal matters:	The organizational unit of a foreign entity was established on the basis of a decision of the founder dated 21 December 2006 pursuant to § 21 et seq. of the Commercial Code No. 513/1991 Coll., as amended.	(from: 30. 01. 2007)
	Decision of the founder dated 29.3.2007	(from: 31.05.2007)
Foreign entity:	Institut pro testování a certifikaci, a.s. Reg. ID. No.: 47 910 381 Třída Tomáše Bati 299, Zlín 763 02, Czech Republic	(from: 29.04.2019)



## Annual Report 2022



	Legal form: joint-stock company Companies Registry details:	
	CR administered by the Regional Court in Brno, Section B, Insert No. 1002,	
	Statutory body: Board of Directors	(from: 29.04.2019)
	Ing. Jiří Heš - Chairman commencement of the function: 23.11.2005	(from: 29.04.2019)
	RNDr. Radomír Čevelík – Vice-Chairman commencement of the function: 23.11.2005	(from: 29.04.2019)
	Mgr. Paulína Úlehla Senič - member commencement of the function: 23.11.2015	(from: 29.04.2019)
	Method of acting of the statutory body: The Company represents the Board of Directors in its entirety vis-a-vis third parties, in courts and other bodies, either jointly by all members of the Board of Directors or separately by the Chairman or Vice-Chairman of the Board. The company is signed either by all members of the Board of Directors or by the Chairman or Vice-Chairman of the Board. Everyone does so by attaching their signature to the company name or stamp.	(from: 29.04.2019)



## Company's balance sheet

tis. Kč	31.12.19	31.12.20	31.12.21	31.12.22
<b>TOTAL ASSETS</b>	208 979	223 736	220 102	204 015
A. Receivables for register capital subscription	0	0	0	0
B. Fixed assets	129 049	138 508	130 966	132 209
B.I. Intangible fixed assets	366	360	162	486
B.II. Tangible fixed assets	128 683	138 149	130 804	131 723
B.III. Long-term investment	0	0	0	0
C. Current assets	76 232	81 607	85 550	68 796
C.I. Inventory	9 330	7 200	8 708	6 444
C.II. Receivables	29 180	26 642	27 115	25 688
C.II.1. Long-term receivables	295	292	1 347	1 266
C.II.2. Short-term receivables	28 885	26 350	25 768	24 422
C.II.3. Accruals				
C.III. Short-term financial assets	0	0	0	0
C.IV. Cash/Finances	37 722	47 765	49 727	36 664
D. Accruals	3 698	3 621	3 586	3 009
tis. Kč	31.12.19	31.12.20	31.12.21	31.12.22
<b>TOTAL LIABILITIES</b>	208 979	223 736	220 102	204 015
A. Equity	86 340	100 483	111 036	119 963
A.I. Register capital	5 455	5 455	5 455	5 455
A.II. Share premium and capital funds	10 847	10 847	10 847	10 847
A.III. Funds created from net profit	1 022	1 372	1 419	1 102
A.IV. Profit (loss) of previous years (+/-)	55 832	67 016	79 809	90 322
A.V. Profit (loss) of current period	13 183	15 794	13 506	12 236
A.VI. Decided on advance payment of profit share	0	0	0	0
B+C LIABILITIES	119 967	121 273	106 573	81 668
B. Reserves	10 131	10 135	10 116	10 145
C. Payables	109 836	111 138	96 457	71 523
C.I. Long-term payables	45 638	38 097	30 745	22 515
C.II. Short-term payables	64 198	73 041	65 711	49 008
C.III. Accruals				
D. Accruals	2 672	1 980	2 493	2 384