

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

# **Annual Report 2023**

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

**Approved by shareholder resolution on 27.06.2024**



**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 origins of the ITC in the form of the State Testing Laboratory 224 at the Research Institute of Rubber and Plastics Technology in Zlín date back to the 1970s; traces of ITC laboratories (e.g. for footwear) can even be traced back to laboratories in Bata's factories.

Based on information from the Czech Statistical Office and the Ministry of Industry and Trade of the Czech Republic, I would like to briefly touch upon the macroeconomic conditions in which ITC was operating in 2023.

The period of the last few years can, and here I have to emphasize repeatedly that unfortunately, be described as unprecedented and highly turbulent in modern history. The world is facing dramatic ecological, economic and geopolitical changes. People and societies have had to, must and will continue to adapt to new conditions. Not only it is impossible to reliably estimate the resulting impact of these changes, but it is also impossible to predict their evolution.

In 2022, the war between Russia and Ukraine and the energy crisis affected the global economy. Unfortunately, the war on the European continent continued in 2023 and is still ongoing. The reduction of tensions in energy markets led to a decline in inflation in 2023. Central banks, especially the Fed and the ECB, continued to fight inflation by raising interest rates. In financial markets, 2023 was a turbulent year, with rising US government bond yields and the collapse of several banks. According to the International Monetary Fund, the global economy grew by 3.0% in 2023 and is expected to grow by 2.9% in 2024, with India and China as the leading growth economies.

A look back at last year reveals the problems of an economy that has undergone a series of unusually strong shocks in recent years. From the pandemic to the energy crisis. From the point of view of economic forecasts, 2023 was supposed to be a year of stagnation, accompanied by a fall in real wages in a long-tight labour market, a slight increase in exports and high, albeit gradually fading, inflation. The final assessment of the economy in 2023 does not differ much from the aforementioned outlook, but in real terms the main macroeconomic parameters, such as inflation and economic growth, have turned out worse. One of the main reasons why the situation has been significantly worse than expected is the continued pessimistic mood of households, which is reflected in their weak demand. The unprecedented rise in consumer prices, which has not kept pace with real wage developments, is of course a major factor. The overall social scepticism is also reflected in the economic growth figures, with the Czech Republic on the verge of stagnation and recession throughout 2023. Unfortunately, the Czech Republic is probably the only EU country that has still not been able to cope with the negative effects of these shocks and where the performance of the economy has still not reached the level of the end of 2019.

However, from a certain point of view, last year can also be seen as a turning point for positive development. The government managed to push through a consolidation package that should bring public finances significantly closer to a long-term sustainable state, i.e. the growth rate of government debt as a share of GDP should slow down significantly in the coming years. Gradual changes in the pension system should make a major contribution in this respect. The digitisation of public administration has moved forward in a more significant way. Many tasks can be carried out online. Identity cards or vehicle registration cards are being transferred to mobile phones. Drivers do not have to carry their driving licences with them. The hope is still being nurtured that we will soon see



fully digitised construction procedures. Progress in the construction of transport infrastructure is also positive. The preparation of the construction of new sections of the motorway network has noticeably accelerated. The energy sector has shown that it is a very important part of the economy. The transformation ahead will be challenging. From an economic point of view, it will be essential to ensure a stable supply of all types of energy at prices that will keep the Czech economy competitive. Efficient spending on better education, science and research is an investment in the future.

The Czech economy was on the edge of recession in 2023. Problems in the German economy, which is closely linked to the Czech economy, were particularly negative. Exports to the EU stagnated in 2023. Exports outside the EU increased slightly.

GDP had fallen by 0.6% over the whole of last year, but forecast was to rise by 1.2% in 2024, which should also have a positive effect on inflation, which was forecast to fall significantly below 3% for most of the year. The impact of the weak economic dynamics on the labour market should not be significant given the persistent imbalances. Risks lie mainly in geopolitical developments in Ukraine and the Middle East.

Gross value added (GVA) rose by 0.5% last year. This was mainly due to developments in manufacturing and information and communication activities. In contrast, GVA fell in the trade, transport, accommodation and food services and construction sectors. In Q4 alone, GVA increased by 0.3% year-on-year. Manufacturing and information and communication activities were again favourable. Most of the overall year-on-year GVA growth was held back by the trade, transport, accommodation and food services cluster. After two previous declines in Q4, GVA rose by 0.6% quarter-on-quarter. The recovery in manufacturing was strong, but GVA fell in construction, other activities and money and insurance. In Q1 2023, as the national economy emerged from a brief shallow recession, gross value added (GVA) increased slightly quarter-on-quarter (+0.5%), mainly due to public services, IT, but also construction, which rebounded on the back of an unusually warm winter. However, GVA growth stagnated over the following two quarters. The performance of both industry and construction was affected by still weakening domestic and foreign demand.

In 2023, exports of goods and services grew by 3.1% year-on-year in real terms and imports fell by 0.4%. In the fourth quarter alone, exports rose by 1.0% yoy and 2.2% quarter-on-quarter. Imports, on the other hand, fell by 4.7% year-on-year and 2.4% quarter-on-quarter. The balance of foreign trade in goods and services at current prices last year totalled a surplus of CZK 378.0 billion, which increased by CZK 312.4 billion year-on-year. The improvement in the balance of trade in goods last year was mainly due to the narrowing of the deficit in trade in oil and gas and the improvement in the surplus in trade in motor vehicles. In contrast, the balance of trade in electricity, gas, steam and conditioned air deteriorated.

In 2023, the Czech economy faced a combination of the impact of rising external demand, domestic investment activity and government consumption, and a continued decline in household consumption and the negative impact of inventory changes. As a result, the economy fluctuated in a stagnation zone. Overall, gross domestic product (GDP) decreased by 0.4% last year, while gross domestic product in the EU rose by 0.2% year-on-year in Q4, boosting growth slightly. For individual countries, the year-on-year GDP growth rate at the end of the year was within a fairly wide range. In nine countries, GDP contracted year-on-year in Q4, most notably in Ireland (-9.1%), Estonia (-2.5%) and Finland (-1.6%), but the German economy, important for Czech exporters, also lagged (-0.2%). By contrast, the strongest annual GDP growth in Q4 was recorded in Croatia (4.3%), Malta (4.3%) and Denmark (3.1%).





Industry in the Czech Republic, like in most EU countries, was in a cyclical downturn last year, the beginning of which can be traced back to mid-2022. Cost pressures associated with sharp increases in energy and other input prices (as well as uncertainties about their development) were compounded by weakening demand in key export territories. In addition, a slowdown in household consumption and private investment activity were also at work. Although energy prices stabilised last year, they were still well above their 2021 level. This naturally had a particular impact on energy-intensive industries. The unfavourable developments were tempered by a recovery in the automotive industry, which gradually finalised a larger volume of orders accumulated from a period when production fluidity was constrained by disrupted supply chains, which was most significantly reflected in the 7.4% year-on-year sales growth in the motor trade segment in Q4 (up 5.6% over the whole of last year). The higher demand for motor vehicles was related to the relatively favourable situation of the entire automotive industry in the Czech Republic and the EU. Compared to the end of 2019, sales in the entire motor trade segment were still almost a tenth lower last year and lagged behind in all of its sectors (most notably in the parts and accessories trade). Despite the relatively positive data, the situation in the automotive industry remains complicated.

The biggest decline was in the production of building materials. In most energy-intensive manufacturing industries, production declined in both 2022 and 2023. Weak domestic and foreign demand resulted in a more than 14% decline in metallurgy and foundry (production fell for the second year in a row, down almost a quarter in the last five years). Similarly, the chemical industry also faced a sharp rise in input prices for the second year in a row last year, along with a decline in demand for production. It fell by 9.4% last year. Some small industries with energy-intensive production also suffered, but in the case of the wood and paper industry, lower logging also contributed significantly.

Other major industries certainly include construction. The performance of the construction industry has continued to be affected by significant cost pressures and declining private investment activity. Although year-on-year growth in construction materials prices was moderating (in September, prices had already fallen slightly for the first time in more than three years), a more pronounced decline in realised and expected construction output prices was hampered by brisk growth in labour costs, influenced by a chronic shortage of (mainly skilled) labour. The worsening financial situation of households, together with the reduced availability of mortgages, cooled last year's property market boom substantially. On the other hand, public investment, or rather the growing inflow of EU budget funds for the construction and modernisation of transport infrastructure or for reducing energy intensity in the housing sector, counteracted the deeper decline in the performance of the construction sector.

Over the whole of last year, domestic industrial production fell by 0.8%, after two years of post-crisis recovery. In the first half of 2023, it was rather stagnant quarter-on-quarter, falling by 2.3% in Q3 (the most in three years), mainly due to the production of motor vehicles, whose continuity was briefly disrupted by problems with the supply of some components. There was a partial recovery in Q4, as output rose by 1.9%, mainly thanks to the production of transport equipment (where some large emergency orders were also placed) and its main supplier industries. Even so, output of the whole industry at the end of the year was slightly behind (by 1.1%) the pre-pandemic peak (Q2 2019).

The downward trend in the unemployment rate has been halted, although the labour market remains structurally oversupplied with jobs. Total employment grew by 0.8% last year and the forecast for 2024 also expects unemployment to rise slightly. Employers therefore continue to struggle to recruit new staff and cite 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. This also affects ITC and ITC must therefore continue to rely on efficiency and productivity improvements in order to continue to grow.

The areas in which ITC delivers its services to clients remained unchanged in 2023. Testing, conformity assessment (certification) and related services provided by ITC remain the main focus, especially for the automotive industry, chemical industry (plastics, rubber, paints), light industry (footwear, textiles), testing of products in contact with foodstuffs, services of authorized bodies in the field of the Gambling Act, construction products, including piping systems and sanitary goods, electrical products and medical devices, certification of management systems, assessment of toys and personal protective equipment.

In 2023, the ATL 1004 laboratory completed one Extraordinary Audit (MDA) coupled with a Proper Diligence Audit (PDA). The PDA focused on textile, PPE, analytical, physical and mechanical testing at all laboratory sites. The MDA focused on changes in the scope of accreditation, which included regular updating of standards, extension of the scope of the POA to include new tests and methods. On the basis of both successful audits, a new Certificate of Accreditation No. 412/2023 including the Annex was issued with validity until 29.10.2024. During the review of the ATL 1004 management system (MS) it was found that the laboratory's MS according to EN ISO/IEC 17025:2018 is functional and consistent, the descriptions of the individual chapters of the PK correspond to reality. Decisions and actions taken by the laboratory in the area of MS during 2023 were implemented in accordance with the accreditation criteria, with the laboratory and ITC controlled documentation and with regard to the improvement and development of the service provided to customers.

In 2023, the Accredited Calibration Laboratory No. 2222 underwent regular and at the same time extraordinary surveillance by the CAI, during which it successfully extended the scope of accreditation at the Uherské Hradiště site to include calibration of DC and low-frequency electrical power, and at the Brno site the scope of temperature measurements was extended to negative temperatures up to -80 °C. The scope of ACL 2222's competences is given in Certificate of Accreditation No. 327/2023.

In 2023, ATL 1004.3 completed one Extraordinary Audit (MDA) coupled with a Proper Diligence Audit (PDA). The PDA focused on the electrical safety and electromagnetic compatibility testing performed at Site 1. The MDA focused on changes to the scope of accreditation, which included periodic updating of standards and the application of a flexible scope of accreditation for one electrical safety test. As a result of both successful audits, a new Certificate of Accreditation No. 232/2023, including the Annex, was issued with an expiration date of 27.01.2027. ATL 1004.3 was further audited in 2023 under its competence in the area of assessment and verification of military aviation equipment competence. On the basis of the successful audit, the laboratory received on 30.11.2023 from the Ministry of Defence the Certificate for Activities No. CZE.Z.1057 with validity until 30.11.2025. The laboratory's authorisation to perform tests of aviation equipment No. L-3-061/6 dated 14.11.2016 issued by the Czech Civil Aviation Authority (CAA) is still valid.

Accredited Testing Laboratory 1007.1 completed one Extraordinary Audit (MDA) coupled with a Proper Diligence Audit (PDN) in 2023. The MDA focused on acoustics testing at Site 1 and structural testing at Site 2. The scope of accreditation also reflected changes related to updating standards. The scope of accreditation for individual specialist laboratories, thermal engineering, acoustics, fenestration, finishing and structural engineering remained otherwise unchanged. During the review of ATL 1007.1 MS, it was found that the laboratory's MS according to EN ISO/IEC 17025:2018 is



functional and consistent, and the descriptions of the individual chapters of the CP correspond to reality. Decisions and actions taken by the laboratory in the area of MS during 2023 were implemented in accordance with the accreditation criteria, with the laboratory and ITC controlled documentation and with regard to the improvement and development of the service provided to customers.

Accredited Testing Laboratory 1007.4 - Physical Properties of materials, structures and buildings had to respond to the end of the transition period under EA - 2/17 M 2020 for accreditation for notification purposes. In light of this change, the accreditation was extended to include the assessment of stability of properties in System 3 (CPR) under Notified Laboratory No. 1023 as part of the regular surveillance visit. The PDN and extension of the POA to include assessment for authorisation/notification purposes was successfully completed by Certificate of Accreditation No. 101/2023.

In 2023, the Technical Assessment Body (TAB) expanded its team of assessors and successfully passed the MIT Commission's review of the activities and competence of the designation, control of activities and competence of Technical Assessment Bodies under Regulation (EU) No 305/2011 of the European Parliament and of the Council.

Accredited Inspection Body No. 4035 has undergone regular supervision by the CAI in 2023 and has successfully defended the scope of its competencies as stated in Certificate of Accreditation No. 112/2022 in the area of inspection of means of popular entertainment and gambling.

In 2023, ITC also achieved success in renewing and updating the accreditations of certification bodies for management systems and for products.

The certification body for management systems ITC 3002 has successfully passed the process of inspection by the supervisory authority in the form of a regular surveillance visit, during which it confirmed the scope of accreditation and in the field of information security management system certification it has extended its competence with the updated version of the standard ČSN EN ISO/IEC 27001. 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 13485:16, ČSN EN ISO 14001:2016, EN ISO 14001:2015, ISO 14001:2015, ČSN ISO 45001:2018, General requirements for the Hazard Analysis and Critical Control Point (HACCP) system and conditions for its certification, Part 1-4, Bulletin of the Ministry of Health 2/2010, ČSN EN ISO/IEC 27001:2023, EN ISO/IEC 27001:2023, ISO/IEC 27001:2022, 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 and ISO 50001:2018.

The ITC Product Certification Body (PCB) No. 3020 has successfully passed the inspection process by the accreditation body in the form of a regular surveillance visit, including an assessment of compliance with the requirements of EA-2/17 M:2020 for PPE. Optimisation of the scope of accreditation between PCB 3020 and PCB 3048 was initiated in 2023 and will continue in 2024. Product Certification Body (PCB) 3048 has narrowed the scope of accreditation of the PCB for the purposes of authorisation and notification of the assessment of stability of properties in System 3 (CPR) in connection with the end of the transition period for the new EA-2/17 M20:20. This assessment system is now implemented in the same scope but under the Notified Laboratory No. 1023 scheme. Subsequently, the Certification Body for Construction Products has undergone a PDN including the extension of some items and a successful witness audit. Furthermore, a witness audit



by the BCCA (Belgian Construction Certification Association) was successfully passed in the field of certification of mineral wool products (EUCEB).

In the area of regulated activities, the scope of the notification, which is available in the public part of the Single Market Compliance Space/NANDO electronic database, was extended in 2023 in the area of personal protective equipment, in accordance with Regulation (EU) 2016/425 of the European Parliament and of the Council, for head protection items (for ice hockey, combat sports, climbers, cyclists, skateboard and roller skate users) and for fall protection (climbing equipment - carabiners).

In the field of assessment and verification of the stability of the performance of construction products within the meaning of Regulation (EU) 305/2011 of the European Parliament and of the Council, the NB 1023 notification was extended in 2023. The test standards EN 13823, EN ISO 1182, EN ISO 11925-2, EN ISO 1716 and EN ISO 9239-1 for the essential characteristic 'reaction to fire' were added to the scope of the horizontal notification under Annex V, point 3.1 of the CPR. In addition, the notification has been extended in the area of newly issued EADs (e.g. prefabricated sandwich load bearing panels, fire partitioning products, corrugated bitumen tiles, roofing or wall liner membranes, expanded perlite insulation products, etc...). The current scope of the NB 1023 notification is listed in the public part of the Single Market Compliance Space / NANDO electronic database.

In other areas, a wide range of notifications is still maintained, both in the field of conformity assessment of toys in accordance with Directive 2009/48/EC, in the field of conformity assessment of pressure products in accordance with Directive 2014/68/EU, in the field of conformity assessment of products in terms of their electromagnetic compatibility in accordance with Directive 2014/30/EU.

In the field of assessment of construction products at the national level, GR No. 119/2024 Coll. was published, amending GR No. 163/2002 laying down technical requirements for selected construction products, as amended. It was published in the Collection of Laws on 4.6.2024 with effect from 1.1.2025. In the area of the emerging CPR, the European Parliament has given its consent to the text of the new regulation and legal-linguistic revisions are currently underway, which no longer have an impact on the substantive content. Publication of the regulation in the EU Journal is expected towards the end of 2024.

In the area of authorization in accordance with GR 173/1997 Coll. concerning conformity assessment of selected products, its broad scope has 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 expiry date of 26 May 2022, only due diligence of the issued certificates was carried out in 2023 during the transitional 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 activities under the Medical Devices Directive 93/42/EEC, due to its expiry 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 transitional period.

Notified Body 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) has successfully passed the periodic inspection of the Notifying Authority. The scope of the appointment, which is available in the public part of the Single Market Compliance Space/NANDO electronic database, has remained unchanged.

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 301 280 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 2023. 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 2023, 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 (57%) and AB/NB/DB (38%). Other services (metrology, inspection, other) accounted for 5% of ITC's total turnover in 2023.

In territorial structuring, the sales from the Czech Republic amounted to CZK 189 million. Sales from abroad amounted to CZK 113 million. In percentage terms, the share of foreign sales in total sales is 37%.

Attention is permanent paid to increasing the knowledge and expertness of our employees. In the past year, 51 internal training courses were realized (824 participants in total). ITC employees attended 43 external training courses and seminars in the past year, totalling 398 man-days. Of these, 6 were on technical topics, 10 on economic or personnel matters, 8 on mandatory maintenance or upgrading of qualifications (training of drivers, electricians, crane operators, etc.) and 19 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 2023 the training of ITC employees continued in the form of language courses. The cost of language courses attended by ITC staff at their choice was (subject to proper



attendance and successful completion) covered by ITC funds in 2023 up to a maximum of CZK 7 000 per graduate per year. In the past year, 26 workers took advantage of this option. In 2023, language training in small groups (8 persons) continued on ITC premises. This allows the teaching to be focused more specifically according to the abilities of the participants and their professional needs. These courses were attended by 24 employees last year and were fully covered by the project Training of employees of members of the Regional Chamber of Commerce of the Zlín Region II. In 2023, the Marketing Centre sponsored 2 events - training for internal employees aimed at improving presentation skills "Presentation PRO" (8 participants) and "Seminar for applicants for MDR conformity assessment" (19 participants in total).

ITC has participated in standardization activities and provides technical information in the long term. In 2023, a total of 22 ČSNs were processed in ITC as part of the technical standardization plan. ITC staff is actively involved in the activities of 29 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 2023, 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 2023, ITC presented itself as a direct exhibitor at SPIELWARENMESSE 2023 (toys), AMPER 2023 (electrical), FOR ARCH 2023 (building products), A+A 2023 (occupational safety, health and safety and personal protection) and MEDICA 2023 (medical devices).

We live in a world that is facing dramatic ecological, economic and geopolitical changes and has now been dealing with the consequences of a near war for more than two years. It is more valuable to know and be reassured that we face these difficult times together, as a determined and purposeful team, and not individually. I would also like to express my appreciation to my colleagues and ITC staff for their ability to adapt to change and look for new opportunities where others might have overlooked them. Together we have shown that our strength lies not only in our skills and knowledge, but above all in our mutual support and cooperation. Our successes would not have been possible without a strong and committed team. Shared determination and hard work are the keys to our success, and I am proud to be part of such a great and loyal team. It is important to remember that each of us contributes to our common goal and without the contribution of each and every team member, our successes would not be what they are.

What I can definitely state is that ITC will continue to support its employees, partners and external collaborators with all responsibility and will approach the requirements of its customers with responsibility and professional care. ITC stands on solid pillars of tradition, professionalism, experience, expertise and trust, which will continue to be supported by ITC's independence and



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impartiality. New challenges and opportunities await us again in the coming year. ITC is not only prepared to properly meet the requirements of its customers and its responsibilities, which has given it a broad remit, but is also willing and able to learn new things and take on new challenges "with an open mind". I am convinced that we can not only maintain the results we have achieved, but also develop them further.

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.

I wish everyone what I consider to be the most important - good health, peace and that a man may be a man to a man

Mgr. Jiří Heš, General Director



# Annual Report 2023



## Main financial results

		2021	2022	2023
Total revenues	ths CZK	285 541	290 645	301 280
of the CZ	ths CZK	173 747	159 865	188 263
of which export	ths CZK	111 795	130 780	113 017
Added value	ths CZK	201 721	203 103	205 472
Personnel expenses	ths CZK	165 844	165 757	175 642
Depreciation	ths CZK	15 145	15 379	15 266
Profit (loss) of current accounting period	ths CZK	13 506	12 236	12 494
Assets	ths CZK	220 102	204 015	227 735
Liabilities	ths CZK	106 573	81 668	92 495
Equity	ths CZK	111 036	119 963	129 780
Employees	recalculated state	227,5	219,8	216,9
Ratio indicators				
Revenues/Employees	ths CZK	1 255	1 322	1 389
Added value/Employees	ths CZK	887	924	947
Profit (loss)/Owned capital	%	12,2%	10,2%	9,6%
Liabilities/Assets	%	48,4%	40,0%	40,6%
Revenues/Owned capital	%	257,2%	242,3%	232,1%





## 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 31.12.2023 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 2023, ITC carried out its activities based on the following mandates, authorizations and accreditations:

- **Authorized body No. 224**

(see: <https://www.unmz.cz/statni-zkusebnictvi/seznam-ao-a-os-uno/>)

- 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://webgate.ec.europa.eu/single-market-compliance-space/#/notified-bodies/notifications?organizationRefeCd=EPOS\\_46625&filter=notificationStatusId:1](https://webgate.ec.europa.eu/single-market-compliance-space/#/notified-bodies/notifications?organizationRefeCd=EPOS_46625&filter=notificationStatusId:1))

- 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://webgate.ec.europa.eu/single-market-compliance-space/#/notified-bodies/notifications?organizationRefeCd=EPOS\\_54884&filter=notificationStatusId:1](https://webgate.ec.europa.eu/single-market-compliance-space/#/notified-bodies/notifications?organizationRefeCd=EPOS_54884&filter=notificationStatusId:1))
- **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 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

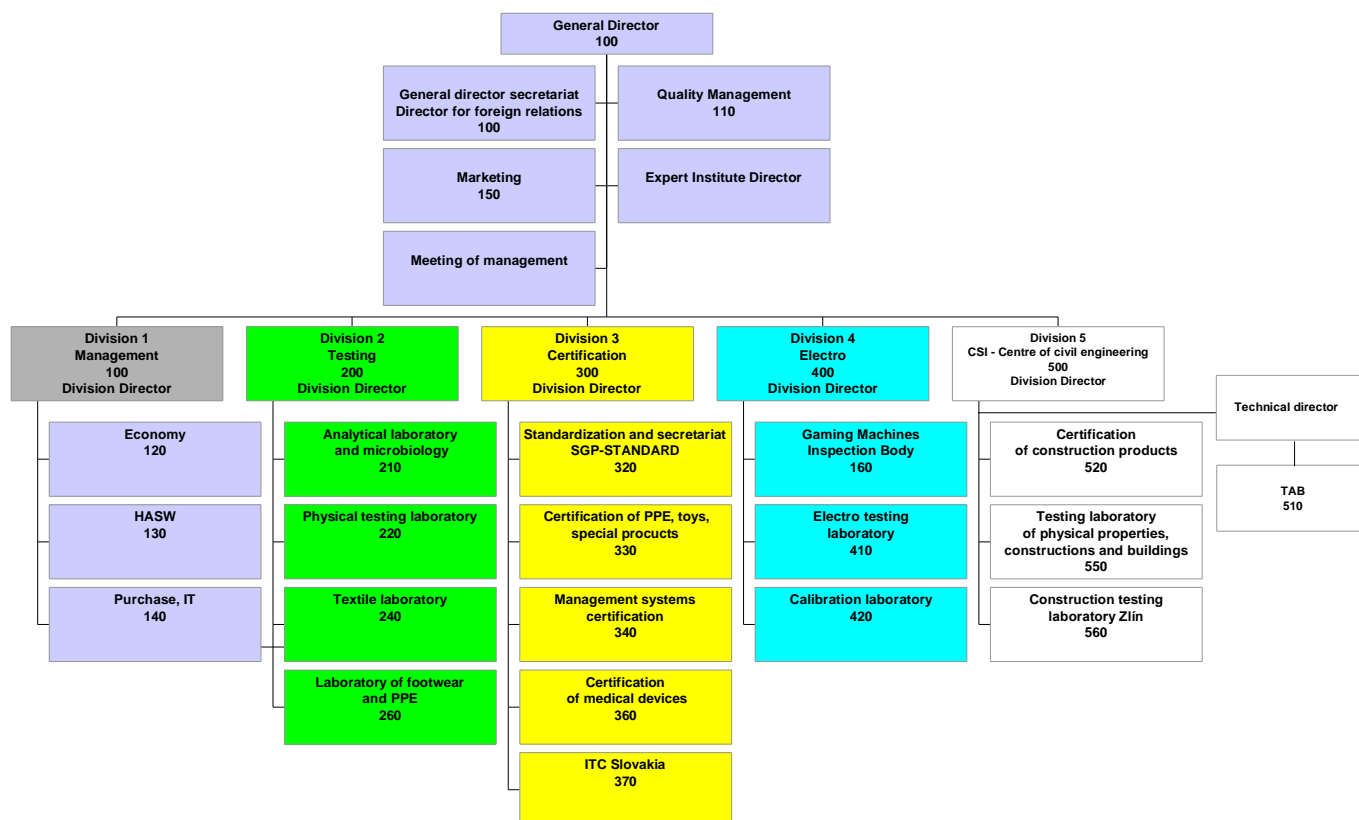
ITC is actively engaged in various technical activities in the Czech Republic through membership in the following professional as well as social associations and confederations.

- 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
- TIAQ (Thermal Insulation Association for Quality), Brussels



## 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

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
Chairman of the Supervisory Board	Mgr. Marie Hešová	ITC lawyer

### Commission for Impartiality Assurance

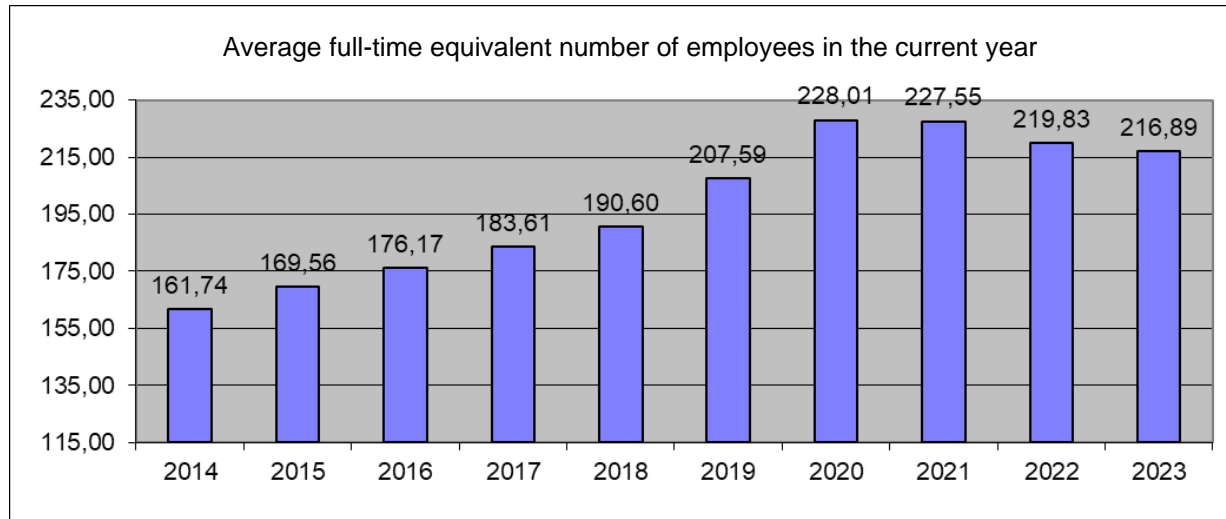
Trustworthiness and impartiality in activities related to the performance of conformity assessment, products and management systems certification are guaranteed in the ITC by the Commission for Impartiality Assurance, which had the following members as of 31.12.2023:

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.
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



Position	Held by	
		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. Dušan Shejbal, Ph.D.	Institut pro testování a certifikaci, a. s., Zlín.

In 2023, the average full-time equivalent number of employees was 216,89.







## 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 2023:

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 extent 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 31.12.2023, the total balance sheet sum of assets and liabilities was CZK 227.7 million, so it increased by CZK 23.7 million compared to 2022.

Increases on the asset side - current assets increased by CZK 30 million. The increase is mainly due to

- increase in short-term financial assets - cash (+ CZK 20.4 million)
- increase in inventories (mainly work in progress + CZK 2.1 million)
- increase in short-term receivables (+ CZK 8.4 million)

As of 31.12.2022, short-term financial assets were reduced - the revolving loan was repaid (in 2023 a new revolving credit facility with a limit of EUR 15 million was arranged. The balance of the revolving credit with a maturity of CZK 15 million has not yet been drawn down and therefore the balance of this loan is zero).

The increase in short-term financial assets is on account of an increase of CZK 26.3 million in short-term advances received for the resolution of contracts (mainly in the area of conformity assessment of medical devices). The increase in current receivables relates to an increase in invoicing volumes at the end of 2023.

On the asset side, there was a decrease in fixed assets by approximately CZK 5.8 million. The decrease is both in the item "Buildings" - CZK 3.2 million. CZK, as well as in the sub-item "Tangible assets" (test equipment and technology) - CZK 1.9 million. CZK 1.5 million. This decrease does not mean reduced investment in the renewal and modernisation of testing equipment, as new equipment is often purchased by leasing, but in order to maintain the top level of the company's technological background, more attention must be paid to this area.

The company's equity increased by CZK 9.8 million year-on-year. CZK 9.4 million). The 2023 result increased slightly to CZK 12.5 million compared to the previous year. 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 after a two-year decline (2021/2022), the plus change in the 2023 economic result is minor.

External liabilities increased by CZK 10.8 million.

- decrease in non-current liabilities by CZK 4.9 million
  - decrease in long-term loans by CZK 5.1 million characterises the fulfilment of liabilities to lending banks
- short-term liabilities increased by CZK 22.9 million year-on-year
  - advances received for contract solutions increased by CZK 26.3 million. CZK - see comment above
- under "Trade payables" there was a decrease of CZK 7.1 million. In 2022, a significant amount of test equipment and facilities were procured (for a total of 7 facilities) not by immediate



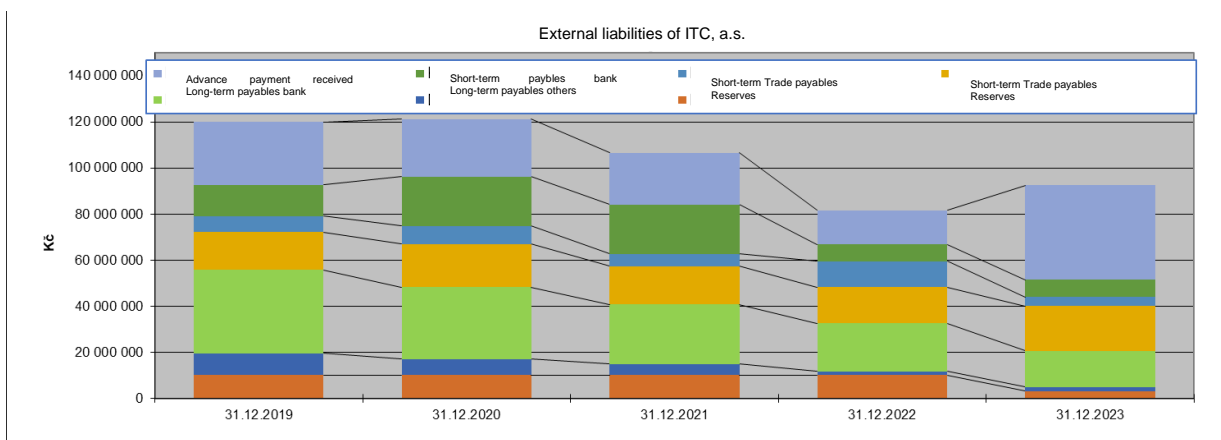
# Annual Report 2023



payment to the supplier but by staggered payment (supplier credit - usually 1 year) on more favourable terms. This approach was also used to a lesser extent in 2023.

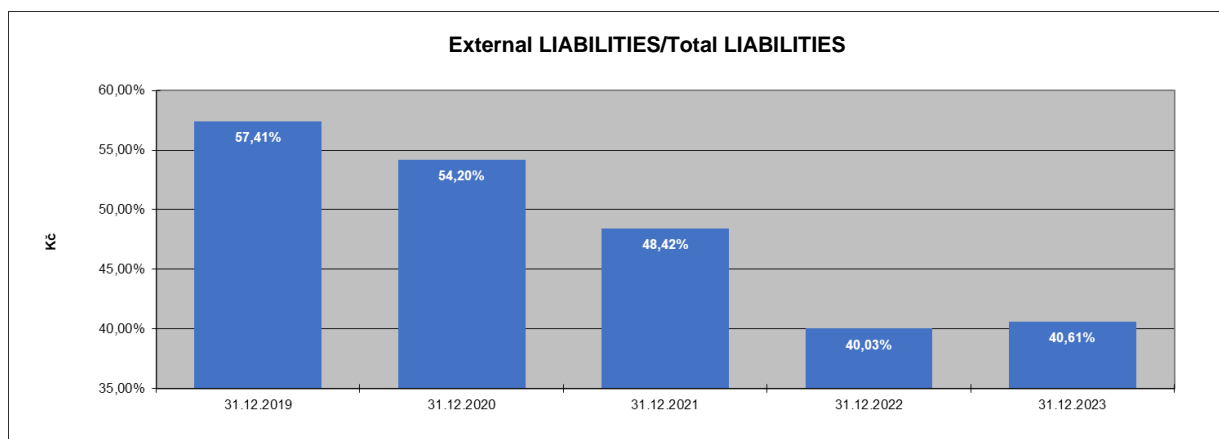
	31.12.2019	31.12.2020	31.12.2021	31.12.2022	31.12.2023
<b>CZK</b>					
<b>TOTAL ASSETS</b>	208 979 182	223 736 417	220 101 521	204 014 906	227 735 469
Receivables for equity subscription	0	0	0	0	0
Fixed Assets	129 048 866	138 508 402	130 966 028	132 209 279	126 357 032
Current Assets (cash, receivables)	76 231 845	81 606 794	85 549 764	68 796 263	98 822 602
Assets accruals	3 698 471	3 621 221	3 585 729	3 009 364	2 555 835
<b>TOTAL LIABILITIES</b>	208 979 182	223 736 445	220 101 521	204 014 906	227 735 469
Owner's equity	86 339 822	100 483 353	111 035 929	119 963 019	129 780 057
External Liabilities (payables, advance payments received, loans)	119 967 030	121 273 500	106 572 850	81 668 147	92 494 571
Liabilities accruals	2 672 330	1 979 592	2 492 743	2 383 740	5 460 840

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 22.2 million as at 31.12.2023.





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 an increase in advances received for the solution of contracts.



## Company's economic results - comments

The company's economic result for 2023 amounted to CZK 12.5 million after tax with sales of 301.32 million CZK. Revenues in 2023 are the highest ever, the economic result is at a similar level as in 2022. It should be noted, however, that a significant part of the economic result in 2023 is due to the dissolution of the previously established provision for risks associated with CE conformity assessment in the amount of approx. CZK 7 million.

Profit and loss account (CZK)	2019	2020	2021	2022	2023
<b>I. Revenues from products and services</b>	265 149 228	284 680 475	285 541 340	290 644 782	301 279 761
<b>II. Revenues from goods</b>	0	0	0	57 773	0
<b>A. Production consumption</b>	85 759 289	79 957 152	85 716 395	86 325 998	98 116 174
<b>B. Change in inventory of own production(+/-)</b>	-2 077 393	2 338 547	-1 271 453	2 107 250	-2 303 996
<b>C. Capitalization</b>	-830 270	-2 828	-624 221	-833 959	-4 023
<b>* Added value</b>	182 297 601	202 387 604	201 720 619	203 103 265	205 471 606
<b>D. Personnel expenses</b>	149 178 752	164 341 541	165 843 892	165 756 667	175 641 794
<b>E. Adjustments to operating expenses</b>	11 842 716	13 641 041	15 088 690	15 394 770	15 266 474
<b>III. Other operating revenues</b>	1 504 014	527 164	639 164	1 065 236	470 275
<b>F. Other operating expenses</b>	3 665 815	3 616 326	3 512 335	3 644 949	-3 067 429
<b>* Operating profit (loss)</b>	19 114 333	21 315 860	17 914 865	19 372 116	18 101 041
<b>VII. Other financial revenues</b>	560 245	1 926 857	2 301 664	2 206 587	2 586 090
<b>K. Other financial expenses</b>	1 700 747	2 501 005	2 552 314	3 975 783	4 444 988
<b>* Profit (loss) from financial operations</b>	-2 724 858	-1 858 855	-1 549 292	-4 207 111	-3 402 720
<b>** Profit (loss) before tax (+/-)</b>	16 389 475	19 457 005	16 365 573	15 165 005	14 698 321
<b>L. Income tax</b>	3 206 318	3 663 168	2 859 972	2 928 720	2 204 686
<b>** Profit (loss) after tax (+/-)</b>	13 183 157	15 793 837	13 505 602	12 236 285	12 493 635
<b>* Net turnover for the accounting period</b>	267 213 486	287 134 496	288 482 167	293 974 527	304 336 126

The table above clearly implies the following:

- There was a year-on-year growth in production and revenues by 3.7% and the revenues of 2023 are nominally at their historical maximum since the joint-stock company was founded in 1993, unfortunately, this positive is partially devalued by high inflation rates in 2022 and 2023.
- Growing revenues at the end of y. 2023 brought with it a slight growth of output consumption, which increased by about 13.7%. This growth has been driven by an increase in the volume of services purchased (+21%), After a sharp increase in the consumption of materials and especially energy in 2022 (growth of this item 2021/2022 + 25.4%), the energy costs incurred have stabilized. In 2024, the photovoltaic power plant at Building 113 was commissioned and put into use, which, in addition to the positive environmental impact, will lead to financial savings in the supply of electricity.
- The company's value added grew slightly (by +1.2% compared to 2022) and exceeded the value CZK 203.1 million.
- Personnel costs are a significant cost item, with a year-on-year increase of almost 6%. The average tariff wage increased by 4.4% year-on-year (2022/2023). Average wages paid (including fringe benefits, bonus and personal assessment) rose by 8.8%. The share of allowances, bonuses and remuneration (variable pay components) in the tariff wage was 39% in 2023.



# Annual Report 2023



- Labour productivity (expressed as CZK sales/ CZK wages) decreased by +2.5% to 2.33 compared to 2022, with average annual sales per worker of CZK 1,389 thousand.

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>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>22/23</i>
Grants, Development, CQS	938 493	1 385 679	1 283 967	1 199 036	-6,6%
Gaming machines + AO module A	18 772 925	21 228 394	13 395 859	21 313 975	59,1%
Production AB (STL) 224 in the regulated area	55 909 590	43 831 040	34 596 574	29 102 445	-15,9%
AO 224 surveillances	30 764 668	31 596 557	41 639 760	42 346 693	1,7%
Product certification COV 3020 + ITC (+surveillances)	6 127 671	3 526 074	7 553 432	5 417 280	-28,3%
Surveillances COV + ITC	792 434	679 885	751 199	836 287	11,3%
Systems certification	6 346 839	7 300 981	5 542 912	6 727 411	21,4%
Surveillance of systems certification	7 273 094	6 282 660	8 434 421	8 110 227	-3,8%
Production in accredited laboratory	146 039 649	157 225 284	163 775 302	171 003 655	4,4%
Information, SGP, standardization	1 890 737	2 056 796	1 695 086	1 933 731	14,1%
Metrology	9 087 471	9 220 672	9 852 017	11 099 326	12,7%
Assessment, education		58 300	346 434	226 000	-34,8%
Environmental services	175 350	340 300	386 480	296 030	-23,4%
Technical inspection	54 400	79 100	94 500	126 400	33,8%
Expert opinions	399 983	164 998	146 195	58 949	-59,7%
Others	107 171	564 619	1 150 643	1 482 318	28,8%
<b>Total</b>	<b>284 680 475</b>	<b>285 541 340</b>	<b>290 644 782</b>	<b>301 279 761</b>	<b>3,7%</b>

## Major clients

The following table provides an overview of the company's key accounts in terms of sales volume in 2023:

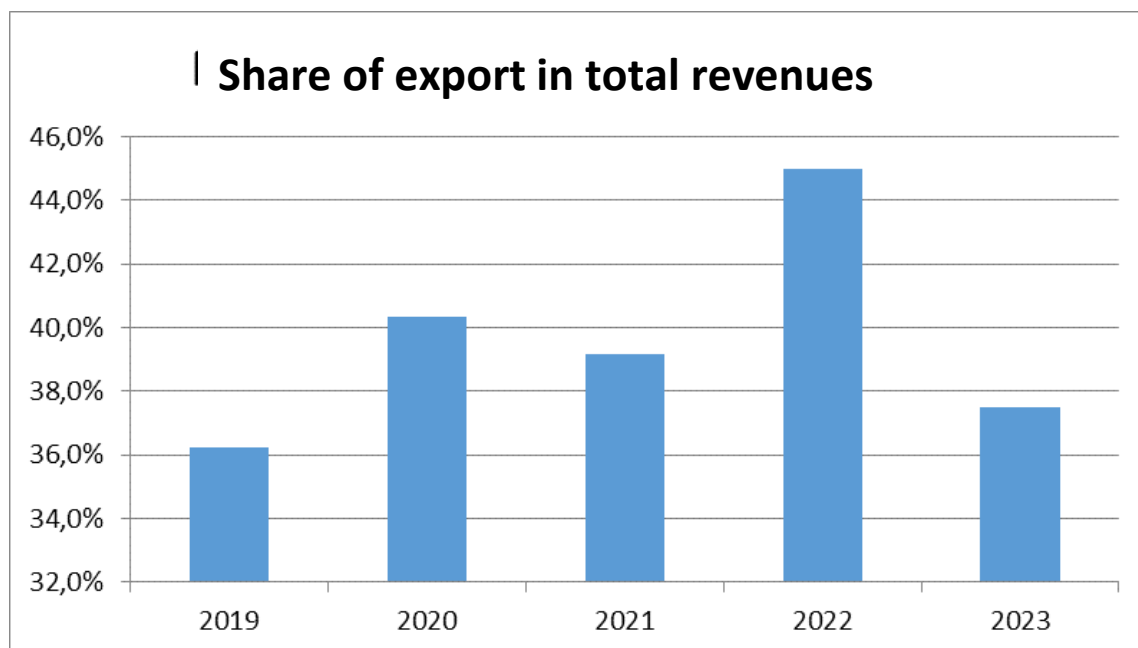
TESCOMA s.r.o.	Zlín	Testing, household
VALEO AUTOKLIMATIZACE k.s.	Rakovník	Testing, automotive
Synot W, a.s.	Uherské Hradiště	Assessment of gaming machine
BORRACHAS PORTALEGRE, LDA	URRA (Portugalsko)	Testing, automotive
IMS - Drašnar s. r. o.	Česká Třebová	Testing, automotive
RAMA BOHEMIA, a.s.	Praha	Testing plastics, automotive
SFC SOLUTIONS CZĘSTOCHOWA Sp. z o.o.	CZĘSTOCHOWA (Polsko)	Testing, automotive
MB TOOL s.r.o.	Lutín	Testing, automotive
ROCKWOOL POLSKA Sp. z o.o.	Gigacice (Polsko)	EC conformity assessment, construction products
PQ LIGHTING CZECH s.r.o.	Šenov u Nového Jičína	Testing, metrology, automotive
		EC conformity assessment, PPE, construction products
Holik International s.r.o.	Zlín	products
JUTA a.s.	Dvůr Králové nad Labem	EC conformity assessment, testing, automotive
VÚSAPL, a.s.	Nitra	Testing plastics, automotive

In 2023, the average value of a contract invoiced was CZK 32,977, – a total 9 136 contracts (in 2022 the average value of a contract was CZK 32,653, – with 8 901 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, třída Tomáše Bati 299, Louky, PSČ 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 2023, výkazu zisku a ztráty, přehledu o změnách vlastního kapitálu a přehledu o peněžních tocích za rok končící 31. prosincem 2023 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 2023 a nákladů a výnosů a výsledku jejího hospodaření a peněžních toků za rok končící 31. prosincem 2023 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 výročí 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 způsobilé 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 informacích 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 události 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.

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 5. června 2024

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

trída 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

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 2023, the profit and loss account, overview of changes in equity and cash flow overview for the year ended 31 December 2023 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 2023 and its expenses and revenues and its economic result for the year ended 31 December 2023 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, 5 June 2024

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 2023

Trade name of foreign branch:	Institut pro testování a certifikaci, a.s., organizational unit of foreign entity's business	(od: 30. 01. 2007)
Registered seat of foreign branch:	Mlynské Nivy 54 Bratislava 821 05	(od: 30. 01. 2007)
Reg. ID No.:	36 731 307	(od: 30. 01. 2007)
Date of registration:	30. 01. 2007	(od: 30. 01. 2007)
Legal form:	foreign entity's business (organizational unit of foreign entity's business)	(od: 30. 01. 2007)
Scope of business activities:	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 2023



	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	31.12.21	31.12.22	31.12.23
<b>TOTAL ASSETS</b>	220 102	204 015	227 735
A. Receivables for register capital subscription	0	0	0
B. Fixed assets	130 966	132 209	126 357
B.I. Intangible fixed assets	162	486	362
B.II. Tangible fixed assets	130 804	131 723	125 995
B.III. Long-term investment	0	0	0
C. Current assets	85 550	68 796	98 823
C.I. Inventory	8 708	6 444	8 595
C.II. Receivables	27 115	25 688	33 153
C.II.1. Long-term receivables	1 347	1 266	288
C.II.2. Short-term receivables	25 768	24 422	32 865
C.II.3. Accruals			
C.III. Short-term financial assets	0	0	0
C.IV. Cash/Finances	49 727	36 664	57 075
D. Accruals	3 586	3 009	2 556
tis. Kč	31.12.21	31.12.22	31.12.23
<b>TOTAL LIABILITIES</b>	220 102	204 015	227 735
A. Equity	111 036	119 963	129 780
A.I. Register capital	5 455	5 455	5 455
A.II. Share premium and capital funds	10 847	10 847	10 847
A.III. Funds created from net profit	1 419	1 102	1 326
A.IV. Profit (loss) of previous years (+/-)	79 809	90 322	99 659
A.V. Profit (loss) of current period	13 506	12 236	12 494
A.VI. Decided on advance payment of profit share	0	0	0
<b>B+C LIABILITIES</b>	106 573	81 668	92 495
B. Reserves	10 116	10 145	3 098
C. Payables	96 457	71 523	89 396
C.I. Long-term payables	30 745	22 515	17 521
C.II. Short-term payables	65 711	49 008	71 875
C.III. Accruals			
D. Accruals	2 493	2 384	5 461