

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

# **Annual Report 2021**

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

**Approved by the decision of shareholder on 29.06.2022**



**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 period of 2021 and early 2022 can be described as very turbulent and in all respects as very exceptional, affected by:

- global pandemic of a new type of coronavirus, later referred to as SARS-CoV-2 or COVID-19, which spread rapidly around the world, caused a number of national and global restrictions against further spread. As a result, economic activity in the vast majority of the world's countries plummeted and the global economy took a deep dive;
- the price crisis, when, thanks to a combination of many factors, energy prices have risen to historically highest values, especially since the second half of 2021;
- problems in global production and supply chains;
- a huge humanitarian and human catastrophe due to the outbreak of war conflict on the territory of Europe, the military invasion of Ukraine by Russia, at a time when we might not have imagined that anything worse than the above could happen.

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 and unprecedented state of affairs in modern history.

In response to the coronavirus pandemic, the ITC workplaces were equipped with the necessary protective equipment (masks, respirators), disinfectants, etc., measures were taken to secure the premises, procedures were introduced and used to carry out a number of activities in a remote manner, technical equipment for remote communication was used as much as possible in the available manner, etc.

Based on information from the Czech Statistical Office and the Ministry of Industry and Trade of the Czech Republic, I will briefly touch on the macroeconomic conditions in which ITC was operating in 2021.

For 2021, a recovery in global economic activity was expected, but unfortunately also with the assumption that in most countries it would probably not be strong enough to compensate the downturn in 2020. It can be concluded that these expectations have come true. In 2021, the process of economic recovery from the pandemic downturn continued, influenced also by the accumulation of forced savings from a part of income that had no physical place to spend at a time of closures in many areas of the economy, especially services. Unfortunately, however, expectations were confirmed and the situation in 2021 did not allow the losses of 2020 caused by the coronavirus pandemic to be erased. There were signals of recovery during 2021, but this was and is only slowly taking place. And at this point it is clear that a return to "normal" cannot be expected for 2022.

Overall, gross domestic product grew by 3.3% in 2021. This growth has been supported by domestic consumption and capital outlays since 3<sup>rd</sup> quarter of 2021, especially following the cancellation of the



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restrictions on retail and services in May. Overall, however, GDP in constant prices has so far lagged behind 2019 levels. Economic development has been held back mainly by external demand.

After the restrictions in trade and services subsided, the problems with the shortage of components, which had slowed down the industry, especially in the second half of the year, became apparent. Price increases also intensified in the second half of the year. At the same time, however, the disruption in supply chains became fully apparent, which severely slowed down domestic exports of goods. Industrial producer price inflation also accelerated dramatically, especially due to record price increases for a number of raw materials, including oil, natural gas, metals and timber, which continued to affect related industries.

Gross value added (GVA) increased by 3.0% in 2021. This was largely driven by services, especially public administration and defence, education, health and social care, as well as money and insurance, and gradually recovering trade, transport, accommodation and hospitality. Manufacturing also contributed significantly to GVA growth. However, much of the service and industrial sectors still lagged behind 2019 levels in real terms.

Thus, the industry as a whole has not yet achieved a full recovery. Although a significant part of the manufacturing industry has already exceeded its pre-crisis performance, it is evident that the coronavirus pandemic has left further problems in its wake, which has had a significant impact on, for example, the traditional "economic engine" - the automotive industry. As already mentioned above, the main problems include disruptions in supplier-customer chains, which have led, among other things, to rising input and shipping prices and shortages of production components, especially chips. Revenues have also not yet returned to 2019 levels, although there has been some improvement year-on-year. The positive news was the higher volume of total new orders, which will contribute to the recovery of the domestic industry.

Other important industries certainly include construction production, which, although slightly higher year-on-year, has so far failed to erase the losses caused by the pandemic. Compared to, for example, 3<sup>rd</sup> quarter of 2019, both civil and structural engineering output was lower by 8.5% and 5.1% respectively. Positive news for the construction industry is that the number of building permits issued, the indicative value of permitted constructions or the number and value of new contracts awarded in both civil and structural engineering increased. The number of flats started was also higher, while the number of finished flats was noticeably lower.

Foreign trade, which fell significantly in 2020 as a result of cross-border transport restrictions, is recovering relatively briskly after the pandemic. Turnover, exports and imports all recorded growth in 2021 and compared to the values for the comparable period in 2019. The pandemic did not significantly affect the diversification of exports and imports, which remained unchanged. Trade continues to dominate with Germany and other EU countries. Since 2020, a decline in trade with the United Kingdom, which has left the EU, is evident. The negative balance of trade in goods persists with Asian countries.

Following the strong recovery of the EU economies in 2<sup>nd</sup> quarter of 2021, driven mainly by the low comparative base of 2<sup>nd</sup> quarter of 2020 and supported by the receding pandemic, supply chain problems began to escalate in 3<sup>rd</sup> quarter of 2021, followed by material and component shortages,



which had a significant impact on industrially oriented countries in particular. The manufacturing industry, again particularly the automotive sector, was significantly affected.

In the EU, GDP grew by 4.8% year-on-year. Household consumption and government spending were the main contributors to GDP growth in the EU during 3<sup>rd</sup> and 4<sup>th</sup> quarter of 2021. Foreign trade also contributed to growth, while gross fixed capital formation decreased. All EU countries increased the performance of their economies in 3<sup>rd</sup> and 4<sup>th</sup> quarter. Overall annual GDP growth in the European Union accelerated slightly to 4.8% in 4<sup>th</sup> quarter. This continued the gradual recovery of European economies and most of them also exceeded the level of the same period in 2019. GDP grew year-on-year in all EU economies, with Slovenia (10.5%), Croatia (9.9%) and Estonia (8.8%) showing the largest gains according to available data. GDP grew only slightly in Slovakia (1.1%), Germany (1.8%) and Romania (2.7%). The price level (according to the GDP deflator) increased by 4.1% overall in 2021.

During the coronavirus pandemic, the labour market in the Czech Republic was influenced by fiscal stimulus measures (e.g. the Antivirus programme) aimed at maintaining employment, and in 2021 it gradually returned to its pre-pandemic state, but continued to exhibit significant imbalances, manifested by acute shortages of skilled and unskilled labour and persistent pressures for rapid wage growth. For most of the year, total employment increased. In particular, the number of employees increased, while the decline in the number of entrepreneurs rather deepened. The unemployment rate remained the lowest in the EU. The domestic labour market continued to show disproportions, with the number of job vacancies already exceeding the number of unemployed since 2018. Employers struggled to recruit new employees in any professions, limiting further growth. 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 the company provides its services to clients did not change in 2019. Testing, 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 area of gamble law, construction products, including piping systems and sanitary ware, electrical products and medical devices, certification of management systems, assessment of toys and personal protective equipment.

In 2021, the AZL 1004 laboratory underwent one CAI regular and two extraordinary audits at its own request. The reason for the first extraordinary audit was to approve changes in the scope of accreditation for standards that had been updated or replaced by other standards during the previous 15-month period. The second audit was focused on the approval of the new premises for the Footwear and PPE Testing Department, which moved from the Svit 34 Building to the Central Laboratories. 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. Acoustics testing has seen further development with the acquisition of a large test chamber.



In 2021, the Accredited Calibration Laboratory No. 2222 maintained the scope of its competence at the Uherské Hradiště site (in the fields of calibration of electrical quantities, frequency, time, temperature, pressure, humidity, length, plane angle), at the Zlín site (in the fields of calibration of ozone concentration), 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) and at the site in Brno (in the field of calibration of temperature and pressure meters) and extended the scope of accreditation in the fields of electrical (network analyzer measurements), temperature (AMS 2750) and spectrometric quantities (colorimetric standards and samples) during re-accreditation. The laboratory received OA No. 21/2022 valid until 7 January 2027.

In 2021, the Accredited Testing Laboratory No. 1004.3 maintained the scope of its competences in its individual fields in Uherské Hradiště (testing of climatic, mechanical, electromagnetic compatibility, electrical safety, noise measurement) and Prague (testing of technical competence of software and HW gaming machines and technical equipment for the operation of betting games, including additional equipment) and made the necessary updates within the accredited flexible approach. In 2021, the Accredited Testing Laboratory No. 1004.3 used the competence for assessment and verification of the competence of military aviation equipment (ODVL - Certificate No. MAA 009 until 30 November 2023) and the Authorisation to conduct tests of aviation equipment No. L-3-061/6 dated 14 November 2016 issued by the Czech Civil Aviation Authority.

In 2021, Accredited Testing Laboratory 1007.1 maintained its scope of competence with no regular CAI surveillance visits in that year, while at the same time no non-conformities were found during internal and vertical audits. The scope of accreditation of the individual special/technical laboratories, thermal engineering, acoustics, fenestration, finishing and structural engineering remained unchanged, with revised test standards continuously introduced into the scope of accreditation. For 2021, all planned quality objectives were also met.

The Accredited Testing Laboratory 1007.4 successfully underwent the regular CAI surveillance audit in 2021 and received OA No. 601/2021. The scope of competences in all areas of ATL activities (thermal engineering, acoustics, fire testing, chemical and physical testing) was maintained. During this opportunity, the competences were extended by new standards ČSN EN 16 733 - Reaction to fire tests for building products - Determination of a building product's propensity to undergo continuous smouldering, ČSN EN 1121: 2001 Doors - Behaviour between two different climates (Test method), ČSN EN 952: 2001 Door leaves - Overall and local flatness (Measurement method).

The Technical Assessment Body (TAB) has been audited by the Commission (MIT) for the designation, control of activities and competency according to Regulation (EU) No 305/2011 of the European Parliament and of the Council for the period June 2019 to May 2021 and no remedial action has been imposed.

In 2021, Accredited Inspection Body No. 4035 maintained scope of its competency for the inspection of folk entertainment devices, fuel and fuels, and gambling.

In 2021, 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 successfully underwent the inspection process by accreditation body in the form of regular surveillance audits, during which the scope of accreditations was confirmed. The scope of accreditation includes the 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 22000:2006, EN ISO 22000:2005, ISO 22000:2005, ČSN EN ISO 50001:2019, EN ISO 50001:2018, ISO 50001:2018, ČSN EN ISO 50001:2012, EN ISO 50001:2011 and ISO 50001:2011.

ITC product certification body No. 3020 successfully underwent the inspection process by the supervisory authority in the form of a regular surveillance audit to the product certification body. The ITC product certification body also successfully extended the scope of accreditation for the product group "games and toys" - the current versions of the standards of ČSN EN 71-x were included in the scope of accreditation. In the field of construction products, the competences of the CSI Division - Centre for Construction Engineering were incorporated into the competences of the notified body NB 1023 from 01.01.2021, both in the field of assessment and verification of the stability of properties of construction products within the meaning of Regulation (EU) 305/2011 of the European Parliament and of the Council, and into the competences of AO 224 in the field of Government Regulation 163/2002 Coll., as amended. ITC product certification body No. 3048 submitted an application for renewal of accreditation for the purpose of authorization and notification in 2021. As part of this application, the scope of competence of PCB No. 3048 was extended to include building products corresponding to the scope of AO 224/NB 1023, including personnel. The extension of accreditation was initiated in 12/2021 and successfully completed in 1/2022 with the receipt of OA No. 32/2022, valid to 19 January 2027.

In the area of regulated activities, a wide range of notifications was still maintained in 2021, 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, and in the area of in vitro diagnostic medical devices in accordance with Directive 98/79/EC of the European Parliament and of the Council.

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 ITC activities on the basis of notification 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 are performed in accordance with the requirements of Article 120(3) of the MDR during the transitional period. It is important for the future operation of ITC in this area that on 21-25 June 2021, the ITC underwent a joint assessment of the COSMT and the EC Joint Assessment



Team and further follow-up of the application for designation and notification under Regulation (EU) 2017/745 of the European Parliament and of the Council (MDR).

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.

I am proud to say that 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 285 541 thousand in the first half of 2020 was a very good result for ITC; this can even be considered very positive in view of the conditions and circumstances under which ITC carried out its professional activities in 2021, which can even be described as the highest sales volume to date compared to previous periods. Despite a generally very difficult, 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, including in maintaining the standards and improving the quality of ITC services and in acquiring and renovation of 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 174 million. Sales abroad amounted to CZK 111 million. In percentage terms, the share of foreign sales in total sales is 39%, which represents a 1% year-on-year decrease compared to the result for 2020.

Attention is permanent paid to increasing the knowledge and expertness of our employees. In the past year, 36 internal training courses were realized (1,293 participants in total). ITC employees attended 61 external training courses and seminars in the past year, totalling 349 man-days. Of these, 9 were on technical topics, 13 on economic or personnel topics, 13 on mandatory maintenance or upgrading of qualifications (training of drivers, electricians, crane operators, etc.) and 25 on the development of special knowledge and qualifications.

In 2021, 63 staff attended language courses. With regard to the range of activities abroad and the need to permanent gaining knowledge and information from foreign sources, emphasis on maintenance and raising the language skills of employees. The Marketing department organised two events in the past year 2021 - an internal training course on "Professional communication and





presentation" and an internal/external training course/customer day on "Food Contact - legislative requirements for products intended for contact with food, with a priority focus on products made of plastics and products containing plastic parts" (90 participants in total).

ITC has participated in standardization activities and provides technical information in the long term. In 2021, a total of 39 ČSNs were processed in the ITC within the technical standardization plan (34 ITC + 5 CSI Division in Prague + 0 CSI Division in Zlín). ITC staff is actively involved in the activities of 26 technical standardization committees set up by COSMT. ITC provides a report on 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 2016, ITC offers registered users to access to the full version of the portal Laws and standards for the marketing of products, which summarizes the issues of standardization and testing in a comprehensive and detailed way.

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 the "pandemic" year 2021, ITC presented itself as a direct exhibitor at FOR ARCH 2021, a trade fair focused on building products. Other planned trade fairs were either cancelled or postponed to 2022.

We are living in a world that has been struggling for more than two years, and is still struggling, and the question is how it will continue to struggle, with the consequences of a global coronavirus pandemic, which is facing not only health, but also ecological, economic and geopolitical changes, and is now also dealing with the consequences of a 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. It is not yet possible to find answers to the questions of when this period will end or when we will be able to "get back to normal" - to our LIVES or what the new "normal" will look like, but what I can state definitively is that ITC will continue to approach the demands of its customers and support its employees, partners or external collaborators with all responsibility and respect. ITC stands on solid pillars of tradition, professionalism, experience, expertise and trust, which will continue to be supported by ITC independence and impartiality.

Finally, on behalf of ITC, I would like to thank our customers for their goodwill and ITC colleagues, partners and external collaborators for their mutual support, performance, results, commitment, attitude, creative atmosphere, mutual respect and cooperation. Every success is also a commitment and every failure a motivation for further work and improvement. ITC will do everything possible to remain a reliable and trusted business partner for providing highly professional services.



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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.

I wish everyone a "return to normal" as soon as possible and of course the most important thing - good health and peace.

Mgr. Jiří Heš, General Director



## Main financial results

		2019	2020	2021
Total revenues	ths CZK	265 149	284 680	285 541
	of the CZ	ths CZK	169 095	169 892
	of which export	ths CZK	96 054	114 789
Added value	ths CZK	182 298	202 388	201 721
Personnel expenses	ths CZK	149 179	164 342	165 844
Depreciation	ths CZK	11 843	13 939	15 145
Profit (loss) of current accounting period	ths CZK	13 183	15 794	13 506
Assets	ths CZK	208 979	223 736	220 102
Liabilities	ths CZK	119 967	121 273	106 572
Equity	ths CZK	86 340	100 483	111 036
Employees	recalculated state	207.6	228.0	227.5
Ratio indicators				
Revenues/Employees	ths CZK	1 277	1 249	1 255
Added value/Employees	ths CZK	878	888	887
Profit (loss)/Owned capital	%	15.3%	15.7%	12.2%
Liabilities/Assets	%	57.4%	54.2%	48.4%
Revenues/Owned capital	%	307.1%	283.3%	257.2%



## 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 31.12.2021 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 2021, 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

- **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))

- GR No. 54/2015 Coll., on technical requirements for medical devices (until 26 May 2021 in accordance with the repeal of Directive 93/42/EEC, from then on, during the transitional period as provided for in Article 120 of Regulation (EU) 2017/745, to carry out surveillance activities only on certificates validly issued under Directive 93/42/EEC)
- GR No. 56/2015 Coll., on technical requirements for medical devices in vitro
- GR No. 86/2011 Coll., on technical requirements for toys (Directive 2009/48/EC), as amended

- **Notified body No. 1023 – Designated body**

- 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

- **Authorized body No. 212 (Competencies AB 212 have been integrated into AB 224 and the activity of AB 212 was terminated on 7<sup>th</sup> April 2021)**

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



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- GR No. 163/2002 Coll., on determination of technical requirements for selected construction products, as amended
- Designated body No. 1390 (Competencies DB 1390 have been integrated into DB 1023 and the activity of AB 212 was terminated on 16<sup>th</sup> April 2021)  
(see: [https://ec.europa.eu/growth/tools-databases/nando/index.cfm?fuseaction=notifiedbody.notifiedbody&refe\\_cd=EPOS%5F54733](https://ec.europa.eu/growth/tools-databases/nando/index.cfm?fuseaction=notifiedbody.notifiedbody&refe_cd=EPOS%5F54733))
  - Regulation of the European parliament and of the Council (EU) No. 305/2011, as amended, (CPR) (Construction products)
- **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=notifiedbody.notifiedbody&refe\\_cd=EPOS%5F54884](https://ec.europa.eu/growth/tools-databases/nando/index.cfm?fuseaction=notifiedbody.notifiedbody&refe_cd=EPOS%5F54884))
- Accredited testing laboratory No. 1004
- Accredited testing laboratory No. 1004.3
- Accredited testing laboratory No. 1007.1 (from 1. 7. 2019)
- Accredited testing laboratory No. 1007.4 (from 1. 7. 2019)
- 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 (from 1. 7. 2019)
- 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
- **Authorization by the Ministry of Finance – based on a decision of the Ministry of Finance ref. no. MF-44497/2016/3403-19** of 3 July 2017 the Ministry of Finance of the Czech Republic authorized ITC to conduct expert assessment and certification of gambling games under Section 3, par. a) to e) of Act No. 186/2016 Coll., on games and devices used to operate these gambling games.
- **Authorization by the Ministry of Finance – based on a decision of the Ministry of Finance ref. no. MF-24044/2016/3403-2** of 30 June 2016, the MF authorized ITC in accordance with Act No. 202/1990 Coll., on lotteries and similar games (hereinafter referred to as the Act):
  1. to professionally assess and certify the operability of technical devices and systems for the operation of lotteries and other similar games (hereinafter referred to as “TD”) and games operated through them and gambling machines (hereinafter referred to as “GM”) and games operated through GMs under section 1 (2) of the Act
  2. to carry out inspections of compliance with the conditions set out in the TD operability certificates under Section 46 of the Act.
- **Authorization by the Civil Aviation Authority L-3-061/** 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.**
- **Certification body authorized for activities in the certification system “Proven for**



## Annual Report 2021



Construction” – administrator SZV ([www.szv.cz](http://www.szv.cz)).





## Overview of membership in associations

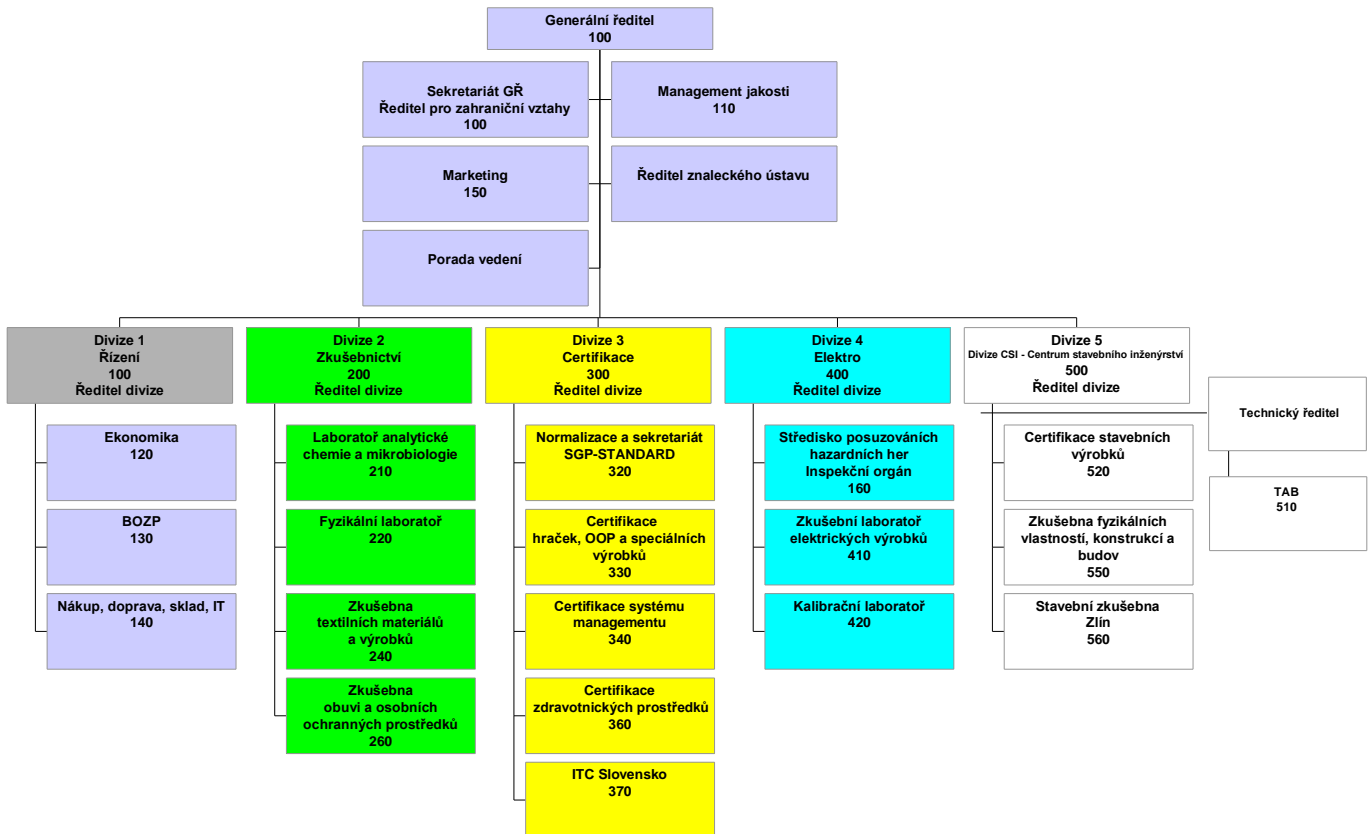
ITC is actively engaged in various technical activities in the Czech Republic through membership in the following professional as well as social associations and confederations.

- 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, Praha
- Institute for Gambling Regulation, z. s., Prague
- KEYMARK, Brussels
- Regional Chamber of Commerce of the Zlín Region, Zlín
- SCOV - Association of Product Certification Bodies, Dobrá
- SČZL - Association of Czech Testing Institutes and Laboratories, Zlín
  - the above stated associations form the association Eurolab-CZ, which has been a full-fledged member of EUROLAB since 1 May 2004 (<http://www.eurolab.org>)
- Toy and Game Association, Prague
- SGP STANDARD – Association for Technical Standardization in Rubber and Plastic Industry
- 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 2021.

### 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 at 31 December 2021:

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.

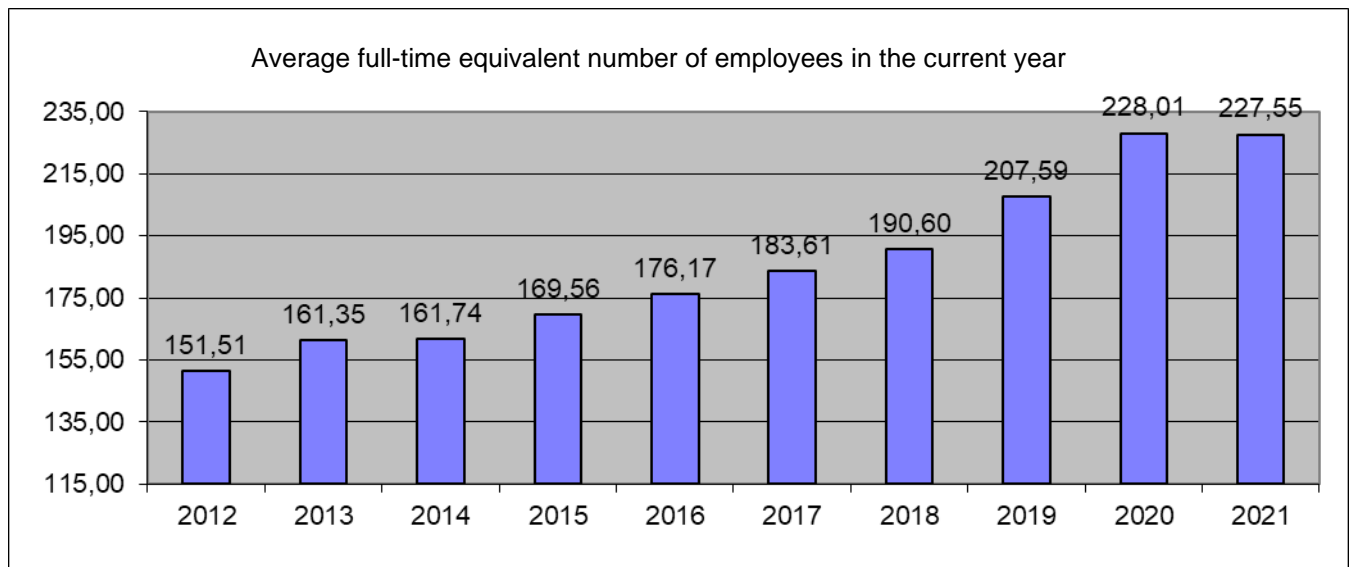


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Position	Held by	
Member of the Commission	MUDr. Milena Dostálková	Association of General Practitioners of the Zlín Region.
Member of the Commission	Ing. Jan Veselý	CTIA, Inspector of the Technical Inspection department of the II. Inspectorate of the 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 2021, the average full-time equivalent number of employees was 227.55.





## Company's quality policy

ITC Quality policy adopted by the Company' Board of Directors with effect from 1 September 2015 remains valid without any changes in 2021:

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 December 2020, the total balance sheet sum of assets and liabilities was CZK 220.1 million, so it decreased by CZK 3.6 million.

Decreases on the asset side - decrease in the amortised cost of tangible fixed assets by CZK 7.5 million, it means that the company's investment activities (Covid-19) were reduced, both in the area of real estate (decrease in the amortised cost by CZK 1.3 million) and especially in the area of testing equipment (decrease in the amortised cost by CZK 2.5 million).

The current assets increased by CZK 3.9 million compared to 2020

- inventories (work in progress) increased by CZK 1.5 million.
- trade receivables decreased by CZK 0.6 million (which is good news about the solvency of clients)
- total cash increased by almost CZK 2 million. CZK. Unfortunately, thanks to the policy of Komerční banka (zero interest rate), the financial stock on the company's current accounts is not being appreciated; on the contrary, due to inflation, it is necessary to consider holding liquidity of almost CZK 50 million and focus on its more meaningful use.

The company's equity increased by CZK 10.5 million year-on-year, mainly due to higher retained earnings of previous periods (change compared to 2020 + CZK 12.8 million). The economic results of y. 2021 was down by CZK 2.3 million compared to the previous year, this amount fully covers the company's needs and corresponds to the interests of the shareholder.

### External liabilities decreased by CZK 14.7 million.

- decrease of long-term payables by CZK 7.4 million
  - decrease in long-term loans by CZK 5.1 million characterizes the fulfilment of liabilities to lending banks
  - the decline of a long-term trade payables – CZK 2.6 million due to the fulfilment of the repayment schedule from the contract for the purchase of part of the company of Centre of Building Construction Engineering (the final maturity of the liability is in 2022)
- short-term liabilities decreased year-on-year by CZK 7.3 million
  - advanced payments for order settlement decreased by CZK 2.7 million (higher liquidity allows to pay liabilities more promptly)
  - other liabilities – CZK 2.2 million – especially lower tax liability from DPPO (corporate income tax) for 2020

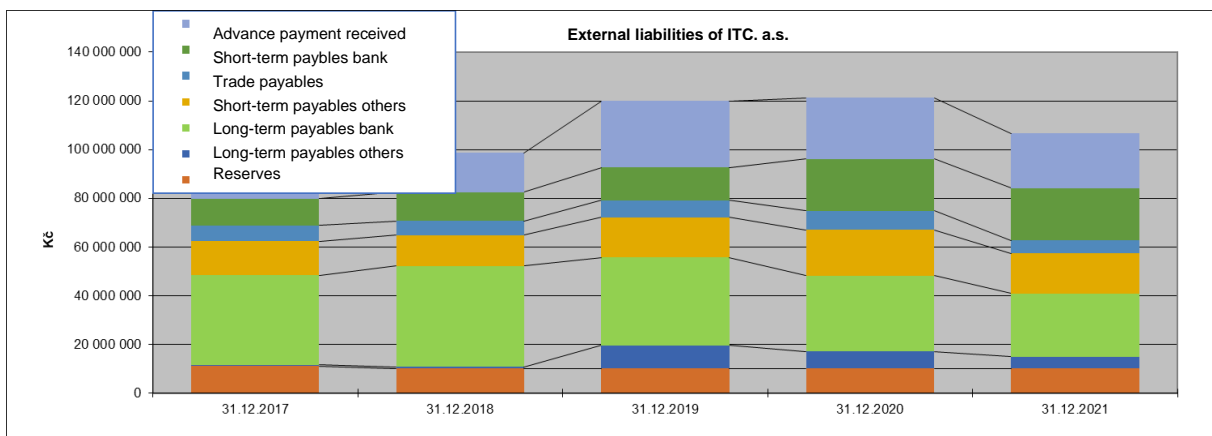


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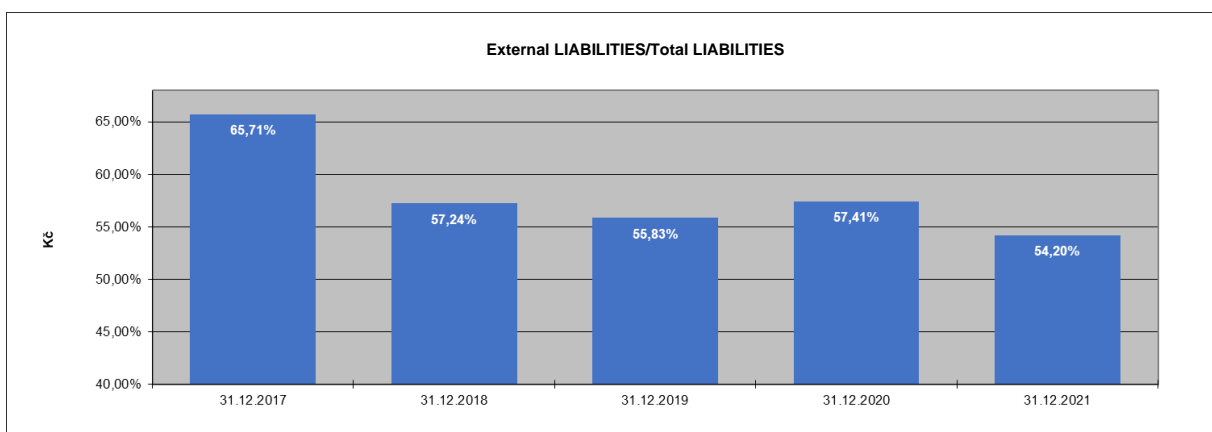


	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021
<b>CZK</b>					
<b>TOTAL ASSETS</b>	167 167 842	176 649 758	208 979 182	223 736 417	220 101 521
Receivables for equity subscription	0	0	0	0	0
Fixed Assets	91 868 191	108 038 959	129 048 866	138 508 402	130 966 028
Current Assets (cash, receivables)	70 672 232	64 842 310	76 231 845	81 606 794	85 549 764
Assets accruals	4 627 418	3 768 489	3 698 471	3 621 221	3 585 729
<b>TOTAL LIABILITIES</b>	167 167 842	176 649 758	208 979 182	223 736 445	220 101 521
Owner's equit	68 940 170	75 220 573	86 339 822	100 483 353	111 035 929
External Liabilities (payables, advance payments received, loans)	95 693 976	98 631 098	119 967 030	121 273 500	106 572 850
Liabilities accruals	2 533 696	2 798 087	2 672 330	1 979 592	2 492 743

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 47.4 million as at 31 December 2021.



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 2021 reached CZK 13.5 million after taxes with the sales revenues amounting to CZK 285.5 million. The revenues in 2021 are historically the highest ever, the economic result is lower than in 2020 by approx. CZK 2.2 million.

Profit and loss account (CZK)	2017	2018	2019	2020	2021
<b>I. Revenues from products and services</b>	238 675 303	250 279 352	265 149 228	284 680 475	285 541 340
<b>II. Revenues from goods</b>	0	0	0	0	0
<b>A. Production consumption</b>	77 220 953	89 421 149	85 759 289	79 957 152	85 716 395
<b>B. Change in inventory of own production(+/-)</b>	2 353 649	-748 183	-2 077 393	2 338 547	-1 271 453
<b>C. Capitalization</b>	-434 089	-400 312	-830 270	-2 828	-624 221
<b>* Added value</b>	159 534 789	162 006 698	182 297 601	202 387 604	201 720 619
<b>D. Personnel expenses</b>	130 245 772	138 383 431	149 178 752	164 341 541	165 843 892
<b>E. Adjustments to operating expenses</b>	9 002 965	10 136 195	11 842 716	13 641 041	15 088 690
<b>III. Other operating revenues</b>	364 749	232 956	1 504 014	527 164	639 164
<b>F. Other operating expenses</b>	-2 205 202	1 959 425	3 665 815	3 616 326	3 512 335
<b>* Operating profit (loss)</b>	22 856 004	11 760 602	19 114 333	21 315 860	17 914 865
<b>VII. Other financial revenues</b>	829 472	576 513	560 245	1 926 857	2 301 664
<b>K. Other financial expenses</b>	2 371 296	1 215 493	1 700 747	2 501 005	2 552 314
<b>* Profit (loss) from financial operations</b>	-2 530 395	-1 753 112	-2 724 858	-1 858 855	-1 549 292
<b>** Profit (loss) before tax (+/-)</b>	20 325 583	10 007 490	16 389 475	19 457 005	16 365 573
<b>L. Income tax</b>	2 825 504	1 798 408	3 206 318	3 663 168	2 859 972
<b>** Profit (loss) after tax (+/-)</b>	17 500 105	8 209 082	13 183 157	15 793 837	13 505 602
<b>* Net turnover for the accounting period</b>	239 869 524	251 088 821	267 213 486	287 134 496	288 482 167

The table above clearly implies the following:

- There was a year-on-year growth in production and revenues by 0.34 % and the revenues of 2021 are nominally at their historical maximum since the joint-stock company was founded in 1993.
- Growing revenues at the end of the year "drove" the growth of output consumption, which increased by approx. 7.5%. This growth was driven by growth in purchased services (+ 4%) and material consumption (and especially energy consumption at the end of 2021) - growth of this item + 15% - and unfortunately 2022 does not give an optimistic view for energy prices.
- The company's value added decreased slightly (by -0.3% compared to 2020) but still exceeded the value of CZK 201.7 million.
- Personnel costs constitute an important cost item, their sum increased by nearly 1% year-on-year basis. The average tariff wage stagnated year-on-year (2020/2021), the average wage paid (including bonuses, remuneration and personal evaluation) increased by 2.1%. The share of bonuses, remuneration and personal evaluation (variable components of wages) in the tariff wage in 2021 was 32%.
- Mainly due to the growth of personnel costs (technical stagnation of sales), labour productivity (expressed as CZK of sales/ CZK of wages) stagnated with a slight decrease of -0.3% to 2.34 with average annual sales per employee of CZK 1 254 thousand compared to 2020, although the maximum values of 2016 were not reached in this area of indicators.



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

<b>Invoicing (whole year)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>20/21</b>
Grants, Development, CQS	1 939 713	1 390 234	938 493	1 385 679	47,6%
Gaming machines + AO module A	30 189 752	19 017 124	18 772 925	21 228 394	13,1%
Production AB (STL) 224 in the regulated area	24 476 761	29 349 655	55 909 590	43 831 040	-21,6%
AO 224 surveillances	26 178 139	26 882 601	30 764 668	31 596 557	2,7%
Product certification COV 3020 + ITC (+surveillances)	3 855 425	3 972 070	6 127 671	3 526 074	-42,5%
Surveillances COV + ITC	603 584	660 276	792 434	679 885	-14,2%
Systems certification	8 403 218	5 897 302	6 346 839	7 300 981	15,0%
Surveillance of systems certification	5 754 366	7 883 081	7 273 094	6 282 660	-13,6%
Production in accredited laboratory	134 535 279	157 016 420	146 039 649	157 225 284	7,7%
Information, SGP, standardization	2 134 238	1 979 398	1 890 737	2 056 796	8,8%
Metrology	9 201 517	9 421 413	9 087 471	9 220 672	1,5%
Assessment, education	140 000	290 100		58 300	#####
Environmental services	249 900	230 250	175 350	340 300	94,1%
Technical inspection	72 750	34 100	54 400	79 100	45,4%
Expert opinions	1 503 829	55 000	399 983	164 998	-58,7%
Others	1 040 881	1 063 883	107 171	564 619	426,8%
<b>Total</b>	<b>250 279 352</b>	<b>265 142 908</b>	<b>284 680 475</b>	<b>285 541 340</b>	<b>0,3%</b>

## Major clients

The following table provides an overview of the company's key accounts in terms of sales volume in 2021:

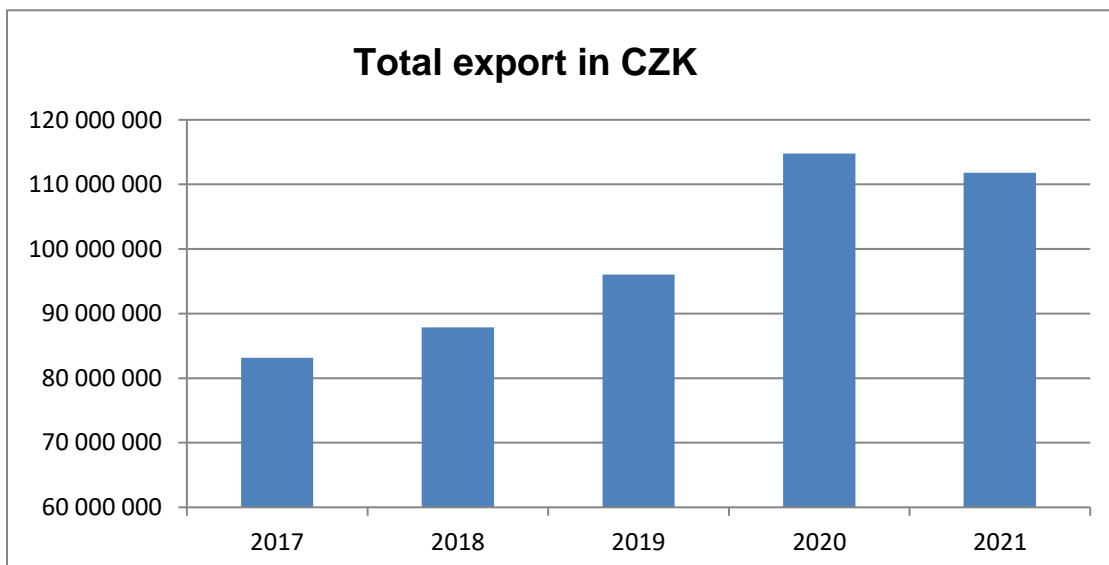
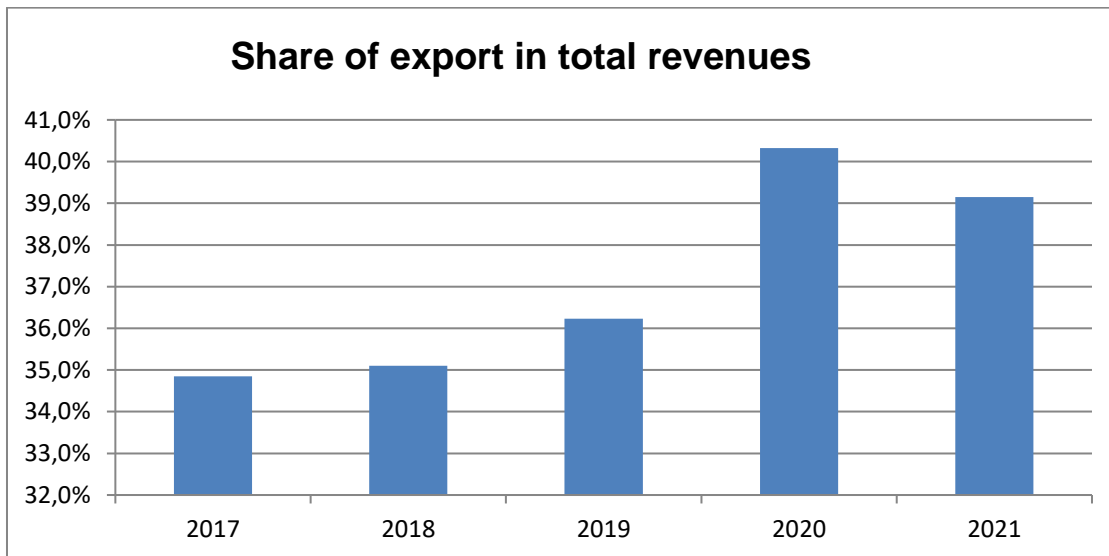
TESCOMA s.r.o.	Zlín	Testing, household,
SFC SOLUTIONS ČESKÝCHOVA Sp. z o.o.	ČESKÝCHOVA (Polsko)	Testing, automotive
Tristone Flowtech Poland Sp. z o.o.	Walbrzych (Polsko)	Testing, automotive
JUTA a.s.	Dvůr Králové nad Labem	Testing, automotive
Česká obchodní inspekce	Praha	Market surveillance tests
VALEO AUTOKLIMATIZACE k.s.	Rakovník	Testing, automotive
Victoria - Tip, a.s.	Praha	Assessment of gaming machine
IMS - Drašnar s. r. o.	Česká Třebová	Testing, automotive
Varroc Lighting Systems, s.r.o.	Šenov u Nového Jičína	Testing, metrology
Vitesco Technologies Czech	Trutnov	EMC testing
Zenith Quality Assessors Pvt. Ltd.	Pune (Indie)	onformity assessment, QMS certification
Icynene LaPolla Europe Sprl	Brussels (Belgie)	Construction products, testing
KASKO spol. s r.o.	Slavkov	Testing, automotive

In 2021, the average value of a contract invoiced was CZK 31,440 – a total of 9,082 contracts (in 2020, the average value of a contract was CZK 30,836 with 9,232 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.





## Auditor's report

### ZPRÁVA NEZÁVISLÉHO AUDITORA

Auditorská zpráva pro společníka a vedení účetní jednotky

Institut pro testování a certifikaci, a.s.

Zlín, tř. T. Bati 299, 763 02, IČ 479 10 381

#### **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 2021, výkazu zisku a ztráty, přehledu o změnách vlastního kapitálu a přehledu o peněžních tocích za rok končící 31. prosincem 2021 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 2021 a nákladů a výnosů a výsledku jejího hospodaření a peněžních toků za rok končící 31. prosincem 2021 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 obdržенých 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 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.

Naši 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 20. června 2022

**Alois BERKA s. r. o.**  
auditorská a daňová kancelář  
tř. T. Bati 640, 760 01 ZLÍN  
DIČ: CZ60701331 -2-

.....  
odpovědný auditor ing. Berka Alois  
osvědčení KA ČR č. 0249  
auditorská firma: Alois Berka s.r.o.  
osvědčení KA ČR č. 108

.....  
za auditovanou účetní jednotku

### Příloha: auditovaná rozvaha

auditovaný výkaz zisku a ztráty

auditovaná příloha k účetní závěrce

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 2021, the profit and loss account, overview of changes in equity and cash flow overview for the year ended 31 December 2021 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 2021 and its expenses and revenues and its economic result for the year ended 31 December 2021 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, 20 June 2022

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: Alois Berka s. r. o.  
Czech Auditors Office Certificate No. 108

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 at 31 December 2021

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)	(od: 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 2021



	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 Čevelk – 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

ths. CZK	31.XII.2019	31.XII.2020	31.XII.2021
TOTAL ASSETS	208 979	223 736	220 102
A. Receivables for register capital subscription	0	0	0
B. Fixed assets	129 049	138 508	130 966
B.I. Intangible fixed assets	366	360	162
B.II. Tangible fixed assets	128 683	138 149	130 804
B.III. Long-term investment	0	0	0
C. Current assets	76 232	81 607	85 550
C.I. Inventory	9 330	7 200	8 708
C.II. Receivables	29 180	26 642	27 115
C.II.1. Long-term receivables	295	292	1 347
C.II.2. Short-term receivables	28 885	26 350	25 768
C.II.3. Accruals			
C.III. Short-term financial assets	0	0	0
C.IV. Cash/Finances	37 722	47 765	49 727
D. Accruals	3 698	3 621	3 586
ths. CZK	31.XII.2019	31.XII.2020	31.XII.2021
TOTAL LIABILITIES	208 979	223 736	220 102
A. Equity	86 340	100 483	111 036
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	1 022	1 372	1 419
A.IV. Profit (loss) of previous years (+/-)	55 832	67 016	79 809
A.V. Profit (loss) of current period	13 183	15 794	13 506
A.VI. Decided on advance payment of profit share	0	0	0
B+C LIABILITIES	119 967	121 273	106 573
B. Reserves	10 131	10 135	10 116
C. Payables	109 836	111 138	96 457
C.I. Long-term payables	45 638	38 097	30 745
C.II. Short-term payables	64 198	73 041	65 711
C.III. Accruals	0	0	0
D. Accruals	2 672	1 980	2 493