

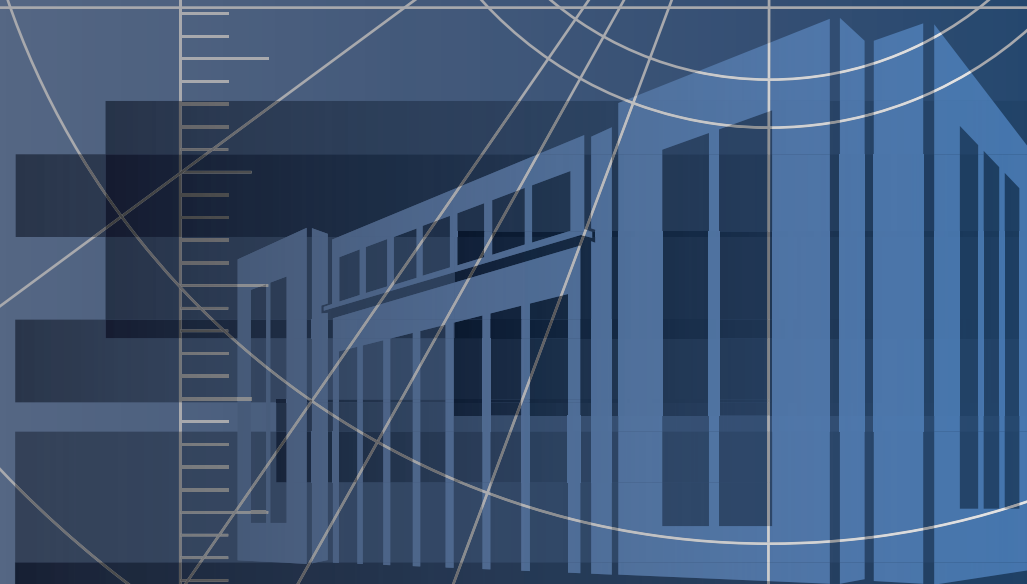


**Real Casa de la Moneda**  
Fábrica Nacional  
de Moneda y Timbre

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# Annual Report

## 2014



**Real Casa de la Moneda**  
Fábrica Nacional  
de Moneda y Timbre



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## 50th Anniversary of FNMT-RCM's headquarters

The year 2014 was of particular significance for Fábrica Nacional de Moneda y Timbre-Real Casa de la Moneda as it marked the 50th Anniversary of the inauguration of its headquarters. Back in the Spain of 1964, the year the premises were opened, the unusual building on Calle de Jorge Juan caused quite an impact on account not only of its exterior but also its interior features and top-drawer installations; and even today, its sheer enormity is still an impressive sight. The prestige the institution had already acquired, combined with its brand-new premises, signalled the dawn of a thriving period of expansion. New products such as passports and National Identity Cards were added to its scope of activity, along with other product ranges like betting slips and bingo cards. Later, FNMT-RCM would launch into electronic documents in the form of cards with a built-in chip and avail itself of information technologies to produce digital certificates.

It was FNMT-RCM's wish that Spanish society should share in the celebration of a landmark of such great significance in its history and with this view in mind, a number of acts and events were planned, including the exhibition *FNMT-RCM at Jorge Juan 106: 50 years of evolution and technology*. Organised by Museo Casa de la Moneda, the exhibition was open to the public from May 8th to September 21st. In addition, a catalogue in two volumes was published with the same title. The first was concerned with the building's actual construction, which took more than two decades to complete; and the second tells of the institution's technological and organisational evolution over the last 50 years. Also worth mentioning is FNMT-RCM's participation in the Madrid Book Fair with a pavilion where a number of activities took place, such as the minting of coins with a Taylor press or the issuance of electronic certificates. Over 50,000 people visited the pavilion, proof of its huge success.

Despite its great significance, the period from 1964 to 2014 is but a small part of the life of FNMT-RCM, whose origins go back to the days of the Madrid Mint, due to celebrate its 400th Anniversary in 2015: four centuries at the service of both Spanish society and the Crown.



The Institution



**Its history in brief**

Dating as far back as December 2nd 1467, there is documentary evidence of the creation of a mint in Madrid by Enrique IV de Castilla. Of this undertaking, a few reminders still exist today in the form of a number of Enrique IV *cuarto* coins, the first to bear a letter M beneath the royal crown, the mint’s trademark. However, the establishment of the Madrid Mint as such came about by a royal commission issued by Felipe III on February 18th 1614, whereby the post of Treasurer was assigned to the Duke of Uceda and his successors.

Production started on April 3rd 1615 with the minting of 2-*escudo* gold coins and 4-*real* silver coins. Later, with the arrival of the Bourbon Dynasty



and the major reforms carried out under its rule, in 1718, the Madrid Mint became directly accountable to the king.

In the eighteenth century, the Madrid Mint witnessed a period of great splendour, personified during the reign of Carlos III by Tomás Francisco Prieto, Engraver General of HM The King’s Mints and founder of the School of Engraving. It was at this school that the artists who would later ply their trade at the various mints both in Spain and in Spanish America were trained.

As the old building from the period of Felipe III started to deteriorate, from 1833 onwards, new proposals were presented for the construction of a new industrial building. Works finally began in 1855 and the new building

was inaugurated by Isabel II in 1861. Situated in what is now Plaza de Colón, the building was shared from the outset with the Stamp Factory. The factory’s origins date back to 1636, when Felipe IV created a new tax, making it obligatory for contracts and deeds to be drawn up on sheets of stamped paper to guarantee their authenticity.

Both the Mint and the Stamp Factory were separate institutions until 1893, when the Queen Regent, María Cristina, had them merged into Fábrica Nacional de Moneda y Timbre. The new institution took over the functions of its predecessors and has been rendering a key service to Spanish society ever since. As a result of the synergies generated by the merger, the institution has succeeded in meeting each and every challenge it has had to face in the course of its history.

In view of the banknote shortage brought on by the Second World War, in 1940, the government authorised FNMT to print paper money and, in 1941, granted FNMT preference over other national and foreign printers in banknote production. The first issue to leave its premises is dated October 21st 1940. So as to put an end to any remaining dependence on foreign suppliers, it was decided to set up a security paper mill in Burgos. Works were set under way in 1944 and by 1952, the first band of watermarked paper was being produced.

The assignment of new functions, combined with the obsolete facilities at the building in Plaza de Colón, brought the need to move to a new building. Hindered by a number of difficulties, works took over two decades, reaching completion in 1963 and inaugurated the following year. Once the prestigious institution had settled into its new home, it was assigned further tasks such as the production of passports and National Identity Cards, along with items used in the area of State gaming: the National Lottery, betting slips and bingo.

Spain’s greater involvement in various international bodies and organisations, above all, its membership of the European Economic Community in 1986, marked the dawn of a period in which it would become necessary to adapt documents such as the passport, the driving licence and later, tachographs, to the requirements of the European authority. In this mission, FNMT, in conjunction with other relevant bodies, played a significant role, as indeed it continues to do today.

In 1987, with a view to immortalising the events scheduled for 1992 (the Barcelona Olympics, the Fifth Centenary of the Discovery of America and the Seville Expo), the Special Minting Workshop was set up. In the course of its 27-year existence, it has seen the production of over 400 different coins grouped into more than 100 collections, all of which provide a record of key events for posterity.

FNMT’s initiatives are not, however, limited to its traditional products. Underpinned by its capacity for innovation and forward vision, it stands at the forefront as regards cutting-edge products in the area of the new technologies. In 1991, FNMT started to make cards with a built-in chip, a product lending itself to a broad range of applications. In the mid-nineties, mindful of the rapid development of the internet and its potential as a means

of processing paperwork in the sphere of the Public Administrations, FNMT saw the need for these electronic procedures to have the same guarantees as their paper equivalents; i.e., they should be carried out with maximum security to ensure that they have the same legal validity. This realisation resulted in the birth of the project known as CERES (Spanish Electronic Certification), which went ahead with the completion of a viability study in May 1996. Three years later, the State Tax Office green-lighted the use of electronic certification in income tax returns for the first time.

The euro presented a great challenge. In addition to making sizeable investments and adapting existing technology to the characteristics of the coins and banknotes, FNMT had to cope with a huge production volume whilst making, for the first time, two different currencies: the peseta and the euro. It was also a challenge from the point of view of logistics and security: firstly, with the distribution of the new currency (coins and banknotes) and later, with the reverse operation, the withdrawal of the old coins and banknotes, which commenced on New Year's Day 2002.

### A socially-responsible enterprise

Many of the ideas on which Corporate Social Responsibility (CSR) is now based have formed part of the management of Fábrica Nacional de Moneda y Timbre-Real Casa de la Moneda since it first came into being for the purpose of supplying Spanish society with coins and stamped bills. Thanks to its stringent workmanship, strict fulfilment of the aims in view and impeccable business management, FNMT-RCM has earned the trust of countless public and private institutions and also of the governments which have come and gone in the course of its now long history.

The quality of FNMT-RCM's products is an asset handed down by its ancestors, the Mint and Stamp Factory. All its production lines have always been subjected to rigorous, thorough quality controls. Despite its prestige and the recognised quality of its products, a good few years ago now, FNMT-RCM decided to have its production line quality control procedures officially approved in accordance with Standard ISO 9001.

Human capital plays an essential part in the making of products of great technological complexity in high-security environments. Employee training schemes and fringe benefits, both areas in which FNMT-RCM has always complied amply with legal requirements, are priorities as far as management is concerned. Occupational health and safety is likewise an issue of the utmost importance for FNMT-RCM, which has been awarded OHSAS 18001 certification.

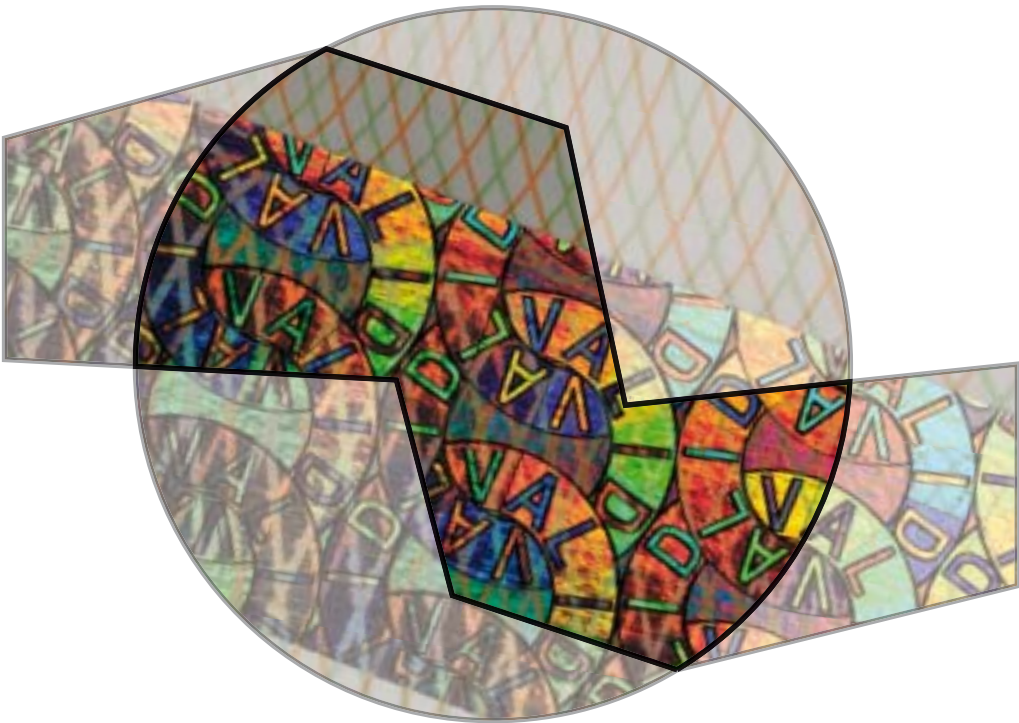
Concern for the environment is yet another key aspect in FNMT-RCM's industrial policy. Both at the Burgos Paper Mill and at the headquarters in Madrid, all the production lines have been equipped with the latest technologies. At the same time, any equipment proving harmful to the employees' health or having a negative impact on the environment have been removed. The fruits of FNMT-RCM's labours in environmental management over the years are reflected in the ISO 14001:2004 certification which it has been awarded for the full range of its activities.

In addition to obtaining certifications as regards quality, occupational health and safety and environmental management, all of which are indispensable for any socially-responsible enterprise, FNMT-RCM has drawn up a Code of Conduct. Moreover, the 2010-2012 Corporate Plan already included CSR as part of strategic planning. The upshot of this was the creation of a Sustainability Committee as a body to act as backup for the management team. Internal communication has been enhanced by the use of the intranet and CSR Annual Reports have been published since 2011. In 2014, the process for obtaining ISO 50.001 certification for energy management was commenced and is expected to be completed in the first half of 2015.

Work continued in FNMT-RCM's bid to obtain IQNet SR 10 certification, undertaking the necessary audit, which has brought to light a number of instances of non-compliance, set to be resolved in 2015. This certification will be indispensable in the European sphere and in the most advanced countries. Moreover, it guarantees that its holder has the capacity to identify and record the real and potential impacts of the company's activity; that the needs and expectations of the stakeholders affected are known; and that action is being taken accordingly by the application of the right resources and the implementation of the appropriate measures. Summing up, it is the best way to improve procedures and management whilst adapting them to future needs.

### Legal status

In the course of its history, Fábrica Nacional de Moneda y Timbre-Real Casa de la Moneda has had various legal statuses. As things now stand, it is

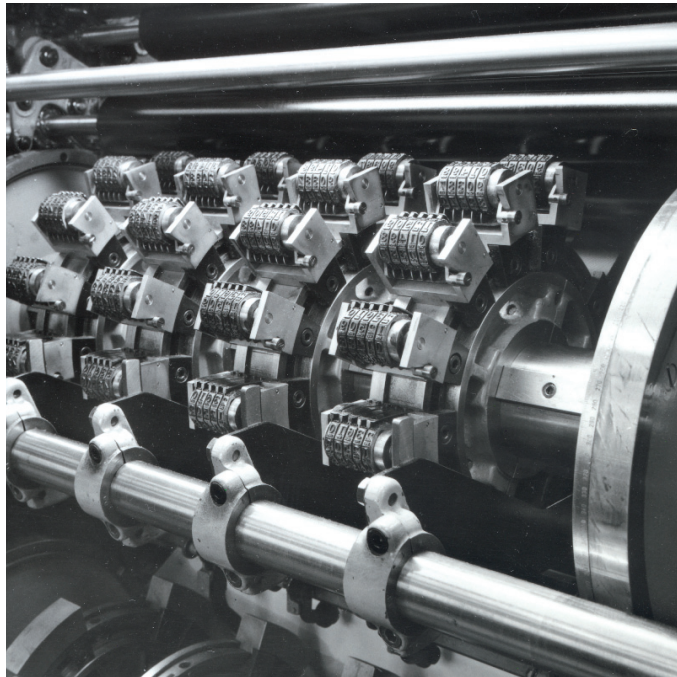




a State-owned corporate entity as provided for in Art. 43.1, b), Act .6/1997 of April 14th, concerning the Organisation and Functioning of the General State Administration. As a State-owned body, it is classified as a special public legal entity with its own equity and cash assets and is self-governing as stipulated in the above-mentioned act. It is attached to the Ministry of Finance and Public Administrations, which, through the Office of the Undersecretary, exercises strategic management and effectiveness control as laid down in Arts. 43 and 59 of Act 6/1997. Its current bylaws were approved under Royal Decree 1.114/1999 of June 25th.

**Objects**

- The minting of coins of all types in accordance with legislation applicable.
- The production of coin blanks and the minting of medals, along with similar tasks, both for the State and for private persons.
- The printing of banknotes in compliance with the legislation by which it is governed and in the terms agreed upon with the Bank of Spain or the relevant issuing bank.



- The production of identification documents.
- The production of documents whereby the payment of whatsoever taxes or public charges is made effective; National Lottery tickets, forms and lists; and any other document relating to other games as instructed by the Public Administrations or their public bodies, be the latter connected to said Public Administrations or accountable thereto.
- The production of value or security documents as commissioned by any Public Administration or its public bodies, be the latter connected to said Public Administration or accountable thereto.



- The stamping of all kinds of documents, stamps, signs or postage and franking effects, as established in the applicable legislation, for the State or, as applicable, for public or private bodies or entities.
- The provision, within the scope of the Public Administrations and their public bodies, both connected and accountable thereto, of security, technical and administrative services in communications via electronic, IT and telematic media and techniques (EIT), together with the issuance, production and supply of those user licences or certificates or card supports which may be necessary for such purpose, as provided for in Art. 81, Act 66/1997, of December 30th and in the regulations deriving therefrom; or, as applicable, in those terms as may be established in the relevant legal provisions.
- The performance of activities or the provision of services related to the entity's branches of work referred to hereinabove for public or private persons or entities, both national and foreign.
- Whatsoever other as may be assigned to it by virtue of a legal provision or regulations deriving therefrom.

Notwithstanding the preferential nature of the various activities and services to be performed for the Spanish State and its public bodies, be they connected or accountable thereto, Fábrica Nacional de Moneda y Timbre-Real Casa de la Moneda carries out its activities for other states and for bodies accountable thereto and also for non-national public or private entities as deemed fitting in accordance with the nature of its activity, as established in the pertinent regulations or, as applicable, in the terms and conditions set down in the relevant contracts or agreements.





3

Human capital

**Board of Directors**

(at December 31st 2014)

Chairman:

Mr. Jaime Sánchez Revenga  
*Chief Executive Officer of FNMTRCM*

Members:

Mr. Jesús Darío Negueruela Martínez  
*Issuance and Cash Manager,  
Bank of Spain*

Ms. Marina Fernández Gil  
*Deputy Director General of Organisation, Planning and  
Resource Management,  
State Administration Audit Department,  
Ministry of Finance and Public Administrations*

Mr. José Ángel García Cabrera  
*Deputy Director General of Telecommunications  
Networks and Operators,  
Ministry of Industry, Energy and Tourism*

Ms. Laura Fernández Castro  
*Advisor, Cabinet of the Undersecretary's Office for  
Economy and Competitiveness,  
Ministry of Economy and Competitiveness*

Mr. Jaime Pérez de la Cruz  
*Deputy Director General of Human Resources,  
Ministry of Finance and Public Administrations*

Mr. Juan del Alcázar Narváez  
*Advisor, Cabinet of the Deputy Prime Minister and Minister of the Presidency,  
Ministry of the Presidency*

Ms. Amelia Lobato Martínez  
*Chief Officer,  
Ministry of Public Works*

Ms. Rosa María Moral Betere  
*Deputy Director General of the Treasury,  
Ministry of Economy and Competitiveness*

Mr. Manuel Tuero Secades  
*Director, Official State Gazette Agency,  
Ministry of the Presidency*

Mr. Pedro Polo García  
*Deputy Director General of Logistics,  
Directorate General of the Police,  
Ministry of the Interior*

Mr. Alejandro Sánchez García  
*Director, Cabinet of the Secretary of State for Security,  
Ministry of the Interior*

Ms. Gloria Calvo Díaz  
*State Counsel-in-Chief,  
Ministry of Economy and Competitiveness*

Mr. Rafael Padilla Ruiz  
*Deputy Director General of Operation,  
Tax IT Department (AEAT, the State Tax Administration Agency),  
Ministry of Finance and Public Administrations*

Mr. Marcos Peletero Diz  
*Advisor, Secretariat of State for Budgets and Spending,  
Ministry of Finance and Public Administrations*

Advisors:

Mr. José Carlos Fernández Cabrera  
*Services Inspector,  
Ministry of Finance and Public Administrations*

Ms. Silvia García Malsipica  
*Deputy Director General of Coordination, Auditing and  
Knowledge Management,  
Ministry of Justice*

Mr. Juan Ángel Amunátegui Rodríguez  
*Services Inspector,  
Ministry of Finance and Public Administrations*

Mr. José Miguel Martínez Gimeno  
*State Counsel-in-Chief,  
Ministry of Economy and Competitiveness*

Ms. María Rocío Chico Hualde  
*Director, Cabinet of the Secretary of State for  
Economy and Corporate Backing,  
Ministry of Economy and Competitiveness*

Secretary:

Mr. Antonio Panizo García  
*State Counsel-in-Chief, Office of the Secretary of State for Finance,  
Ministry of Finance and Public Administrations*



### Changes in the Board of Directors during 2014

#### Members removed:

Mr. José Luis Arufe García (June 17th 2014)  
Ms. Cristina Carcelén Hurtado (July 3rd 2014)

#### Advisor removed:

Mr. Jorge Dajani González (September 16th 2014)

#### Members appointed:

Mr. Rafael Padilla Ruíz (June 17th 2014)  
Mr. Marcos Peletero Diz (July 3rd 2014)

#### Advisor appointed:

Ms. María Rocío Chico Hualde (September 16th 2014)



### Workforce

At December 31st 2014, members of the workforce totalled 1,514, distributed as shown in the table below.

WORKFORCE	31-12-2014
Chief Executive Officer	1
Top Management	6
Non-union personnel	34
Managers	88
Middle managers	82
Technical staff	298
Clerical staff	167
Operatives	790
Auxiliary staff	48
<b>TOTAL</b>	<b>1,514</b>

### Training

In 2014, training activities consisted in 226 courses, with 4,632 attendees and 44,133 training hours.

ITEM	31-12-2014
Courses	226
Attendees	4,632
Training hours	44,133
Average workforce	1,514
Hours, operative/year	29,15

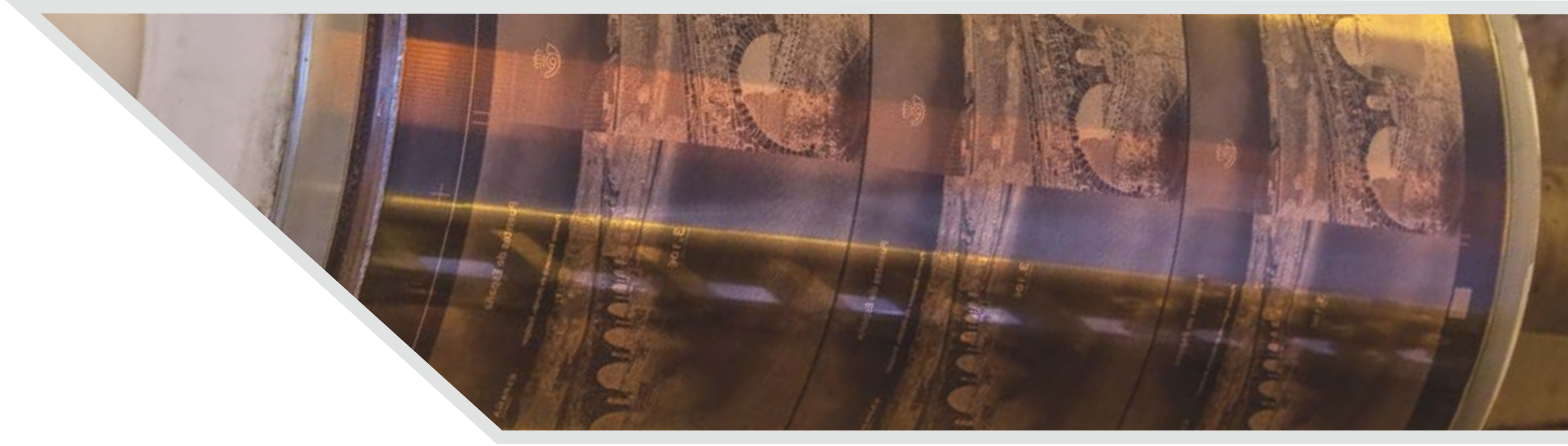
### Occupational Health and Safety (OHS)

The most outstanding achievements were the prolongation of the OHSAS 18001 accreditation; the positive trend in the reduction of the accident rate; progress in the area of security; and a detailed study of psychosocial hazards after the completion of the second assessment of psychosocial risks, which covered the entire workforce. All this enhances the employees' awareness of the importance of OHS while encouraging all concerned to make improvements to the OHS system as a whole.

As far as accidents at the work centres of Madrid and Burgos were concerned, it should be noted that, in 2014, there were no serious or very serious accidents, as has been the case over the last five years.



4



Premises

FNMT-RCM divides its activity between its headquarters in Madrid, where the bulk of production and services are located, and its premises in Burgos, used exclusively for the production of security paper. It also has a high-security warehouse, situated in Madrid.

**The Madrid building**

The Madrid building stands on a rectangular footprint bordered by the streets of Jorge Juan, Doctor Esquerdo, Duque de Sesto and Máiquez. The longest facades (300 m) overlook the streets of Jorge Juan, where the main entrance is situated, and Duque de Sesto, the location of the loading bays and vehicle access. The facades on Doctor Esquerdo, where the entrance to the museum, Museo Casa de la Moneda, is found, and Máiquez have a length of 84.6 m. Of imposing proportions, the building combines classicism with an industrial style. The matching doors on Jorge Juan and Doctor Esquerdo, with their flights of steps and strikingly massive pillars, along with the corners, decorated in granite ashlar, are a clear example of the classicism predominant in Spanish architecture in the period from 1940 to 1960. The frontispieces placed between the doors and the corners and dressed in brick speak of the building’s industrial nature, while their position, set back from the pavements with a fosse in-between, lends an impregnable air to the entire structure. Inside the four-storey building, industrial sections alternate with areas decorated in marble, fine wood and gold leaf. There is also a basement, occupied by vaults and various store rooms.



**The Burgos Paper Mill**

Situated to the west of the city on the right bank of the River Arlanzón, the Burgos premises occupy a piece of land measuring over 55,000 sq.m. The complex is bordered by a small fosse and a wire fence, somewhat reminiscent of a high-security compound. Activity is distributed into several pavilions with brick facades which, aesthetically speaking, bear a close similarity to the sides of the Madrid building.

**The high-security warehouse**

So as to overcome the problem of space restrictions for the storage of products, in 2007, a fully-robotised, high-security warehouse was opened, with 15,300 pallet lots. The warehouse is equipped with up-to-the-minute, anti-intruder security systems, video cameras inside and out and a fire-fighting system with a specialist in permanent attendance.



5



Production



## Circulating coins

In the financial year of 2014, total production of circulating euro coins exceeded 408 million pieces. In addition, 15 million pieces were struck for the Central Bank of Georgia; five million for Instituto de Finanzas in the Principality of Andorra; and 65.6 million coin blanks were stamped and assembled for the Central Bank of Algeria.

PRODUCTION	2014
Circulating coins, euro	408,252
Circulating coins, exported	85,665

(Thousand units)

## Collector coins and medals

Two issues of silver coins with a face value of 30 euros were made: the first to mark the 400th Anniversary of the death of Domenicos Theotocopoulos, El Greco; and the second, the proclamation of the king, HM Felipe VI. The first issue consisted of 367,354 pieces and the second, of 387,000. Moreover, nine series of proof-quality collector coins were minted. These were as follows:

- The 300th Anniversary of the Royal Spanish Language Academy
- Treasures of Spanish Museums, Series II
- The 250th Anniversary of the Royal Artillery College, Segovia
- The World Shooting Championship 2014
- World Heritage Cities, Series I (Alcalá de Henares, Ávila, Baeza, Cáceres and Córdoba)
- The *Europa* Programme 2014. Manuel de Falla.
- Numismatic Gems, Series V
- FIFA World Cup. Brazil 2014 (Spain and Ecuador)
- National Heritage, Series II

The number of gold and silver proof-quality coins totalled 180,731, minted for the new issues and also for collections from previous years. Furthermore, 25,500 proof-quality pieces were struck in other alloys.

PRODUCTION OF COLLECTOR COINS	2014
30-euro coins (silver)	754,354
Proof-quality coins	206,231

(Units)



Production went on to include parking meter tokens and the following medals:

- *Del Voluntariado* for the Ministry of Health, Social Services and Equality
- Círculo de Empresarios (Businessmen's Association)
- The Ratón-Pérez House-Museum
- The Parish of Concepción de N.º Señora
- The State Gaming Company

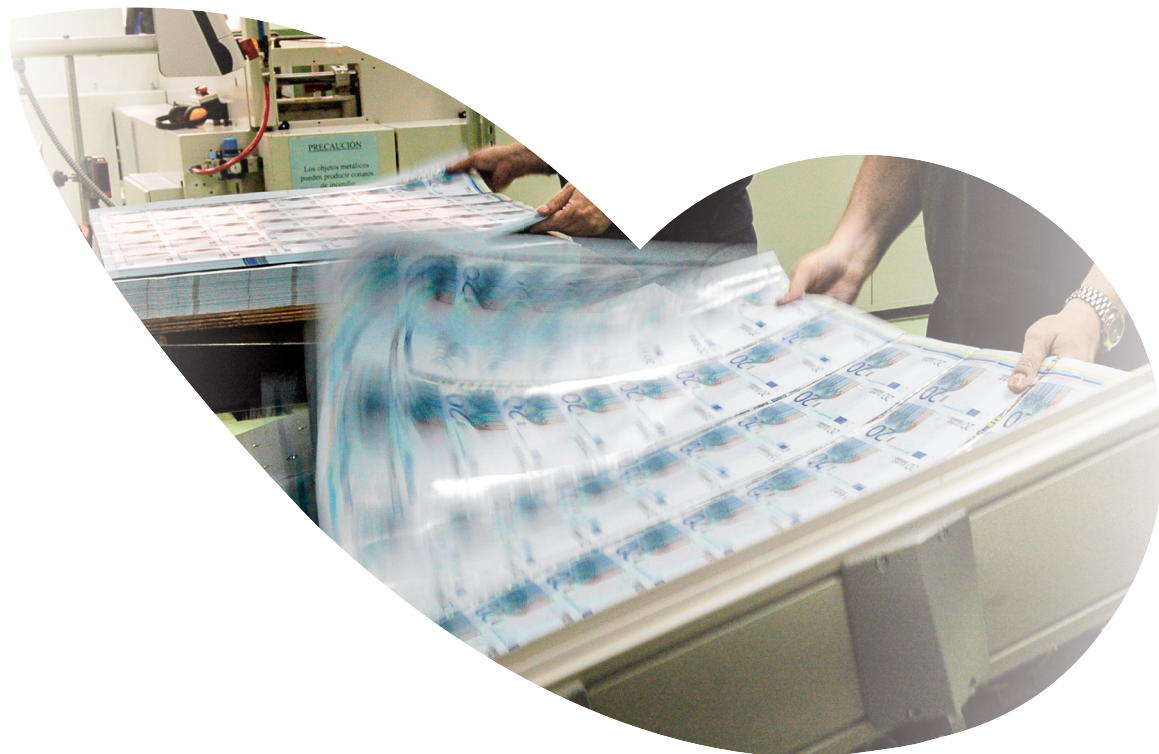
## Banknotes

FNMT-RCM's joint project with the European Central Bank for the purpose of launching the new banknotes belonging to the euro *Europa* Series remained in place. Work was done both on aspects of design and on testing the new banknotes and their security features at the industrial level, requiring the installation of purpose-made sensors.

PRODUCTION OF BANKNOTES	2014
50 euro	429,570
5 euro ES2*	172,510
10 euro ES2*	465,090
<b>TOTAL</b>	<b>1,067,170</b>

(Thousand units)

\*ES2: Euro Serie 2



PAPER PRODUCTION	2014
National banknotes	846
Banknotes for export	591
National converted paper	296
Converted paper for export	-
Other tasks	59
<b>TOTAL</b>	<b>1,792</b>

(Thousand kilogrammes)

## Paper

Production totalled 1,792 tonnes, reflecting a 24.61% decrease in respect of the previous year. This was largely due to the stoppage of the main process lines while machinery was replaced. Added to this, paper production for 20 and 50-euro banknotes belonging to the Second Series commenced, entailing the incorporation of new, highly-complex technical characteristics.

A total of 591 tonnes of paper for banknotes was exported: 386 for euro notes (78 for the Bank of Portugal, 224 for the Bank of Ireland, 78 for the Bank of Belgium and five for customer testing) and 206 for Nigeria.

Other tasks included medium-security paper, such as the one used in the new Spanish passport, containing a number of FNMT-RCM's unique security features and characteristics such as Tactocel ®, the intellectual property rights on which have been patented by the Paper Mill.

## Cards

FNMT-RCM continued to produce the main Spanish identification documents: the electronic National Identity Card (DNle); the electronic residence permit; driving licence; arms permit; and the digital tachograph. Other identification projects likewise remained in place: the Professional Drivers' Qualification (CAP); accreditations for foreign diplomats resident in Spain; and CERES crypto cards for the identification of civil servants employed at various administrative bodies. The issuance of new documents was also set under way:

- Chartered Translator-Interpreter Card for the Ministry of Foreign Affairs
- Electronic Identification Card for the Ministry of Defence
- Identification Card for Members of Mutualidad General de Funcionarios Civiles del Estado (MUFACE).

At the same time, production of the European Health Card (EHC) continued for a number of bodies: MUFACE; Instituto Social de las Fuerzas Armadas (ISFAS); and Mutualidad General Judicial (MUGEJU), which is also supplied with membership and beneficiary cards produced by FNMT-RCM.

With regard to the banking sector, the production of transport cards for savings banks was maintained, along with university smart cards and hospital employee cards for Banco Santander.

In conjunction with the Comunidad de Madrid Transport Consortium, further work was done on the mass personalisation of transport cards.

Last year saw the completion of the certification process for the DNle on a second chip source and also for the development of the EMV (European MasterCard Visa), in accordance with the latest MasterCard specifications. The certification process for FNMT-RCM's crypto card is still in progress.

Another milestone was reached with the completion of the development of the new DNle 3.0, with a radiofrequency interface for communication with devices equipped with NFC (Near Field Communication) technology. As a result, a single hardware platform incorporates the functionality of an electronic travel document in addition to the usual electronic signature. The security certification process is under way. Furthermore, the necessary

adaptations were made for pre-personalisation and all the auxiliary software was developed. This software is necessary for the issuance and renewal of certificates and for use of the document both on desktop equipment and on mobile devices.

In the Special Project Area, a new Management Assignment Agreement was executed for the maintenance and development of the management and control infrastructure for the digital tachograph. It is also worth pointing out that the chip used in the cards involved in this project received official approval and that the application for approval of a new chip is in progress.

PRODUCTION	2014
DNle	5,413
Driving licence	4,098
Residence permit	609
Smart cards	649
Magnetic band cards	1,160

(Thousand units)

Graphic products

This section covers the bulk of the products made by FNMT-RCM. They differ greatly from one to another, in terms of both technical complexity (some require specific equipment for production) and the amount produced. It includes the National Lottery, postage stamps, bingo cards, lottery tickets and State betting slips. The section titled *Various* refers to items where production is lower, such as:

- Tickets for *Mundobasket 2014*, the World Basketball Cup; the Professional Football League; the Alhambra Trust; the theatres, Teatro Real, Teatro de La Abadía and Corral de Alcalá; the museums, Museo Sorolla, Museo Nacional de Artes Decorativas, Museo Arqueológico de Madrid; and Territorio Musical.
- University and non-university qualifications awarded by the Ministry of Education, Culture and Sport; and Professionalism Certificates for Public Service in State Employment and also for the employment services of Valencia, Murcia, the Balearic Islands and Extremadura. In addition, an agreement was signed with Instituto Cervantes for the production of the Diploma in Spanish as a Foreign Language (DELE) and the Ministry of Employment and Social Security commissioned the production of the Diploma of Accreditation linked to the Medal of Merit in Work.
- Money vouchers (Eurokarro)
- Official portraits of the HM The King Felipe VI.

The necessary adaptations were made for the pre-personalisation of the new electronic passport, scheduled to come into use in January 2015; and also for the personalisation of consular passports for Spanish citizens resident abroad.



In 2014, 103 National Lottery draws were prepared with over 56 million tickets. Production of postage stamps chalked up more than 220 million units, grouped into 64 issues for the Spanish postal service; 11 for Andorra; the programmes coordinated by Gecotel/Correos for Equatorial Guinea; and the order from the Vatican company, Ufficio Filatelico e Numismatico, for the production of postage stamps to commemorate the Centenary of Pope Pius X.

GRAPHIC PRODUCTION	2014
National Lottery	56,866
Postage stamps	220,280
Passports	2,323
Bingo cards	541,909
Betting slips	598,569
Tobacco seals	1,154,598
Stamped bills	551,650
Various	346,656

(Thousand units)

Finally, intaglio plates were made for Series 2 20-euro banknotes as ordered by Valora (Portugal) and for 10-euro banknotes for the Bank of Ireland and the Bundesdruckerei. Also, European visa files were delivered to Estonia.





Services

### CERES (Spanish certification)

As the year of 2014 elapsed, the total number of Class 2 active certificates went up from 3,377,455 to 3,983,418, meaning an increase of 605,963. Moreover, the following projects were undertaken:

- The creation of a new Certification Authority for the issuance of IT Component Certificates. This service will be completed in the course of 2015 with the integration of a payment gateway to make the online process for obtaining these certificates more user-friendly.
- The creation of a new Certification Authority for citizens, adapted to the technical, regulatory and security requirements currently in force.
- Commencement of the project for the creation of a Certification Authority for the issuance of Extended-scope Representative Certificates. Through this infrastructure, it will also be possible to issue certificates for legal entities within both the fiscal area and the scope of the Spanish Securities and Exchange Commission (CNMV). The project meets with the approval of the Spanish Association of Property and Mercantile Registrars, the Spanish Tax Authority (AEAT) and the CNMV. It is expected to be completed by mid-2015.
- Headway was made in the development of digitalisation services once the premises had been extended and the infrastructure improved. Their integration with the signature and time-stamping services is planned for 2015.
- The expansion of mobility services using CERES certificates, now that the developments making it possible to obtain and use these certificates on mobile devices (OS Windows Phone and Blackberry) have been completed. An important milestone in this type of technology has thus been reached.
- Implementation of a consultancy and statistics service providing bodies with online access as required to data related to certificates processed at their registration offices. This service may be used for consultancy purposes by any FNMT Certification Authority.

### Research, Development and Innovation

The main activities and projects undertaken in 2014 were as follows:

- The card support for the new DNI. 3.0 and integration of the electronic part formed by the contact-based dual chip and RF antenna.
- New designs, security features embedded in paper and functional inks in the infrared field of the new passport 3.0.
- Official approval and acquisition of new equipment to improve the present system used in the issuance of identification and travel documents.
- Preparation of proposals for the design of the new European visa and residence permit to be presented in Brussels.
- Development and implementation of an RDI management system in accordance with Standard UNE 166002, for the main purpose of systematising RDI activities and incorporating them into the general management of FNMT-RCM.
- Development and improvement of security characteristics for value and identification documents.
- The ongoing training of RDI personnel in any development within the scope of the new technologies which might be applied in the field of document security.



- Training courses in security documents for various national and international official bodies.

### Laboratory

First and foremost, it is the laboratory's task to provide the productive departments with technical support and to this end, a large number of reports were prepared, especially on the subject of euro banknotes.

The laboratory kept the accreditation issued by ENAC (National Accreditation Agency) in accordance with the quality criteria required by International Standard UNE EN ISO/ IEC 17025 for precious metals.

With regard to external activity, which accounts for 15.7% of the laboratory's total tasks, the following are worthy of special mention:

- Testing and participation in euro banknote working groups, which increased by 2% in respect of the previous year.
- Coin analysis and the issuance of the appropriate expert reports, the number of which witnessed a considerable rise.
- The preparation, as required by a number of law courts, of expert reports concerning FNMT-RCM's products. This activity compounds FNMT-RCM's function as Official Laboratory of the Administration.

Furthermore, there was an increase in the number of external customers, both public and private. A case in point is the execution of new testing service supply contracts with the national banks of other countries, in addition to the renewal of some agreements from previous years.

### International identification projects

The fifth addendum to the Agreement of International Cooperation with the Ministry of the Interior of the Argentine Republic was signed, prolonging the provision of our technical advisory service aimed at improving the issuance and modernisation processes of the Argentine National Identity Card and electronic passport. Similarly, by virtue of another agreement of international cooperation, FNMT-RCM worked alongside the Panama Election Board on a feasibility study concerning a multi-purpose electronic identity card.





Cultural activity



With collections in the region of 200,000 pieces used by researchers as a source of reference, FNMT-RCM's museum, Museo Casa de la Moneda, is the nerve centre of cultural activity. The permanent exhibition, with free admission and group tours led by volunteers from the world of culture, offers the visitor a *stroll through the history of money*. There are also two spacious areas devoted to FNMT-RCM's traditional crafts: graphic arts and the art of medal-making. At the same time, the museum organises displays, takes part in numismatic and philatelic fairs, manages loans to other institutions and is the headquarters of Sociedad Iberoamericana de Estudios Numismáticos, which publishes the magazine *Numisma*. The list of the museum's activities goes on to include concerts, conferences, minting and painting demonstrations, film and an annual drawing competition.

### Temporary exhibitions

- *Inicios*. A display of the work of Juan Navarro Baldeweg, winner of the Tomás Francisco Prieto Award 2012.
- *Pasión por la vida*, by J. Carrero.
- *La FNMT-RCM en Jorge Juan 106: 50 años de evolución y tecnología*. To accompany this exhibition of FNMT-RCM's evolution and technological advancement over the last 50 years, a catalogue in two volumes was published.



- *Tinta de verano*. Exhibition of work by students from the School of Engraving.
- *Certamen Internacional Carmen Arocena*. Last year, this exhibition was held on the museum's premises for the first time.
- *25th Edition of the Tomás Francisco Prieto Award*. An anthology of the 25 award-winning artists to date.

### Pieces on loan

Museo Casa de la Moneda lent pieces from its collections to the organisers of the following displays:

- *El último viaje de la Fragata Nuestra Señora de las Mercedes*, National Archaeology Museum.
- *Francisco de Goya y la Casa de la Moneda*. Curated and assembled by Museo Casa de la Moneda at the Fuendetodos Museum.
- *Blas de Lezo, el valor de medio hombre*, Casa de Iberoamérica, Cádiz.
- *Tesoros. Materia, ley y forma*, Archaeology Museum, Murcia.

### The Tomás Francisco Prieto Award

Holding pride of place amongst all the cultural activities organised by FNMT-RCM, last year, the Tomás Francisco Prieto Award was won by Jaume Plensa.

### The School of Engraving and Graphic Design

The idea behind the school when it was set up in 1990 was to combine the traditional with the modern by teaching the old technique of burin engraving alongside the latest trends in computer-assisted design. Nowadays, by virtue of agreements of cooperation in force, the school prepares students for the Master Diploma in Graphic Printing Media. With a maximum of 16 students per intake, the aim is to train highly-qualified professionals. In 2014, the third Master Course was completed by 12 students.



Annual Accounts and Management Report

Auditors’ Report

I. Introduction

The Office of the General State Comptroller, through the National Audit Office, using the powers it has under article 168 of the General Budget Act, has audited the financial statements of Fábrica Nacional de la Moneda y Timbre-Real Casa de la Moneda (FNMT-RCM), which comprise the balance sheet at 31 December 2014, the income statement, the statement of changes in equity, the statement of cash flows and the annual report for the year then ended.

The audit work referred to in the above paragraph was performed by Gesem Auditores y Consultores, S.L.P. under an agreement entered into with the Ministry of Finance and Public Administration at the proposal of the Office of the General State Comptroller. In connection with the aforementioned work, the Office of the General State Comptroller has applied the Technical Provision on working with private auditors for carrying out public audits of 11 April 2007.

This report was prepared by the Office of the General State Comptroller based on the work performed by the audit firm Gesem Auditores y Consultores, S.L.P.

The General Manager of FNMT-RCM is responsible for preparing the entity’s financial statements in accordance with the financial reporting framework set out in note 2 of the attached annual report and, in particular, with the accounting principles and rules; he is also responsible for such internal control as he shall consider necessary in order for preparation of the aforementioned financial statements to be free from any material misstatement.

The financial statements referred to herein were submitted by the General Manager of FNMT-RCM on 19 June 2015 and made available to the National Audit Office on the same date.

The information on the financial statements is contained in file NF0568\_2014\_F\_150619\_133249\_Cuentas.zip, the electronic summary of which is:

38DC7371096BD31BB96DC5762A4C88A41E1564B4DFDB9373D3F580B450682051

and is filed in the Cicep.red software of the Office of the General State Comptroller.

II. Objective and scope of the assignment: Auditor’s responsibility

Our responsibility is to express an opinion as to whether the attached annual accounts give a true and fair view based on the work done in accordance with Public Sector Audit Rules. Those rules require us to plan for and carry out the audit in order to give a reasonable, albeit not absolute, assurance that the financial statements are free from material misstatement.

An audit requires the application of procedures in order to obtain suitable and sufficient evidence on the amounts and information disclosed in the financial statements. The procedures selected depend on the auditor’s judgment, including assessing the risks of material misstatement in the financial statements. In assessing that risk, the auditor takes into account the internal controls relevant to the preparation and reasonable presentation by the management of the financial statements, in order to design audit procedures appropriate to the circumstances, and not in order to express an opinion as to the efficiency of the company’s internal controls. An audit also includes an assessment of whether the accounting policies applied are appropriate and the accounting estimates made by the management are reasonable, and an assessment of the overall presentation of the annual accounts.

We consider that the audit evidence we have obtained provides a sufficient and appropriate basis for our audit opinion.

III. Opinion

In our opinion, the attached financial statements give a true and fair view, in all material respects, of the equity and financial position of FNMT-RCM at 31 December 2014 and of the results of its operations, changes in equity and its cash flows for the year then ended, in accordance with the applicable regulatory financial reporting framework and, particular, with the accounting principles and standards therein contained.

IV. Events not affecting the opinion

Although this does not affect our opinion on the financial statements, we would draw attention to note 24 of the attached report, “Events after the reporting period” concerning discontinuance of the FNMT-RCM euro banknote printing activity.

Following publication of Guideline (EU) 2015/280 of the European Central Bank of 13 November 2014 on the establishment of the Eurosystem Production and Procurement System (ECB/2014/44) and final provision two and additional provision ninety-five of 2015 General State Budget Act 36/2014, 26 December, FNMT-RCM and the Bank of Spain have signed a protocol dated 19 December 2014 to set up a special purpose vehicle (company named Imbisa) the exclusive objects of which shall be to produce and print euro banknotes. The protocol provides that the aforementioned SPV, in which the Bank of Spain will initially have an 80% share and FNMT-RCM a 20% share, until the end of 2017 when it shall be wholly-owned by the Bank of Spain, is to be incorporated in 2015, thereby ensuring that the production of banknotes in the year 2016 and thereafter allocated to the Bank of Spain is carried out by the aforementioned company, in accordance with the European Central Bank’s Guideline.

The incorporation of this Company, which will take over the FNMT-RCM branch of activity consisting of printing euro banknotes, will affect the equity structure of FNMT-RCM and result in a new business generation framework in the future.



V. Report on other statutory and regulatory requirements

Under its articles of association, FNMT-RCM is required to prepare a Directors' Report containing such explanations as are considered appropriate with respect to the Entity's position and progress, but it is not an integral part of the financial statements.

In addition, pursuant to article 129.3 of the General Budget Act, FNMT-RCM is required to present, together with the financial statements, a report relating to fulfilment of the Entity's economic and financial obligations as a public sector entity.

Our work was limited to assessing that the financial statements have been prepared in accordance with the laws governing the same and that the accounting information they contain is consistent with that of the audited financial statements.

This auditors' report was signed electronically using the CICEP.Red software of the Office of the General State Comptroller by the National Auditor and Team Leader and by the National Auditor and Head of the Public Sector Financial Control and Audit Division at the National Audit Office, at Madrid, on 24 June 2014.

BALANCE SHEET AT 31 DECEMBER 2014

(Expressed in Thousands of Euros)

ASSETS	31-12-2014	31-12-2013
A) <b>NON CURRENT ASSETS</b>	<b>184,160</b>	<b>210,350</b>
I. <b>Intangible assets</b>	<b>1,054</b>	<b>562</b>
5. Computer software	1,054	562
II. <b>Property, plant and equipment</b>	<b>158,595</b>	<b>164,468</b>
1. Land and buildings	89,640	91,964
2. Plant and other items of property, plant and equipment	61,404	64,410
3. Property, plant and equipment in the course of construction and advances	7,551	8,094
III. <b>Investment property</b>	<b>12,611</b>	<b>12,829</b>
1. Land	8,715	8,715
2. Buildings	3,896	4,114
IV. <b>Non-current investments in Group and affiliated companies</b>	<b>3,075</b>	<b>3,075</b>
1. Equity instruments	3,075	3,075
V. <b>Non-current financial assets</b>	<b>769</b>	<b>1,894</b>
2. Loan to third parties	628	1,753
5. Other financial assets	141	141
VI. <b>Non-current trade receivables</b>	<b>—</b>	<b>20,327</b>
1. Loans to third parties	—	20,327
VII. <b>Deferred tax assets</b>	<b>8,056</b>	<b>7,195</b>
B) <b>CURRENT ASSETS</b>	<b>251,956</b>	<b>225,087</b>
II. <b>Inventories</b>	<b>56,751</b>	<b>57,650</b>
1. Goods held for resale	357	412
2. Raw materiales and other supplies	20,187	22,631
3. Work in progress	26,848	20,789
4. Finished goods	9,359	13,818
III. <b>Trade and other receivables</b>	<b>33,142</b>	<b>24,596</b>
1. Trade receivables for sales and services	32,444	22,285
2. Receivable from Group and affiliated companies	72	85
3. Sundry accounts receivable	109	141
4. Emplloyee receivables	517	519
6. Other accounts receivable from Public Authorities	—	1,566
V. <b>Current financial assets</b>	<b>70,209</b>	<b>100,433</b>
2. Short-term loans to third parties	191	423
5. Other financial assets	70,018	100,010
VI. <b>Current prepayments and accrued income</b>	<b>55</b>	<b>1</b>
VII. <b>Cash and cash equivalents</b>	<b>91,799</b>	<b>42,407</b>
1. Cash	91,799	42,407
<b>TOTAL ASSETS (A + B)</b>	<b>435,116</b>	<b>435,437</b>

**BALANCE SHEET AT 31 DECEMBER 2014**

(Expressed in Thousands of Euros)

LIABILITIES	31-12-2014	31-12-2013
A) <b>EQUITY</b>	<b>377,935</b>	<b>358,093</b>
A-1) <b>Owners' equity</b>	<b>377,935</b>	<b>358,093</b>
I. <b>Capital</b>	<b>10,047</b>	<b>10,047</b>
1. Authorised capital	10,047	10,047
III. <b>Reserves</b>	<b>348,046</b>	<b>331,271</b>
1. Reserves provided for in the articles	199,108	182,333
2. Voluntary reserves	148,938	148,938
VII. <b>Profit for the year</b>	<b>19,842</b>	<b>16,775</b>
B) <b>NON-CURRENT LIABILITIES</b>	<b>9,840</b>	<b>9,669</b>
I. <b>Long-term provisions</b>	<b>9,840</b>	<b>9,669</b>
1. Provisions for long-term employee benefit obligations	6,896	6,715
4. Other provisions	2,944	2,954
C) <b>CURRENT LIABILITIES</b>	<b>48,341</b>	<b>67,675</b>
II. <b>Short-term provisions</b>	<b>151</b>	<b>151</b>
III. <b>Current payables</b>	<b>3,111</b>	<b>30,507</b>
5. Other financial liabilities	3,111	30,507
V. <b>Trade and other payables</b>	<b>29,518</b>	<b>23,947</b>
1. Payable to suppliers	12,486	10,719
2. Suppliers, jointly controlled and related entities	1,099	953
3. Sundry accounts payable	3,844	3,471
4. Personnel (remuneration payable)	2,226	1,839
5. Current tax liabilities	489	319
6. Other accounts payable to public Authorities	9,324	5,403
7. Customer advances	50	1,243
VI. <b>Current accruals and deferred income</b>	<b>15,561</b>	<b>13,070</b>
<b>TOTAL EQUITY AND LIABILITIES (A + B + C)</b>	<b>436,116</b>	<b>435,437</b>

**INCOME STATEMENT FOR THE YEAR 2014**

	31-12-2014	31-12-2013
A) <b>CONTINUING OPERATIONS</b>		
1. <b>Net turnover</b>	<b>240,815</b>	<b>243,883</b>
a) Sales	229,228	229,222
b) Services	11,587	14,661
2. <b>Change in inventories of finished goods and work in progress</b>	<b>1,688</b>	<b>(14,668)</b>
3. <b>In-house work on non-current assets</b>	<b>879</b>	<b>621</b>
4. <b>Procurements</b>	<b>(79,637)</b>	<b>(74,101)</b>
a) Cost of goods held for resale used	(893)	(1,409)
b) Cost of raw materials and other consumables used	(74,020)	(64,766)
c) Work performed by other companies	(6,297)	(7,516)
d) Write-down of goods held for resale, raw materials and their supplies	1,573	(410)
5. <b>Other operating income</b>	<b>561</b>	<b>371</b>
a) Non-core and other current operating income	340	72
b) Income-related grants transferred to profit or loss	221	299
6. <b>Staff costs</b>	<b>(77,878)</b>	<b>(76,979)</b>
a) Wages, salaries and similar expenses	(55,162)	(56,177)
b) Employee benefit costs	19,745	(19,637)
c) Provisions	(2,971)	(1,165)
7. <b>Other operating expenses</b>	<b>(36,625)</b>	<b>(36,129)</b>
a) Outside services	(37,464)	(36,899)
b) Taxes	(1,613)	(1,701)
c) Losses on, impairment of and changes in allowances for trade receivables	2,452	2,471
8. <b>Depreciation and amortisation charge</b>	<b>(22,661)</b>	<b>(21,690)</b>
11. <b>Impairment and gains or losses on disposals of non-current assets</b>	<b>37</b>	<b>34</b>
a) Impairment and other losses	(26)	34
b) Gains or losses on disposals and other	63	—
<b>OPERATING PROFIT</b>	<b>27,179</b>	<b>21,322</b>
13. <b>Finance income</b>	<b>1,912</b>	<b>2,984</b>
b) Income from marketable securities and non-current loans	1,912	2,984
b2) Third parties	1,912	2,984
14. <b>Finance costs</b>	<b>—</b>	<b>—</b>
b) On debts to third parties	—	—
16. <b>Exchange differences</b>	<b>(5)</b>	<b>(303)</b>
<b>FINANCIAL PROFIT OR LOSS</b>	<b>1,907</b>	<b>2,681</b>
<b>PROFIT BEFORES TAX</b>	<b>29,086</b>	<b>24,003</b>
18. <b>Income tax</b>	<b>(9,244)</b>	<b>(7,228)</b>
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>	<b>19,842</b>	<b>16,775</b>
<b>PROFIT FOR THE YEAR</b>	<b>19,842</b>	<b>16,775</b>

# Directors' Report

The turnover in 2014 amounted to EUR 241 million, meaning that the sales volume was maintained with respect to the previous year. The slight decrease was due mainly to the decrease in billings of traditional products at home and decreased sales of export banknote paper, which have not been fully offset with an increase in billings of euro banknotes.

In the case of euro banknotes, production of series I was combined with that of new series II, production of the 10 euro banknote in series II was consolidated and production of the new 20 euro banknote commenced. As for banknote paper, reference should in particular be made to the decrease in export sales of euro banknote paper in the two series currently in production in Europe.

The effort made to issue the new series of euro notes into circulation, in both the banknote paper production phase and the printing phase, was enabled due to the substantial material and human resources assigned by the Entity to this business line, within the context of the supply of public interest products inherent therein. Once more, the Entity confirmed its excellent standing among the main producers of such specifically characterised products.

On the other hand, the Entity has continued to be closely committed to General State Administration (hereinafter GSA) customers, supplying goods and services as a GSA instrument. Noteworthy in this regard is the Entity's close cooperation with the Ministry of the Interior and the Treasury.

The Entity has a Research, Development and Innovation Department. During the year 2014, this department continued to seek out new viable ways and technologies to improve products and processes developed at the Entity. This department focused mainly on improving and developing identification documents, developing new security features to be included in any of the products manufactured by the Entity, developing and improving new equipment and undertaking any tasks required to coordinate euro banknote-related work. Apart from the R&D+i department in Madrid, the Burgos paper mill has its own section devoted to the development of new security features for the paper it produces.

A large portion of the Entity's technological activity is focused on the Identification Document and Card Department, which is involved mainly in the development of new features, integrated in the electronic devices incorporated into the products produced.

Noteworthy in terms of operating expenses was the EUR 40.9 million increase in staff costs with respect to the previous year due to provisions made. In 2014 the average headcount was 1,515 employees, 22 fewer than in the previous year, mainly as a result of the retirement of Entity staff, and in line with the trend in prior years.

Outside services were up by EUR 0.5 million compared to 2013.

As a result of the foregoing, profit after tax stood at EUR 19.8 million, which represented 8.2% of net sales.

Cash flows after tax generated by the Entity enabled it to make the year's investments. The Entity's equity reflects a consolidation of its sound financial structure. Accordingly, at 31 December 2014, owners' equity constituted 86.6% of the total equity.

The investments made during the year 2014 totalled EUR 17.3 million, the most noteworthy of which related to machinery.