



# ANNUAL REPORT

## 2023-2024



*Efling trade union Annual Report 2023-2024*

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## CHAIRMAN'S ADDRESS

Dear members of Efling Union,

This winter, the government responded favorably to the demands of Breiðfylkingin for improvements to the transfer systems within the welfare state. The restoration of these systems has now finally commenced after the last few decades of damaging and destructive neo-liberalism. But just how exactly did we manage to get the government to almost double welfare spending as a percentage of GDP, after a decade of declining welfare spending year-on-year? When significant victories are won, a large part of the story often lies in the chain of events that precedes success. That is the case here as well.

It was the great willingness of the workers in the capital area to fight – a willingness which Efling's work has certainly shown to be alive and well – that allowed this victory to be achieved.

Equally, success can also be attributed to Efling's unrelenting and purposeful fight to correct perceptions of historically undervalued female jobs, allowing large sub-groups within Efling, such as kindergarten staff and welfare service workers, to now receive special additional payments.

And via the collective agreements signed recently in the general market of Efling, SGS and Samiðn – the so-called Breiðfylking – a historic success was achieved in using special payments to improve conditions for the indispensable group of people who work within the cleaning sector and in the general labor market. This action represents a real step forward toward improving the economic situation of cleaners, who are mostly immigrant women.

Behind this success lies hard work and a long struggle. Let's not forget that cleaners approved strike action in February 2023 with over 80% voting to strike, following a campaign in which active members visited cleaners' workplaces and held well-prepared meetings with them. Let us also remember that during the 2022–2023 dispute, hotel workers, oil truck drivers and security guards also agreed to strike action – with a clear majority in all cases. The trust and willingness to fight which members displayed in these cases stems from the accumulated experience of Efling members from the strike disputes of the 2019–2020 negotiation cycle, when Efling breathed new life into the struggle for unskilled worker rights after decades of dormancy in this area. Step by step, we have made employers and the political class aware that the oppression and exploitation of our labor



*Sólveig Anna Jónsdóttir*  
Chairman of Efling Trade Union

is not a natural state – it is an injustice which we both can and will rise against.

But collective bargaining wasn't our only arena for success this winter. We also continued to succeed in ensuring that Efling works first and foremost for the people of Efling. Reforming the way the union operates, and putting the needs of its members front and center, is a project that both the board and the union's managing director continue to feel passionate about, and which they drive forward with ambition. We have set ourselves the goal of being at the forefront among trade unions when it comes to training union representatives and giving every member of Efling who is interested the opportunity to participate in social and political activities under the auspices of the largest and most powerful union of workers in Iceland – Efling Union. We are stronger when we are united, organized and active – whether we be at work dealing with our own employers, or coming face to face with the organized employer associations in Karphúsið.

We intend to continue to develop our methods of opening up the union in order to ensure that our priorities within collective bargaining are shaped by members and that negotiations agreements are open and democratic. We are proud to have become the most visible force for workers in wage negotiations and the wider social debate. When we show up – in large numbers, but disciplined and with realistic plans for victory, honed by the experience of the last half decade – we are now finally shown a fraction of the respect we deserve. We are resourceful and can change our methods when necessary, but we never compromise on the minimum





standards we have set for ourselves, namely to ensure that all our communications with employees about the content and nature of wage negotiations are transparent and honest, and that everyone who wants to, can participate seriously and with dedication in our work if given the opportunity to do so.

Efling has carved out a position for itself as a real driving force for change and progress in Icelandic society. We are on the right track and will continue full-steam ahead.

Efling's members work long hours at mentally and physically demanding jobs. Men in Efling Union have the longest working hours of anyone in the Icelandic labor market, while up to 20% of Efling's female members work two jobs. Nonetheless, a large number of Efling's members make time to participate in the union's work. It is because of this ambition that the members of Efling's board, negotiation committee and delegate council need to remain at the forefront of those who fight for justice and equality in Icelandic society.

Efling's members come from 144 countries. Some of us were born here in Iceland while others are from Poland, Lithuania, Romania, Latvia, the Philippines, Vietnam, Thailand, Ukraine, Spain, Venezuela, Portugal or Croatia. We are from the USA, Honduras, Ghana, Afghanistan and Palestine. The list goes on. In all of Efling's work, we look toward what unites us and never what separates us. Our men and women fight side by side for a better society, as do those who are taking their first steps into the labor market and those who are retiring due to old age.

People who speak different languages and come from diverse cultural backgrounds have found ways to work and stand together. Contrary to the untruths that more

and more people seem to believe – that different backgrounds do nothing but create difficulties in human relations – we have found and seen for ourselves that, on the contrary, a multinational background enriches our existence. By considering the diversity of Efling's members as a force unlike anything else in Iceland and a source of strength, I know that we have achieved better results than would ever have been possible otherwise. I am proud of the many things we have achieved over the last few years, but I am most proud of the fact that we have never given up on our commitment to ensuring that Efling be truly open to all of the many people who make up the union.

Since the the first election in the union's history regarding leadership was held in 2018, we, the people of Efling, have faced many challenges. We have succeeded in negotiations. We have succeeded in getting the government to accept responsibility for the living conditions of the country's workforce. We have mobilized groups of members to participate in difficult strike actions and we have achieved better results. We have succeeded in building our union. We have stuck together through hard times, supported each other, and refused to give up. We can be proud of that every day.

With solidarity as our weapon, we have shown our strength. And we will continue to do so. The brawn, brains and heart of Efling's people are what create and hold up our society. We know that very well, and it is for this reason that we demand influence and respect in a society that rests on the foundations of our work. We are indispensable. And for that simple reason, we will succeed.

## AN INTRODUCTION FROM THE MANAGING DIRECTOR

The year 2023 was an eventful year in many respects for Efling Union's office. As is well known, Efling was involved in strong strike actions during the year, which inevitably affected the operation of the office. In addition, Efling underwent a large-scale revolution in technical matters, as well as taking over the collection of membership fees.

### STRIKES AT THE BEGINNING OF THE YEAR

Staff at Efling's office supported strike action by union members in the first months of the year by organizing, registering and collecting data for payments from the strike fund. The strikes lasted for three weeks and saw a total of 752 Efling members take part, mostly hotel staff. Three strike notices were announced in January, and all were accepted by Efling's members. The first strike began on February 7 by members who worked in hotels owned by Fosshótel and Íslandshótel. On February 15, they were joined by members who worked at Berjaya hotels and by oil transport drivers.

Total reimbursements amounted to around ISK 195 million. It was a huge task to keep track of these payments manually but with the introduction of a new member system the process has been simplified and digitized. Efling's office is consequently now much better equipped to prepare and process projects related to future strikes.

### A REVOLUTION IN INFORMATION TECHNOLOGY

At the beginning of the year, Efling Union invested in a 30% stake in Tótal ehf, which owns and operates the membership system Tótal. With that investment, Efling secured access to a new membership system and the right to participate in the development of that system in collaboration with four other unions. This is a collaborative project on the operation and development of Tótal membership system, which is specially designed by a union for unions.

In 2023, emphasis was placed on improving all electronic services for members. Changes were made to Efling's website in order to make services and the dissemination of information both simpler and more accessible. This was achieved, in part, by improving the way information is presented, and by establishing a new structure for the most visited pages on the site. That work is still ongoing and will continue throughout the year.



*Perla Ösp Ásgeirsdóttir*  
Managing director of Efling Trade Union

Significant changes were made to the *My Pages* section. Until recently, (the beginning of the year), the *My Pages* section was run by Efling in collaboration with Origo. With the introduction of the Tótal member system, the *My Pages* section was integrated into Tótal, with all functions remaining accessible to members who already had *My Pages*. Many new options were introduced, including the addition of five new languages for members to choose from.

Throughout the year, work was also undertaken on the development of the Efling Union's database. Efling's data had previously been stored by Reiknistofa lífeyrissjóða. Efling's data goes back many decades, so the work undertaken on this project was extensive, but very important. In the digital age of today, there is significant value in data and its processing, not least for a group as broad as Efling's member base. It is therefore crucial that the union's data is owned and managed by the union itself, and not by an external computer system service provider.

Last year also saw the implementation of new accounting system. In order to reduce operational risks, the implementation period was kept as long as possible, and various tests were carried out on the systems.

The new computer systems became operational at the turn of the year 2023/2024, and thanks to the good preparatory work of Efling's staff, the switchover had a very limited effect on services to members. However, there is still a number of loose ends that are currently being tied up and this process will probably stretch into the middle of the year.

## RECEIPT AND COLLECTION OF MEMBERSHIP FEES TRANSFERRED TO EFLING

During the year, preparations began to allow Efling to take over the receipt and processing of membership fees. This had previously been done by the Gildi pension fund for many years. In order to inform employers about the changes, advertisements were published in newspapers, letters were sent out to employers, institutions and accounting offices, and a special landing page was set up on the Efling website containing instructions about the switchover.

At the turn of the year 2023/24, Efling began receiving membership fee returns. The transfer exceeded all expectations, despite some minor difficulties in the very beginning. The majority of employers have now started making their payments directly to Efling. Processing of those cases still pending with Gildi will conclude in the first half of 2024, however the contract for Gildi's receipt of Efling's membership fees expired in February 2024. This change has allowed for the significant optimization of costs, as Efling normally paid Gildi about seven million ISK monthly for this service.

## UPDATING OF EFLING'S OFFICE IN GUÐRÚNARTÚN

Efling's office at Guðrúnartún 1 first opened in the year 2000, and so the building's layout had grown a bit outdated over time, both in terms of its reception facilities for members and the equipment used by Efling's staff. Work was therefore commenced to update the building in collaboration with ArkThing Architects and the first plans were ready in the fall of 2023. After a detailed analysis and cost estimate, the Board of Efling approved the project at the first meeting of 2024 and preparations for construction have now begun. Staff at Efling's office will strive to maintain an acceptable level of service during the construction period, however these refurbishments will inevitably affect opening hours and access conditions to the office. It is estimated that this work will be completed in the spring of 2025.

## HISTORY OF THE LABOR MOVEMENT TRANSFERRED TO THE NATIONAL ARCHIVES

The Efling Union has a long history which can be traced back to the trade unions of Dagsbrún, Framsókn, Sókn, lðja and other associations that are intertwined with the history of the Icelandic labor struggle. Documents and pictures from all of these associations were found in the archives in Guðrúnartún, dating all the way back to the turn of last century. These are very significant documents that bear witness to a deep and rich history, and the National Archives of Iceland (Þjóðskjalasafnið) is much better equipped to ensure their preserva-

tion. Moreover, transferring these documents to the Archives also means that they will be accessible to the public. The Efling Union therefore enlisted the help of Avanti document consultancy in order to process, classify and register the data and make preparations to transfer the documents to the National Archives. Over the course of the year, the documents were packed in 582 boxes for shipment. The project is well advanced and will end in 2024.

## EFLING'S FINANCES

It is a pleasure to report that there was a complete turnaround in Efling's operations in 2023 from the previous year. The union's profit amounted to almost 715 million ISK, compared to a loss of over 9 million ISK in 2022. The year 2022 was a year of transformation in Efling's operations, and those changes entailed considerable costs. However, the changes that were undertaken at that time already paid off last year, including in a reduction in the union's general operating costs.

The union's membership fees increased by 21% year-on-year, by 543 million ISK, and last year amounted to 3,184.4 million ISK. A significant one-time profit was created due to exchange rate gains in securities transactions, a total of almost 447 million ISK. Equity increased by over 1 billion ISK between years and was almost 14.8 billion ISK at the end of the year.

The union's costs increased between years, mainly because of strike subsidies and increased participation in medical subsidies. Costs due to the payment of benefits and subsidies increased by 600 million ISK and were over 2 billion ISK during the operating year. Of this, strike subsidies amounted to ISK 195 million, but no strike subsidies were paid out in 2022. Paid sick leave allowances last year amounted to almost ISK 1.6 billion, which is an increase of ISK 384 million from the previous year.

The operating costs of the Efling's office decreased by over ISK 80 million during the year, compared to 2022. Of this, salaries and other personnel costs were over ISK 43 million lower. Costs for legal assistance were ISK 10 million lower than last year, which is explained by the changed focus in processing cases at the Labor Rights Division. The cost of collecting membership fees was almost 13 million ISK lower due to renegotiations with Gildi, but in 2024 Efling started receiving membership fees and therefore this cost item will not be present in 2024. IT costs increased between years, by almost 11 million ISK, which can be attributed to the introduction of the new social system, Tótal. However, the aim is for that cost to decrease in the current year, after the implementation has been fully implemented.





## WAGES AND RIGHTS

Efling began preparations early for a new collective agreement that would take effect from February 1, 2024, or at the beginning of summer 2023. An assessment was made of the development of transfers within the welfare system to the homes of working people from 1988 to the present, i.e. child benefits, interest benefits and housing benefits. That assessment showed that working people for example, (couples with two children and a property) had lost an average of around 40 thousand ISK per month in combined tax-free child and interest benefits between 1995 and 2021 (adjusted for inflation). People with lower intermediate incomes had lost more than 50 thousand ISK per month at the adjusted rate. These tax-free benefits are particularly valuable for employees, and especially those on the lowest wages.

It therefore became clear that a significant decline in wages had occurred among wage-earning households due to the contraction of the welfare state's transfer systems – and that this decline in wages had taken place quietly. This is unfortunate because housing costs have increased the most in Iceland since 2010, compared with other European countries. The cost of living for families with children has also increased, as Iceland has been moving closer toward being one of the most expensive countries (together with Switzerland) over the last two decades. The need to support the transfer systems has therefore grown significantly over the last two decades or so – at the same time as the actual support of these systems has been declining significantly.

On this basis, an early consensus was formed on Efling's platform to push for significant wage improvements, with a demand for the restoration of household transfer systems, alongside demands for wage increases, which could then be more modest with the hope that this would create room to bring inflation down faster than would otherwise be possible. These proposals were sent from Efling to ASÍ's Economic and Tax Committee where they

were approved and then sent onward to ASÍ's central board. Following this, work was then undertaken to build consensus among ASÍ for making claims.

As a result, the so-called Breiðfylkingin of ASÍ members was created, covering over 90% of ASÍ members or over 70% of the labor market at large. Breiðfylkingin subsequently implemented the above proposals for the restoration of the transfer systems, alongside a proposition for modest wage increases in order to bring down inflation and interest rates more quickly. The prerequisite for an agreement on modest wage increases, given the conditions that existed at that time, was that the state would successfully restore the transfer systems by increasing spending on such items by between 20 and 25 billion ISK per year.

It suffices to say that the negotiation model of a broad consensus on the reduction of inflation and interest rates, in addition to the significant increase of wage benefits for middle and lower wage groups from the transfer systems of the welfare state, has only continued to advance. In the coming years, the tests of this model will be whether the consensus holds and everyone pays their dues, whether employers refrain from introducing price increases and whether the Central Bank and mortgage loan providers (major banks and pension funds) reduce interest rates sufficiently. If the model fails, a new moment of crisis will arise in the trade union movement.

But the obvious fact facing us now is that the wage benefits obtained through the strengthening of the welfare system weigh heavily on the lower and intermediate groups of workers, as they are tax-exempt payments. But if the model is successful, important pay improvements will also mean lower inflation and lower interest rates – and thus a lower cost of living. Further information on the collective agreement can be found on Efling's website.



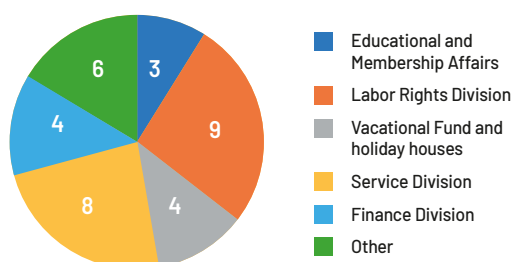
## EFLING'S OFFICE EMPLOYEES

Today Efling's office has 34 employees assisting Efling's members in various areas. Nine work in the Labor Rights Division, which mainly protects the interests of members if there is a suspicion that collective agreements and/or the law are not being followed. Eight work in the Service Division that provides general information and pays various grants. Four work in the Vacation Division, which manages Efling's holiday houses, and three work in Education and Membership Affairs, which are in charge of union representatives and their courses i.a. To support this, four work in the Financial Division, which handles accounting and returns, and six work in the operational department or for Efling's board. Thereof is an expert in collective agreements and collective bargaining as well as an expert in labor market and standard of living research. In order to carry out Efling's activities, various skills and knowledge are required, but for the past two years, Efling has especially tried to increase the number of lawyers in the Labor Rights Division in order to deal with the challenges that the field is facing.

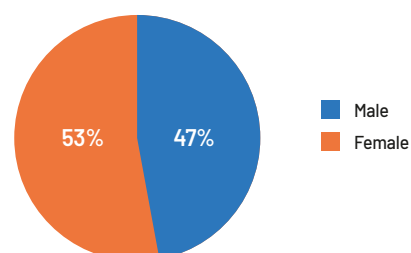
Specialized training has been carried out for employees, as their knowledge is a key factor in being able to help members in an organized and professional manner. Up until now, Efling has placed the greatest emphasis on training the staff of the Labor Rights Division, since the field often receives complex cases. In addition to this, Efling benefits from the expertise of experienced parties who are also involved in staff training.

In 2023, Efling received equal pay certification according to the equal pay standard, ÍST 85. It is a great pleasure to be able to confirm that Efling union does not have an unexplained wage difference. Following the certification, a review of the salary structure and job value was undertaken, with the aim of maintaining the certification and continuing to meet the standards that come with it.

Division



Gender

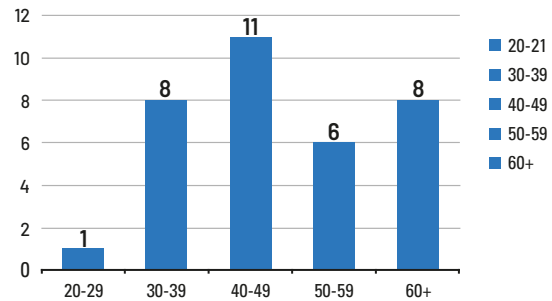




At Efling, work has been done to develop the workplace with the employees. There are always some challenges involved in creating and maintaining a good team that works with dedication and professionalism. Part of this work has been a monthly meetings with employees based on workplace surveys, where the staff meet and have the opportunity to discuss issues and share their experiences. This is a good addition to the good cooperation that exists inside the divisions, and we will try to keep this conversation going, even if the format may change.

The projects of the year 2024 are about maintaining stability in staffing and improving staff knowledge through specialized training. In addition, the aim is to revise Efling's quality manual in the autumn months

### Age



with the goal to refine work processes, improving the workplace and increasing transparency in the work of Efling's office.

## ACTIVITIES OF EFLING'S SERVICE DIVISION 2023

The front line at Efling's office is the Service Division which answers general questions from members in-person, by phone and by email. The Service Department also deals with the processing of applications for sickness allowance, sickness benefit grants, holiday and education funds and the operation of Efling's online store, which is accessible through *My Pages*.

### VISITS TO EFLING'S OFFICE IN 2023

The total number of member visits to Efling's office in 2023 was 8,761 people, which makes for an average of 35 visits per day. This represents a 14% increase on the year 2022. The number of visits to Efling's Labor Rights Division increased significantly in the first half of 2023, largely due to strike action and the approval of a mediation proposal. However, if we discount these factors, the number of members who visit Efling's office has continued to decline over the years. The number of

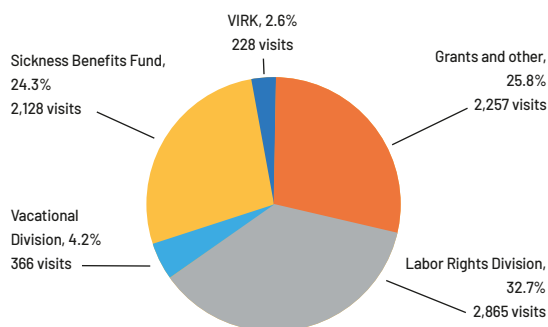
calls has remained stable, but we continue to see a shift toward members making greater use of Efling's services electronically, either via e-mail or through *My Pages*.

### MY PAGES

A decision was made during the year to switch to the *Tótal* membership system, which has its own *My Pages* feature. A lot of preparatory work was undertaken to adjust and adapt the work processes of Efling's Service Division to ensure that this change would have as minimal an impact as possible on our service provision to union members. This preparatory work produced the desired results - there were no interruptions in the processing of grants or daily allowances at the end of the year when the *My Pages* switchover took place.

All the same actions can be performed in the new *My Pages* section. Users can continue to apply for grants, book holiday homes and more, just as they did before. At the same time, *Tótal* and its new *My Pages* section also offer considerable new possibilities, such as a built-in voting system that can be used for collective bargaining and union representatives. This makes it easier and cheaper to hold elections than before. Work is underway to further develop *Tótal* and *My Pages*, and this will yet further improve the experience of members and shorten application processing times by even more.

### Reasons for visits 2023



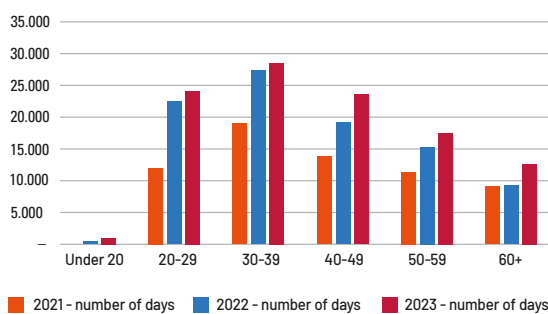
## SICKNESS BENEFITS FUND

### Sickness benefits

In 2023, 1,388 Efling members were paid sickness benefits, and the total amount of the benefits paid out was 1,593 million ISK. Payments increased by more than 36% year-on-year, and the number of beneficiaries increased by over 6%.

This increase exceeds the increase in the number of Efling members, but the number of people who paid into Efling in 2023 increased by 1-3% from the year 2022/23. The number of applications continues to increase from year to year. In 2019, the percentage of members who received sick pay was 3.7%, while in 2023 the percentage was 6.1%. This increase is evenly distributed across the genders but unevenly across ages. The greatest increase has been in the 40-49 age group (23% increase) and in the 60+ age group (38% increase).

Number of days paid in sickness benefits between 2021-2023

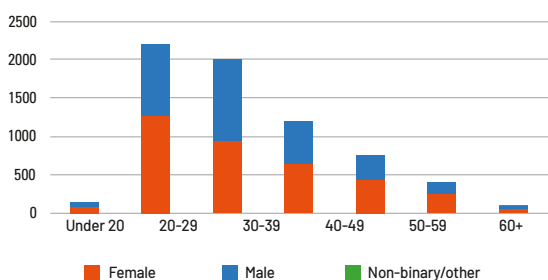


The length of time members spend in receipt of sickness benefits has increased significantly, with the average length of sick leave periods increasing by over 8% between the years. About 16% of those who were paid sickness benefits exercised their right.

### Grants

In the year 2023, 10,563 grants were paid out to 6,892 union members. A total of 218 million ISK was paid out in grants, and payments increased by 12% year-on-year. The average processing time for grant applications was about 1.5 days over the course of the year. The most commonly

Grants by age and gender in 2023

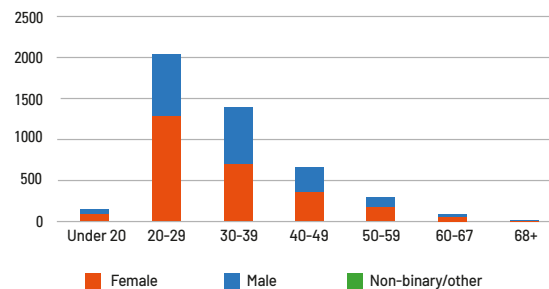


requested grant was the physical fitness grant, followed by grants for interview treatments. Most beneficiaries were between the ages of 20-29, and more women than men applied for health fund grants.

## EDUCATIONAL FUNDS

In 2023, 5,865 educational grants were paid to 4,649 members from Starfsafl, Flómennt and the educational training funds of Reykjavík City and other municipalities. The number of grants increased by 13% and there were 12% more Efling members who applied for grants compared to the previous year. The average processing time for grant applications was about five days over the course of the year. About ISK 424 million was paid out. That is an increase of over 24% year-on-year.

Educational grants by age and gender in 2023



## ACTIVITIES OF EFLING'S LABOR RIGHTS DIVISION

The primary role of the Labor Rights Division is to protect the rights of employees with a view to ensure that collective agreements and the law are respected. In addition, the division is also responsible for several other projects, such as workplace inspections, work permit reviews, and more.

The work of the Labor Rights Division changed slightly over the course of the year in that its organization was improved, and a change was introduced in terms of how cases are processed. The main change is that the Labor Rights Division can now work on cases in much more detail before a decision is made to possibly send them out for external legal processing.

### PROCESSING TIME

Along with this, the Labor Rights Division has improved the service significantly. For example, the time taken by the division to deal with cases has decreased sig-



nificantly since last year. The average procedural time in 2022 was 112 days, but in 2023 it had shortened by 13 days, to 99 days.

### NUMBER OF CASES

Last year the Labor Rights Division resolved 457 cases that were initiated after Efling members had approached the union and requested assistance. Of these, 159 cases were due to bankrupt companies, while 298 cases were due to other claims.

This is a significant increase in the number of cases from 2022, when the total number of cases handled by the Labor Rights Division was 190. Of these, 92 cases were related to bankrupt companies, while 98 were of a different nature.

### SECTORS

If we look at sectors, it becomes clear that most of the cases were initiated after Efling members who work in the hotel or restaurant sector sought the help of the Labor Rights Division, or a third of all cases. A total of 152 cases related to that sector were resolved by the division last year, of which 43 were due to bankruptcy, while 109 cases were based on other claims. Next came cases related to the construction sector, with 74, 22 due to bankruptcy and 52 due to other factors. That equates to 17 percent of all cases. In addition, the Labor Rights Division assisted Efling members who work as cleaners in 24 cases, and in 19 cases the division gave assistance due to administrative issues. Cases related to other sectors were fewer.

### GENDER

Men sought help from the Labor Rights Division to a greater extent than women in 2023. A total of 275 men received help from the division in resolving their issues, compared to 184 women.

### ORIGIN

Efling members with foreign citizenship were the majority of those assisted by the Labor Rights Division during the year. In total, the division assisted 131 Efling members with citizenship in countries outside the EEA area and 246 members who are citizens of countries within the EEA area. A total of 80 Efling members with Icelandic citizenship were assisted by the Labor Rights Division in 2023.

### CLASSIFICATION OF CASES

When looking at the classification of the cases tasked by the Labor Rights Division in 2023, it must be noted that a new classification has been adopted, which will be used from here on. Before the new classification was intro-

duced, bankruptcy cases and wage claims cases could fall into the same category, for example.

It is therefore imprudent to say too much about the classification of the cases dealt with during 2023, but it is clear that the vast majority of them concerned wage claims, whether due to bankruptcies or other issues.

A considerable number of cases then fall under the category "Challenges due to rights violations." Such cases usually involve violations of the rights of employees that do not consist of underpayment of wages. Examples of such cases could be, for example, that a member does not receive pay cheques or an employment contract.

A number of Efling members then applied to the Labor Rights Division regarding layoffs in 2023. The reasons why members apply to Efling regarding layoffs can be of various kind. It can be a dismissal due to a disagreement with a superior, a dismissal based on misstatements or for unreasonable considerations. There are also numerous examples where dismissal is simply illegal due to dismissal protection, for example if a union representative is dismissed or a pregnant woman is dismissed.

### COOPERATION FOR LEGAL COLLECTION

Efling has entered into a partnership with the ATLAS law firm who take care of the legal collection of those cases that cannot be concluded through the communication between the Labor Rights Division and the employers. This cooperation is going well and is part of shortening the procedure time. About 25% of the cases handled by ATLAS are claims in bankruptcy estates.

### WORKPLACE INSPECTIONS

The cooperation between Efling and Fagfélögin on workplace inspections is ongoing. The purpose of the workplace inspection is to carry out inspection visits to employers' workplaces to make sure that activities are in accordance with the law, regulations and collective agreements. These inspections are carried out by two full-time employees, and a large part of the work includes educating union members about their rights in the labor market. In addition, the workplace inspection has collaborated with ASÍ on various issues.

The objectives of the Labor Rights Division in 2024 are primarily to improve service to Efling members, further increase the knowledge of staff and establish the positive changes that have taken place in the division as of late.



## ACTIVITIES OF THE VACATIONAL DIVISION

### NEW BOOKING SYSTEM

As usual, there has been a lot of activity in the Vacational Division over the past working year, both in regards to the construction and maintenance of buildings, but also the department's internal affairs for which a new vacation system has been implemented. A decision was taken in the middle of last year to move away from the old system, which had become outdated in its own way, and to adopt an alternative that is better adapted to a modern environment.

The implementation of this new system began in the fall of 2023, and the new system was finally operationalized at the beginning of this year. As with all changes, it took a lot of work to prepare the ground for this switchover. The entire system interface is somewhat foreign compared to the old one, but members have been quick to learn and adapt to the new one. That being said, the change has also meant a temporarily greater burden on staff as they have had to spend time assisting members with bookings and other operations.

Adapting to Efling's allocation rules and procedures has also been time consuming. This work will most likely continue until the end of this year.

Work is currently being undertaken to make some necessary changes to the system. It is hoped that these matters will be well advanced by the beginning of the 2024 winter season.

Both the Easter and summer allocations of 2024 were run on the new system and went smoothly for the most part, however some unforeseen problems did also occur.

For example, holiday homes largely had to be allocated manually because the requisite point system was not in place to rank applications according to applicant eligibility.

### Construction and operation

The day-to-day running of the holiday homes is and will always be the core of the Vacational Division's activities. This includes maintenance projects, both small and large, as well as the management and supervision of the buildings and, not least, communicating with members and processing their inquiries and applications. Furthermore, the management of household provisions and holiday home contents continues as always to constitute a big part of the division's activities.

The most extensive works undertaken over the course of the year were the renovation of two apartments in Akureyri, whereby the entire interior layout was changed and sleeping facilities were increased and improved. The kitchens and bathrooms were renovated and so, too, were the interior furnishings. Two older houses in Illugastaðir, Fnjóskadalur were also rebuilt completely on the inside; all facilities were improved and the interior was refurbished. Finally, all the exteriors of houses in Ölfusborg and Einarssstaðir, Fljótssdalshérað were renewed.

As usual, Efling's Vacational Division also had fishing and camping cards for sale, as well as Icelandair coupons and accommodation subsidies for members traveling within the country. These cards and tickets are sold to members at a significant discount so those

who are able to take advantage of them can enjoy good value for their money.

The number of members who use the services of the Vacational Division in one way or another is now around 6,000 per year, and demand for this service is increasing.

The financial performance of the Vacational Division is good despite the high activity levels; its asset position is strong and so too is its equity. Otherwise, for more information on finances, refer to the separate section in the report on the union's finances.

### The Grindavik project

Following the evacuation of Grindavik due to earthquakes last November, unions were approached for help to meet the high need for housing that arose as a result.

Efling responded quickly and decisively to the request and donated 27 houses to the project. This was a difficult decision in many ways, as most of the houses had been booked far in advance, especially around Christmas and New Year's. About 300 leases that had already been issued therefore had to be revoked.

The Efling members affected accepted the issue with great understanding. Efling's staff worked to find other solutions for the members and alternative arrangements were successfully made for some of these members.

The houses were made available to residents of Grindavik rent-free until January 15, but from that time lease agreements were entered into with the relevant families. Most of them have since found other arrangements and Efling will have concluded its participation in this project by the end of May.

It was certainly a pleasure to be able to support so many families in this time of great difficulty. Efling received a

great deal of gratitude from far and wide for their contribution to the project.

### Objectives and strategy

The purpose and goals of the Vacational Division are clear – to enable members to enjoy a holiday in good conditions for a modest fee, and to support various other holiday-related activities.

The basis of the fund's activities is and always will be the holiday homes themselves, and great focus has been placed on increasing their number in recent years. The demand for holiday homes by members has grown significantly and there is no way to meet it entirely, despite the increase in property stock.

Efling's Vacational Division owns and operates 71 holiday homes at present, but this number will increase to 75 later in the year. In the beginning of the year 2025, the number of properties in the fund's portfolio will increase by two apartments. The fund also rents houses throughout the year in Vestmannaeyjar, in Bjarneyjarsandur in Hvalfjörður and in Heiðarbær by Þingvellir. Over the course of the summer, two apartments will be added in Þingeyri and one in Ólafsfjörður. The rental of additional houses has decreased overall, however, as it is increasingly difficult to compete with the tourism industry given the tension that prevails in the travel market.

Over the past several seasons, employees of the Vacational Division have put a lot of effort into developing a roadmap for the long term. Many things come to mind in that regard, such as the department's ambition to increase the number of holiday options in municipalities around the country. Trade unions have increasingly established holiday options in various places around the country given the high demand that exists. Efling is currently responding to that demand in multiple ways, including with an impressive new building in Stykkishólmur.



*The weather was very favorable during construction in Stykkishólmur*



*The new house in Svignaskarð is very grand*





## EDUCATIONAL AND MEMBERSHIP AFFAIRS

### EDUCATION AND COURSES

As usual, Efling ran intensive educational activities and courses over the 2023/24 working year. Working out of Efling's offices, the Department of Educational and Membership Affairs is responsible for the planning and management of this work. The department consists of one department manager and two full-time employees.

#### Vocational courses

A large part of Efling's educational program is comprised of vocational courses that are relevant to members in various industries. Most of these courses are fully funded through Efling's vocational training funds, meaning they are free of charge to members. Some of the courses are part of broader programs that lead to recognition in the form of a new job title and wage bracket. This is the case for the *félagsliðagátt* and *leikskólaliðabréu* programs, for example, which are organized in collaboration with Mimir, Menntaskólinn í Kópavogur and Borgarholtsskóli.

A total of 160 Efling members signed up for the various professional courses.

Title of professional course
Félagsliðagátt
Fagnámskeið umönnun 1 – Fall 2023
Fagnámskeið umönnun 2 – Fall 2023
Fagnámskeið umönnun 1 – Spring 2024
Fagnámskeið umönnun 2 – Spring 2024
Fagnámskeið eldhús 1 – Fall 2023
Fagnámskeið eldhús 2 – Spring 2024
Fagnámskeið eldhús 3 – Spring 2024
Leikskólaliðabréu – Spring 2024
Fagnámskeið leikskóla 1 – Spring 2024*
Fagnámskeið leikskóla 2 – Spring 2024*

\*Note, these courses had not yet been held when the annual report went to print.



### Rights related courses

Efling's educational program also includes courses on various rights-related issues that have been requested by Efling's members for years. These include a course on rights which discusses general rights and obligations in the labor market. The course was delivered in Icelandic with an English interpreter and in Polish.

The retirement course is usually one of the most popular on the union's educational program, and on this occasion, over 150 members signed up to take the course. This marked a significant increase from last year when around 90 people registered for the course. This figure includes registrations for the Icelandic, Polish and English versions of the course combined. There are also special courses on pension rights scheduled for May, to be held in Icelandic, English and Polish. A course on the tax system in Iceland was also offered in English and Polish.

All the courses on rights were held at Efling's Community Center, where the facilities for holding courses are exemplary, and catering was also provided. In recent years, the union has placed increased emphasis on offering courses in English and Polish. A total of 329 Efling members have signed up for courses on rights over the course of this working year, compared to 270 last year. This therefore marks a significant increase and a very positive development.

#### Rights courses

Leigumarkaðurinn á Íslandi

Starfslokanámskeið (íslenska) - Fall 2023

Réttindi og skyldur á vinnumarkaði  
(Icelandic/English/Polish)

Skattkerfið á Íslandi (English/Polish)

Starfslokanámskeið (Icelandic/English/Polish)  
- Spring 2024

Lífeyrisréttindi (Icelandic/English/Polish)\*

\*Note, these courses had not yet been held when the annual report went to print.

### ENTERTAINMENT EVENTS

#### Food and culture

On Sunday, September 24, the event Food and Culture (Matur og menning) was held for the first time. Members were invited to bring home-made food from their countries of origin to share with other members. It is safe to say that the event was a hit. Food from thirteen different nationalities was served and attendance was very good.



#### Christmas buffet for active union members

The Christmas buffet was held on December 14 at Hotel Nordica for the growing group of Efling members who are active in various roles and hold positions of responsibility within the union. Participants played bingo and enjoyed festive dishes. The term active member refers to those who sit on the board and negotiation committees, in addition to union representatives. Active

members were allowed to invite one Efling member of their choice to the buffet, and many chose to invite their coworkers. The purpose of this was to introduce the internal workings of the union to more members of Efling and potentially increase the number of those who take on an active role in the union.

### Christmas ball

Efling's annual Christmas ball took place on Saturday, December 16, 2023, in a hall in Gullhamrar in Grafarholt. Attendance was good; 450 people of all ages came along and enjoyed a good time together. The Icelandic Yule Lads provided some entertainment, and the house band played as the crowd danced and sang songs around the Christmas tree. Candy and refreshments were also offered.

### May 1 coffee

On May 1, Efling held an event in Valsheimilið after the Labor Day march, offering coffee and catering to union members while the worker's brass band played a few tunes.

### Coffee morning for senior citizens

On Sunday, May 14, 2023 an event was held for members of Efling aged 70 and older in Gullhamrar in Grafarholt. The Efling Union provided coffee and catering to the guests and the house band played so that they could also enjoy a bit of a dance.

## WORK WITH UNION REPRESENTATIVES

### Union representatives courses

The union delivered union rep courses for the second year in a row using a completely different format that was first introduced in 2021. Union representatives attended courses once a month throughout the winter – on four occasions before the new year and on five occasions in the new year. In November, February and April, the group was divided up according to whether the union rep is in the private or public sector.

A detailed curriculum was used, divided into four lines: Workplace organizing, labor rights, history and society, and civic participation.

The courses were well attended on every occasion – there were never fewer than 48 people and as many as 71 took part at the best attended session. The total number of union representatives who attended a course at some point over the course of the winter was 115 and they came from 120 different workplaces.

The course material was translated into English and Icelandic. Reading materials and slides were made available on the course website either before or after each

course. All courses had text interpretation on screen between Icelandic and English.

For some of the courses, the content was broken up with lighter elements, such as yoga and team-building exercises. Instruction in certain computer applications, specifically Google Sheets (spreadsheets), Google Docs (word processing) and other Google programs was also offered. The general rules and expectations of work in non-profit organizations were discussed, and the textbook entitled *Verum virk: Félagsstarf, fundir og framkoma* by Hulda Sólrún Guðmundsdóttir was used.

Survey about union rep. course	Average response by course (on a scale of 1-5)	
	2022-2023	2023-2024
How enjoyable did you find the course (1-5)?	4,42	4,55
How useful did you find the course (1-5)?	4,37	4,57
How well did you feel implementation of the course was managed (1-5)?	4,67	4,73

### Feedback on Efling's union rep course in winter 2023-2024

*"It's positive that there are a lot of good people who attend the union rep courses, as well as the fact that the organization of the course is exemplary."*

*"Great food! An extremely fun and rewarding team building project." :-)*

*"I am very happy with the course. And the food is good. Nice to meet more people."*

At the end of each course, participants were asked to provide feedback via an anonymous survey, and efforts were subsequently made to adapt the organization of the courses to the suggestions given. Below, you can see an extract of the responses and a comparison with the results from the previous year. As you can see, there is consistent satisfaction with the courses, and this has increased year-on-year.

### The union representative system

A total of 63 new union representatives were appointed in the period April 15, 2023 – April 2, 2024. This includes both representatives appointed for the first time and those whose terms have been renewed from a previous appointment.

New Union representatives came from many different corners of the labor market within Efling's membership area. There were special campaigns in the cleaning sector and in security companies in late autumn and

winter. These initiatives resulted in three new union representatives from security companies and eight new representatives from cleaning companies. A lot of work was put into these initiatives, and active Efling members both visited these workplaces and set up call centers.

A new procedure has been adopted whereby an electronic letter of appointment is issued for each Union representative upon their appointment. A number of further reforms are also in the works in order to provide greater levels of support to union representatives. This will include inviting newly appointed representatives to an introductory interview immediately after they have been appointed.

The maintenance of Efling's Union representative system is based, among other things, on the board's regulation which was approved in March 2023. This covers the duties of representatives and establishes criteria for the procedure for appointing representatives. The regulation is currently being revised and it is expected that this process will be completed by the end of the year.

During wage negotiations with SA, significant progress was made in strengthening the rights of union representatives. According to the new agreement that came into effect on February 1, 2024, workplaces with 120 or more employees are now entitled to elect three union representatives instead of two. The right to attend courses has been strengthened in that the existing protection has been extended to not only to cover the loss of daily wages, but also shifts. This is very important in the case of representatives who would have to miss an entire night shift to attend a course, for example.

The right to attend courses no longer differs depending on whether the representative is in their first or second year of appointment. Instead, it is now 10 working days per year throughout the entire appointment period



## PUBLICATION AND PROMOTION

The union maintained a strong presence within the public discourse through its advertising campaigns and activities on social media over the course of the past year. The union's Facebook page was updated regularly and a lot of news and updates were published on the website [www.efling.is](http://www.efling.is). Special emphasis was placed on providing information to members of the staff regarding wage negotiations – both while the negotiations were ongoing and after the contract had been signed.

Efling newsletter emails were sent out to members on a regular basis, and these were opened and read by many thousands of recipients. Almost without exception, all of this material was produced in Icelandic, English and Polish.

## UNION WORK

### Wage negotiations and the work of the negotiation committee

Great ambition was put behind the preparational work of Efling's negotiation committee for wage negotiations with SA, since the active participation of members in wage negotiations has been one of the union's main challenges over past years. The union is proud to be able to offer members a good and well-prepared environment around the jobs, which demand a lot from them and constitute a new experience for many.

All 27,000 of Efling's members were invited to participate in the work of the negotiation committee through advertisements published in June and August and via a briefing. A negotiation committee was finally appointed by the Delegate Council, in accordance with the union's bylaws, on September 7, 2023, consisting of 85 members. The committee met approximately once per month over the fall of 2023, and much more frequently after negotiations began in earnest in December. The negotiation committee as a whole repeatedly took part in direct negotiation meetings with SA in the month of January.

The chairman and employees of the negotiating committee led talks with SA in company with the so-called Breiðfylking after the talks moved to the National Conciliator at the end of the year. The negotiation committee also met regularly in February in Efling's Community Center to assess the situation in the negotiations and make the biggest decisions. All decisions of the negotiating committee were approved either unanimously or by an overwhelming majority of votes.

### Meetings of the Efling Board

As before, the board of directors was greatly involved in Efling's union work over the course of the working year and it also made important decisions regarding the operation of the extensive service work that is being carried out at the union's office. Board meetings were normally held every other Thursday at 13:00, except in the summer time. In total, the board met twenty-two times over the course of the working year. The main topics discussed by the board were the focus on collective bargaining negotiations and the implementation of various reform activities in the union's operations. In addition to meetings held twice monthly, the board also held three working meetings, together with meetings in fund boards and committees.

### THE GRANT COMMITTEE OF THE BOARD OF EFLING

The Grant Committee of Efling is a sub-committee of the Board of Efling. The committee's purpose is to receive and process grant requests received by Efling Union that fall directly under the social fund.

At the meeting of the Board of Efling on June 15, 2023 the committee's members were appointed. It consists of five representatives from among the board members. In the year 2023, the committee consisted of

Þórir Jóhannesson (chairman of the Grant Committee), Guðmunda Valdís Helgadóttir, Hjörtur Birgir Jóhannuson, Karla Esperanza Barralaga Ocón and Sólveig Anna Jónsdóttir. The first meeting of the committee was held on August 22, 2023, but the committee meets quarterly.

Among parties that were awarded grants were Félag heyrnarlaustra, Hjálparstarf kirkjunnar and Mæðrastyrksnefnd Reykjavíkur. In addition, Efling also sponsored 12 parties through the purchase of sponsorship lines or logos for charitable purposes. Furthermore, the board of Efling decided to sponsor Félagið Ísland Palestína, Solaris hjálparsamtök and Afstaða, félag fanga. In all, the committee granted 7.785.560 ISK last year.

### Delegate Council

The Delegate Council is the backbone of Efling's union work, and it is the highest authority in the union's affairs. 115 Efling members have a seat on the council, in addition to the members of the board. The Delegate Council met in September, October, November, December, January, February and April. The March meeting was canceled due to the ongoing work on collective bargaining.

The Delegate Council is appointed for two calendar years at a time, and the current board will serve until the end of 2024. Nominations for seats in the new Delegate Council will be announced later in the year. Information about the work of the council and its members can be found at Efling's website.



## THE BOARD OF EFLING UNION 2023–2024

Sólveig Anna Jónsdóttir *chairman*

Pórir Jóhannesson *vice chairman*

Barbara Maria Sawka *secretary*

Ísak Jónsson *treasurer*

Bjartmar Jóhannesson

Guðbjörg María Jósepsdóttir

Guðmunda Valdís Helgadóttir

Hjörtur Birgir Jóhannuson

Ian Phillip McDonald

Innocentia Fiati

Karla Esperanza Barralaga Ocon

Kolbrún Valvesdóttir

Michael Bragi Whalley

Olga Leonsdóttir

Sæþór Benjamín Randalsson

## BOARDS OF EFLING FUNDS AND COMMITTEES 2023–2024

### EDUCATIONAL FUND

#### Main board members

Michael Bragi Whalley, *chairman*

Sólveig Anna Jónsdóttir, *vice chairman*

Karla Barralaga Ocon

Innocentia F. Friðgeirsdóttir

Barbara Maria Sawka

#### Substitute board members

Ian Phillip McDonald

Björn Páll Fálki Valsson

### VACATIONAL FUND

#### Main board members

Ólöf Helga Adolfsdóttir, *chairman*

Guðbjörg María Jósepsdóttir, *vice chairman*

Stefán E. Sigurðsson

Reynaldo Curato Renegado

Mateusz Kowalczyk

#### Substitute board members

Magdalena Kwiatkowska

Anna Sigurlína Tómasdóttir

### SICKNESS BENEFITS FUND

#### Main board members

Sólveig Anna Jónsdóttir, *chairman*

Agnieszka Ewa Ziolkowska, *vice chairman*

Olga Leonsdóttir

Kolbrún Valvesdóttir

Ragnar Ólason

#### Substitute board members

Szymon Kulakowski

Alma Pálmadóttir

### LABOUR DISPUTE FUND

#### Main board members

Sæþór Benjamín Randalsson, *chairman*

Úlfar Snæbjörn Magnússon, *vice chairman*

Eva Ágústsdóttir

Ísak Jónsson

#### Substitute board members

Valtýr Björn Thors

Ruth Adjaho Samúelsson

## ELECTION COMMITTEE 2022-2024

### Main board members

Karen Ósk Nielsen, *nominated by ASÍ*  
 Anna Björk Ágústsdóttir  
 Magnús Freyr Magnússon  
 Reynaldo C. Renegado  
 Suphawut Yoophithakwong

### Substitute board members

Halldór Oddsson, *nominated by ASÍ*  
 Erla Hestnes  
 Grétar Sigurðsson  
 Heiðberg Leó Hreinsson  
 Ylja Linnet

## EDUCATIONAL FUND OF EFLING, KÓPAVOGUR AND SELTJARNARNESS

Sólveig Anna Jónsdóttir  
 Ragnar Ólason  
 Sigríður Þrúður Stefánsdóttir  
 Gunnar Lúðvíksson

## FLÓAMENNT

Aldís Magnúsdóttir  
 Halldóra Friðjónsdóttir  
 Kolbeinn Gunnarsson  
 Sigríður Sigurðardóttir  
 Sólveig Anna Jónsdóttir  
 Ragnar Ólason

## EDUCATIONAL FUND OF EFLING AND REYKJAVÍKURBORG

Sólveig Anna Jónsdóttir  
 Ragnar Ólason  
 Ásta Bjarnadóttir  
 Íris Jóhannsdóttir

## NOMINATION COMMITTEE 2022-2024

### Main board members

Fríða Hammer  
 Ian McDonald  
 Marcela Soto Nunez  
 Björn Páll Fálki Valsson  
 Lucyna Dybka

### Substitute board members

Andrew David Jónuson  
 Barbara Sawka  
 Friðjón Víðisson  
 Katrín Elíza Bernhöft  
 Þórey Einarsdóttir



## Consolidated financial statements

### 2023

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members of Efling Trade Union

### OPINION

We have audited the Consolidated Financial Statements of Efling Trade Union for the year. These Consolidated financial statements includes the endorsement by the Board of Directors, the Income Statement, the Statement of Financial Position, the Statement of Cash Flows for the year, notes to the Financial Statements and other statements.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of Efling Trade Union at December 31, 2023, it's financial performance and its cash flows for the year in accordance with the Icelandic Annual Accounts Act.

### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Efling Trade Union in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our ethical responsibilities in accordance with the code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### OTHER INFORMATION

The responsible for other information in this report lies with the Chairman and the board. By other information we refer to the Annual Report. Our opinion on the financial statements does not extend to the other information, and we do not provide any assurance or conclusion on its content.

In relation to our audit, we are responsible for reading the aforementioned additional information and assessing whether it is materially inconsistent with the financial statements or our knowledge obtained during the audit, or appears to otherwise contain significant misstatements. If we conclude, based on our work performed, that there are material misstatements in the additional information, we are required to report that. There is nothing specific that we need to report in this regard.

### RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE CHAIRMAN FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors and Chairman are responsible for the preparation and fair presentation of the Financial Statements in accordance with the Icelandic Annual Accounts Act, and for such internal control as the Board of Directors and the Chairman determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Board of Directors and Chairman are responsible for assessing Efling Trade Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors and the Chairman either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors and the Chairman shall oversee the preparation and presentation of the financial statements.



## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Efling Trade Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- In order to form an opinion on the consolidated financial statements, we perform sufficient audit procedures on the financial information of the entities within the group. We are responsible for the planning, supervision, and conduct of the audit of the group. We take full responsibility for our opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Kópavogur, May 13, 2024

**Deloitte ehf.**



Signý Magnúsdóttir

State authorised public accountant

## REPORT BY THE BOARD OF DIRECTORS AND THE CHAIRMAN

The consolidated financial statements of Efling Trade Union for the year 2023 are prepared in accordance with Icelandic Financial Statement Act, except for the requirement to present a restricted equity within equity as it does not apply to associations.

The main role of Efling Trade Union is to work on the negotiation of collective agreements, interpret them in the best interest of the members, establish funds to secure benefits for the members, and protect their rights in collective agreements, labor disputes, accident and illness rights, vacation matters, and educational matters.

Efling Trade Union provides its members with comprehensive services in these areas.

### The activities during the year and future prospects

The union fees amounted to 3,184.4 million kr. in the year 2023 (2022: 2,641.4 million kr.), increasing by 543 million kr. between years or about 21%. The Union's profit for the year 2023 amounted to 714.8 million kr. (2022: a loss of 9.4 million kr.). The equity of the Union amounted to 14,761.1 million kr. at year-end (year-end 2022: 13,752.4 million kr.). The equity ratio at year-end was 98.36% (year-end 2022: 98.58%).

### Proposal for the annual general meeting

The Board of Director proposes that the profit of the year be transferred to the next year, but refers to other parts of the financial statements regarding changes in the equity of the Union.

The Board and Chairman of Efling Trade Union hereby confirm the approval of the Union's consolidated financial statements with its signatures.

Reykjavík, May 13, 2024

### Board

Sólveig Anna Jónsdóttir *formaður*

Þórir Jóhannesson *varaformaður*

Barbara Maria Sawka *ritari*

Ísak Jónsson *gjaldkeri*

Bjartmar Jóhannesson

Guðbjörg María Jósepsdóttir

Guðmunda Valdís Helgadóttir

Hjörtur Birgir Jóhannuson

Ian Phillip McDonald

Innocentia Fiati

Karla Esperanza Barralaga Ocon

Kolbrún Valvesdóttir

Michael Bragi Whalley

Olga Leonsdóttir

Sæþór Benjamín Randalsson

### Chairman

Sólveig Anna Jónsdóttir

### Managing director

Perla Ösp Ásgeirsdóttir

Sólveig Anna Jónsdóttir

Þórir Jóhannesson

Barbara Maria Sawka

ÍSAK JÓNSSON

GUÐBJÖRG MARÍA JOSEPSDÓTTIR

Hjörtur Birgir Jóhannuson

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## INCOME STATEMENT FOR THE YEAR 2023

	Notes	2023	2022*
<b>Revenues</b>			
Union fees .....		3,184,376,491	2,641,367,293
Rental income from summerhouses.....		87,751,478	72,884,680
Other income .....	4	50,027,010	62,784,894
<b>Total revenues</b>		<b>3,322,154,979</b>	<b>2,777,036,867</b>
<b>Operating expenses</b>			
Benefits and grants.....	5	(2,006,707,635)	(1,406,299,312)
Expenses arising from members activities.....	6	(314,128,965)	(273,964,924)
Vacation homes expenses.....		(155,664,966)	(173,873,827)
Housing expenses.....	7	(101,262,639)	(75,754,638)
Administrative expenses.....	8	(731,449,760)	(818,834,590)
Depreciation.....		(40,174,372)	(43,394,465)
<b>Total operating expenses</b>		<b>(3,349,388,337)</b>	<b>(2,792,121,756)</b>
<b>Operating loss</b>		<b>(27,233,358)</b>	<b>(15,084,889)</b>
Financial income.....		470,975,625	408,978,476
Financial expenses.....		(4,520,008)	(9,967,406)
Fair value changes of financial assets.....		446,921,871	(284,207,738)
Capital income tax.....		(171,334,432)	(109,120,892)
	10	742,043,056	5,682,440
<b>Profit (loss) for the year</b>		<b>714,809,698</b>	<b>(9,402,449)</b>

\*Presentation of operating expenses has been changed from previous year, see further in Note 2a.

## BALANCE SHEET AT DECEMBER 31 2023

	Notes	31.12.2023	31.12.2022
<b>Assets</b>			
<b>Non-current assets</b>			
Vacation homes.....	13	2,396,650,792	2,060,756,745
Real estate, land and real estate rights .....	11	397,102,737	404,347,096
Equipment.....	11	93,031,448	87,763,492
Securities and debt instruments.....	12	6,369,149,673	4,908,255,531
		<u>9,255,934,650</u>	<u>7,461,122,864</u>
<b>Current assets</b>			
Uncollected Union fees.....		257,781,260	234,383,657
Trade receivables.....		15,023,180	11,583,108
Other receivables.....		21,279,163	85,753,079
Restricted bank deposits.....	14	4,391,438,734	5,164,096,996
Cash and cash equivalents.....		1,065,753,375	993,337,041
		<u>5,751,275,712</u>	<u>6,489,153,880</u>
<b>Total assets</b>		<u><u>15,007,210,362</u></u>	<u><u>13,950,276,744</u></u>



## BALANCE SHEET AT DECEMBER 31 2023

	Notes	31.12.2023	31.12.2022
<b>Equity and liabilities</b>			
<b>Equity</b>	15		
Revaluation reserve .....		794,935,072	501,041,825
Retained earnings .....		13,996,119,957	13,251,310,259
<b>Total equity</b>		<u>14,761,055,019</u>	<u>13,752,352,084</u>
<b>Non-current liabilities</b>			
Accrued capital income tax .....	16	74,966,177	43,826,115
		<u>74,966,177</u>	<u>43,826,115</u>
<b>Current liabilities</b>			
Other current liabilities .....		171,189,156	154,098,546
		<u>171,189,156</u>	<u>154,098,546</u>
<b>Total liabilities</b>		<u>246,155,333</u>	<u>197,924,661</u>
<b>Total equity and liabilities</b>		<u><u>15,007,210,362</u></u>	<u><u>13,950,276,745</u></u>

## STATEMENT OF CASH FLOWS 2023

	Notes	2023	2022
<b>Operating activities</b>			
Operating profit (loss).....		714,809,698	(9,402,449)
Depreciations.....		40,174,372	43,394,465
Increase, (decrease) in accrued capital income tax.....		31,140,062	(193,222,112)
Fair value changes of financial assets.....		(446,954,069)	280,492,351
Cash generated from operations		339,170,063	121,262,255
Change in operating assets, decrease.....		37,636,241	142,352,295
Change in operating liabilities, increase (decrease).....		17,090,610	(19,727,204)
<b>Net cash from operating activities</b>		<b>393,896,914</b>	<b>243,887,346</b>
<b>Investing activities</b>			
Net purchases of property, plant and equipments.....		(80,198,769)	(237,075,646)
Net sale of securities.....		1,667,975	832,486,616
Installments of debt instruments.....		112,504,440	230,488,687
Net purchase of securities funds.....		(1,128,112,488)	(599,263,338)
Change in restricted deposits.....		772,658,262	151,494,195
		(321,480,580)	378,130,514
Increase in cash and cash equivalents.....		72,416,334	622,017,860
Cash and cash equivalents at the beginning of the year....		993,337,041	371,319,181
Cash and cash equivalents at the end of the year.....		<u>1,065,753,375</u>	<u>993,337,041</u>

## NOTES

### 1. GENERAL INFORMATION

Efling Trade Union is a union with a scope that covers the legal jurisdictions of Reykjavík, Kópavogur, Seltjarnarnes, Mosfellsbær and Kjósarsýsla to Botnsá, Grímsnes and Grafningshreppur, Hveragerði and the municipality of Ólafsvík. The field of work for members who work in the catering and hospitality industry and in industry also covers Hafnarfjörður, Garðabær and Bessastaðahreppur. The field of work for members who work in nursing homes and home care also covers Garðabær.

The union is a member of the Icelandic Seamen's Federation and has direct affiliation with the Icelandic Confederation of Labour.

Efling Trade Union is domiciled in Iceland and its address is at Guðrúnartún 1, 105 Reykjavík.

### 2. BASIS FOR ACCOUNTING

The Consolidated Financial Statements are prepared in accordance with the Icelandic Financial Statements Act and related regulations, with the exception of the requirement related to restricted equity where the entity is an association. The Consolidated Financial Statements are based on cost accounting principles, with the exception of marketable securities are carried at fair value and summerhouses that are revalued annually. The Consolidated Financial Statements are prepared using the same accounting policies as the previous year. The Consolidated Financial Statements are presented in Icelandic Krona, which is the functional currency of the union.

#### 2.a CHANGE IN PRESENTATION OF OPERATING EXPENSES

The presentation of operating expenses in the income statement has been changed from the previous year due to implementation of a new financial system in the union. As part of the implementation, it was decided to change accounting codes to better reflect the nature of the expenses incurred by the union. The breakdown of expenses can be seen in explanations 5-9 below.

### 3. ESTIMATES AND DECISIONS

When preparing the consolidated financial statements, management are required by law to make decisions, evaluate, and draw conclusions that affect the assets and liabilities on the reporting date, information in the notes, and revenues and expenses. The evaluation and conclusions are based on experience and various other factors that are considered relevant and form the basis for the decisions made regarding the recorded value of assets and liabilities that are not otherwise available.

Changes to accounting estimates are recognized in the period they incur.

### 4. OTHER REVENUES

Other revenues are broken down as follows:	2023	2022
Rental income.....	24,256,644	21,120,547
Commission from Virk.....	11,111,712	41,664,347
Other income.....	14,658,654	0
	<u>50,027,010</u>	<u>62,784,894</u>

**5. BENEFITS AND GRANTS**

Benefits and grants are broken down as follows:	<b>2023</b>	<b>2022</b>
Sickness benefits.....	1,592,513,975	1,208,421,594
Strike compensation.....	195,355,160	0
Health and wellness activities.....	71,044,557	67,943,024
Psychological, social, and interview treatments.....	45,163,618	40,531,209
Eyeglass support.....	37,839,334	33,065,512
Medical/rehabilitation.....	19,901,406	19,999,526
Death benefits.....	19,263,532	15,577,179
Technological fertilization.....	8,497,520	6,795,218
Cancer screening.....	8,442,664	6,300,282
Laser eye surgery.....	3,958,018	3,664,610
Hearing aid support.....	3,372,056	2,992,677
Health clinics support, N.F.L.Í. Etc.....	691,047	437,657
Correction of benefits and grants.....	364,748	570,824
Special approval.....	300,000	0
	<u>2.006.707.635</u>	<u>1.406.299.312</u>

**6. EXPENSES ARISING FROM MEMBERS ACTIVITIES**

Expenses arising from members activities are broken down as follows:	<b>2023</b>	<b>2022</b>
Contribution to ASI and SGS.....	150,484,833	157,993,120
Membership training and education.....	16,089,415	5,545,177
Advertising expenses.....	20,575,021	11,729,168
Legal expenses.....	41,361,142	55,359,587
Gifts and donations.....	7,785,560	6,765,830
Dagsbrún library.....	13,775,813	13,980,000
Other expense related to social activities.....	<u>64,057,181</u>	<u>36,636,020</u>
	314,128,965	280,730,754

**7. HOUSING EXPENSES**

Housing expenses are broken down as follows:	<b>2023</b>	<b>2022</b>
Housing fund.....	32,730,992	28,703,996
Real estate taxes.....	19,182,900	17,551,366
Electricity and heating.....	3,217,551	3,220,387
Renovations and maintenance.....	23,476,595	7,762,615
Other housing expenses.....	<u>22,654,601</u>	<u>18,516,274</u>
	101,262,639	75,754,638



**8. ADMINISTRATIVE EXPENSE**

Administrative expenses are broken down as follows:	<b>2023</b>	<b>2022</b>
Salaries and salary related expenses (see Note 9).....	526,025,076	569,432,892
Collection of membership fee.....	74,088,771	86,803,165
Information technology.....	73,273,652	62,418,329
Audit and accounting.....	15,120,391	13,194,148
Legal expenses.....	16,982,661	27,018,245
Website.....	2,436,216	7,820,099
Other administrative expenses.....	23,522,993	45,381,882
	<u>731,449,760</u>	<u>812,068,760</u>

**9. SALARY AND SALARY RELATED EXPENSES**

Salary and salary related expenses are broken down as follows:	<b>2023</b>	<b>2022</b>
Salaries.....	411,070,499	426,197,454
Pension fund.....	53,836,518	63,570,502
Other salary related expenses.....	34,971,005	42,227,496
Other employee expenses.....	26,147,054	37,437,440
	<u>526,025,076</u>	<u>569,432,892</u>
Average number of positions.....	33	39

Salary and salary related expenses are classified within administrative expense in the Income Statements.

**10. FINANCE INCOME AND FINANCE EXPENSES**

Finance income can be broken down as follows:	<b>2023</b>	<b>2022</b>
Interest income on bank deposits.....	443,569,740	393,006,124
Interest income on membership fees and union fees.....	16,666,557	13,268,473
Interest income on other receivables.....	440	6,579
Refund related to securities commission.....	7,840,888	0
Dividend received.....	2,898,000	2,697,300
	<u>470,975,625</u>	<u>408,978,476</u>

Finance expenses can be broken down as follows:

Commissions on securities and debt instruments purchases.....	0	(1,652,681)
Stamp duties and registration fees.....	0	(2,227,048)
Other finance expenses.....	(4,520,008)	(6,087,677)
	<u>(4,520,008)</u>	<u>(9,967,406)</u>

Fair value changes are as follows:

Interest and fair value changes of securities and debt instruments.....	446,953,397	(284,432,051)
Currency difference.....	(31,526)	224,313
	<u>446,921,871</u>	<u>(284,207,738)</u>
	<u>913,377,478</u>	<u>114,803,332</u>

## 11. PROPERTY, PLANT AND EQUIPMENTS

	Real estate & land	Equipments	Total
<b>Cost</b>			
Balance 1.1.2022.....	787,567,086	183,734,376	971,301,462
Purchased in the year.....	0	30,367,261	30,367,261
Balance 1.1.2023.....	787,567,086	214,101,637	1,001,668,723
Purchased in the year.....	0	40,422,312	40,422,312
Disposal in the year.....	0	(2,224,343)	(2,224,343)
Balance 31.12.2023.....	787,567,086	252,299,606	1,039,866,692
<b>Depreciation</b>			
Balance 1.1.2022.....	375,975,631	90,188,039	466,163,670
Depreciation.....	7,244,359	36,150,106	43,394,465
Balance 1.1.2023.....	383,219,990	126,338,145	509,558,135
Depreciation.....	7,244,359	32,930,013	40,174,372
Balance 31.12.2023.....	390,464,349	159,268,158	549,732,507
<b>Book value</b>			
Balance 1.1.2022.....	411,591,455	93,546,337	505,137,792
Balance 1.1.2023.....	404,347,096	87,763,492	492,110,588
Balance 1.1.2023.....	397,102,737	93,031,448	490,134,185
Depreciation rate.....	0-1%	12-25%	
Assessment and insurance value are as follows at year end 31.12.2023:	<b>Assessment value</b>	<b>Insurance value</b>	
Guðrúnartún 1.....	1,299,200,000	1,853,250,150	
Íðnó, Vonarstræti 3.....	107,682,330	259,120,345	
Breiðamörk 19.....	74,010,000	90,650,000	

Efling Trade Union owns 28.33% of the property located at Vonarstræti 3. Reykjavík City owns 55% of the property, and Icelandic Seamen's Federation owns 16.67%. Reykjavík City is responsible for the operation and maintenance of the property at Vonarstræti 3. Additionally, Efling Trade Union owns an art work valued at kr. 10,377,000 at the end of the year.

## 12. SECURITIES AND DEBT INSTRUMENTS

	31.12.2023	31.12.2022
Bonds.....	5,111,237,639	3,709,366,631
Government-guaranteed bonds.....	1,218,912,034	1,198,888,900
Shares.....	39,000,000	0
Balance at year end.....	6,369,149,673	4,908,255,531

## 13. VACATION HOMES AND SHARES IN VACATION AREAS

	Assessment value 2023	Assessment value 2022	Change in value
Stóra-Fljót Reykholt, 12 houses.....	545,120,000	405,950,000	139,170,000
Svignaskarð 17 houses.....	469,450,000	432,280,000	37,170,000
Akureyri 4 apartments, 4 townhouses.....	366,050,000	310,450,000	55,600,000
Ölfusborgir 10 houses.....	202,144,146	174,174,517	27,969,629
Brekkuskógur 3 houses.....	119,050,000	110,500,000	8,550,000
Hvammur 1 house and land for summerhouses.....	104,890,000	94,480,000	10,410,000
Svignaskarð / Fróðhús, land, buildings and house in Skarði....	101,898,000	86,552,000	15,346,000
Stykkishólmur 3 houses.....	98,350,000	96,750,000	1,600,000
Svignaskarðsland 2 houses.....	66,500,000	57,850,000	8,650,000
Úthlíð 3 houses.....	56,790,000	51,670,000	5,120,000
Einarsstaðir 3 houses.....	52,900,000	46,000,000	6,900,000
Hellishólar.....	46,150,000	45,250,000	900,000
Kirkjubæjarklaustur 2 houses.....	38,300,000	33,100,000	5,200,000
Illugastaðir 2 houses.....	31,500,000	29,050,000	2,450,000
Hólmavík.....	22,850,000	17,400,000	5,450,000
Flókalundur 2 houses.....	20,700,000	16,080,000	4,620,000
	<u>2,342,642,146</u>	<u>2,007,536,517</u>	<u>335,105,629</u>

Vacation homes are revalued annually based on changes in assessment between years. The revaluation is recorded as a separate revaluation reserve within equity.

Shares in vacation areas:	Ownership share	Value 2023	Value 2022	Change in value
Vacation area: Ölfusborgir.....	27.8%	36,912,984	31,470,929	5,442,055
Vacation area: Svignaskarð.....	47.0%	7,262,328	14,213,579	(6,951,251)
Vacation area: Illugastaðir.....	6.0%	6,489,467	5,423,721	1,065,746
Vacation area: Flókalundur.....	15.4%	3,343,867	2,111,999	1,231,868
		<u>54,008,646</u>	<u>53,220,228</u>	<u>788,418</u>

Share in vacation areas are estimated based on the ownership share in equity of those vacation areas based on their approved financial statements.

Efling has membership in three fishing associations. Through the Gljúfurár Fishing Association, Efling holds a 20.1% share, and through the Norðurá Fishing Association, it holds a 1% share, both due to land ownership rights. Efling also holds a 0.9% share in the Tungufljótsdeild division of the Árnesingar Fishing Association, due to river access in Stóra fljót, Bláskógabyggð. Dividends are paid out to the landowners based on this arrangement. Efling has no obligations or liabilities related to its membership in these associations, other than allowing access to the rivers for fishing. Rights include participation in general and annual meetings with proposal and voting rights. These rivers are leased out according to bidding and are rented out for several years at a time.

**14. RESTRICTED BANK DEPOSITS**

	31.12.2023	31.12.2022
Restricted bank deposits - Landsbanki.....	4,391,438,734	4,739,588,832
Restricted bank deposits - Arion banki.....	0	424,508,164
	<u>4,391,438,734</u>	<u>5,164,096,996</u>

Restricted bank deposits is cash on bank accounts that have a restriction of 30 days.

**15. EQUITY**

Equity is broken down as follows:	Revaluation reserve	Retained earnings	Total equity
Equity at 1.1.2022.....	258,085,039	13,260,712,708	13,518,797,747
Revaluation.....	242,956,786	0	242,956,786
Loss for the year.....	0	(9,402,449)	(9,402,449)
Equity 1.1.2023.....	<u>501,041,825</u>	<u>13,251,310,259</u>	<u>13,752,352,084</u>
Revaluation.....	293,893,247	0	293,893,247
Profit for the year.....	0	714,809,688	714,809,688
Equity 31.12.2023.....	<u>794,935,072</u>	<u>13,966,119,947</u>	<u>14,761,055,019</u>

**16. ACCURED CAPITAL INCOME TAX**

	31.12.2023	31.12.2022
Balance at beginning of the year.....	43,826,115	237,048,227
Paid capital income tax.....	(140,194,370)	(302,343,004)
Change in accrual.....	171,334,432	109,120,892
Balance at year end.....	<u>74,966,177</u>	<u>43,826,115</u>

**17. ACCOUNTING POLICY****Revenue recognition**

Union fees are recognised as revenue in the periods they are due and are based on statements from Gildi Pension Fund, which handles the collection of union fees in the year 2023.

Rental income from vacation homes is recognized as revenue when the vacation homes are utilised.

**Expenses**

Expenses incurred to generate income during the period are recognised as operating expenses. Expenses incurred in the current financial year but pertaining to future financial years are recognised as prepaid expenses in the balance sheet. Expenses pertaining to the current financial year but payable in subsequent periods are recognised as accrued expenses in the balance.

**Finance income and finance expenses**

Interest income is recognised for the relevant period in accordance with the corresponding principal amount and interest rate.

Finance income are recognised in the income statement in the period in which they are incurred.



Transactions in currencies other than the Icelandic Krona are converted into Krona at the exchange rate on the transaction date. The exchange rate difference resulting from the payment of debts and collection of receivables is recognised in the income statement. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the end of the year, and the resulting exchange rate difference is recognised in the income statement under financial income or expenses.

#### **Property, plant and equipments**

Assets are recorded as property, plant and equipment when it is likely that the economic benefits associated with the asset will flow to the company and the cost of the asset can be reliably measured. Property, plant and equipment are initially recognised at cost. The cost consists of the purchase price and all direct costs incurred to bring the asset into income-generating condition.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, taking into account.

Profit or loss from the sale of assets is the difference between the selling price and the book value of the assets on the date of sale, and is recognized in the income statement upon sale.

#### **Securities and debt instruments**

Bonds and securities listed on an active market are recognised at fair value, and any changes in fair value are recognised in the income statement in the period in which they occur. Unlisted equities are recognized at cost.

#### **Uncollected Union fees**

Uncollected Union fees are recognised at face value.

#### **Trade receivables**

Trade receivables are recognised at face value, taking into account any allowance for impairment. The impairment allowance is not a final write-off but represents a contra-account to address potential future losses that may occur.

#### **Cash and cash equivalents**

Cash and cash equivalents consist of fund and unrestricted bank balances.

#### **Provision**

Provision are recognised in the financial statements if it is likely that there will be future financial outflows due to a specific event or transaction, and the amount can be reliably estimated.

#### **Trade payables**

Trade payables are recognised at face value, taking into account any incurred expenses.

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Income statement	Consolidated	Elimination	Total	Member fund	Sickness benefit fund	Recreational fund	Labor dispute fund	Educational fund	Grant fund
Union fees.....	3,184,376,491	0	33,184,376,491	934,540,873	1,489,692,913	454,368,189	177,444,470	70,977,787	77,352,259
Rental income from summerhouses.....	877,514,78	0	877,514,78	0	0	877,514,78	0	0	0
Other income.....	50,027,010	0	50,027,010	11,111,712	24,256,644	642,237	0	14,016,417	0
<b>Total revenues</b>	<b>3,322,154,979</b>	<b>0</b>	<b>3,322,154,979</b>	<b>945,652,585</b>	<b>1,483,949,557</b>	<b>542,761,904</b>	<b>177,444,470</b>	<b>84,994,204</b>	<b>77,352,259</b>
<b>Expenses</b>									
Benefits and grants.....	(2,006,707,635)	0	(2,006,707,635)	0	(1,730,515,074)	0	(194,989,553)	(301,148)	(80,921,860)
Expenses arising from members activities.....	(314,128,965)	0	(314,128,965)	(259,533,862)	(4,376,033)	(2,674,753)	(27,348,981)	(19,372,335)	(823,001)
Vacation homes expenses.....	(155,664,966)	0	(155,664,966)	0	0	(155,664,966)	0	0	0
Housing expenses.....	(101,262,639)	0	(101,262,639)	(55,063,855)	(27,842,951)	(5,965,711)	(5,965,711)	(1,835,603)	(4,589,008)
Administrative expenses.....	(731,448,760)	0	(731,448,760)	(538,252,492)	(56,727,990)	(92,045,181)	(1,599,081)	(37,335,231)	(5,489,785)
Depreciation.....	(40,174,372)	0	(40,174,372)	(20,750,336)	(16,263,910)	(3,160,126)	0	0	0
<b>Total expenses</b>	<b>(3,349,398,337)</b>	<b>0</b>	<b>(3,349,398,337)</b>	<b>(873,800,345)</b>	<b>(1,835,725,958)</b>	<b>(259,510,737)</b>	<b>(229,883,326)</b>	<b>(58,844,317)</b>	<b>(91,823,854)</b>
<b>Operating loss</b>	<b>(27,233,358)</b>	<b>0</b>	<b>(27,233,358)</b>	<b>72,052,240</b>	<b>(341,776,401)</b>	<b>283,251,167</b>	<b>(52,438,856)</b>	<b>26,149,887</b>	<b>(14,471,395)</b>
Financial income.....	470,975,625	0	470,975,625	77,438,339	197,085,075	48,096,632	105,532,722	29,224,439	13,598,418
Financial expenses.....	(4,520,008)	0	(4,520,008)	(1,839,052)	(331,014)	(2,330,213)	(11,773)	(7,956)	0
Fair value changes.....	446,921,871	0	446,921,871	124,020,320	204,631,173	0	118,319,178	(48,800)	0
Capital income tax.....	(171,334,432)	0	(171,334,432)	(33,677,387)	(74,567,848)	(9,461,272)	(44,206,906)	(6,429,368)	(2,991,651)
	<b>742,043,056</b>	<b>0</b>	<b>742,043,056</b>	<b>165,942,220</b>	<b>326,817,386</b>	<b>36,305,147</b>	<b>179,633,221</b>	<b>22,738,315</b>	<b>10,606,767</b>
<b>Profit (loss) for the year</b>	<b>714,809,698</b>	<b>0</b>	<b>714,809,698</b>	<b>237,994,460</b>	<b>(14,959,015)</b>	<b>319,556,314</b>	<b>127,194,365</b>	<b>48,888,202</b>	<b>(3,864,628)</b>

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## Balance sheet

Assets	Consolidated	Elimination	Total	Member fund	Sickness benefit fund	Recreational fund	Labor dispute fund	Educational fund	Grant fund
<b>Fixed assets</b>									
Vacation homes.....	2,396,650,792	0	2,396,650,792	0	0	2,396,650,792	0	0	0
Real estate, land and real estate rights.....	397,102,737	0	397,102,737	61,182,420	332,707,358	3,212,959	0	0	0
Equipment.....	93,031,448	0	93,031,448	60,348,872	23,550,542	9,131,034	0	0	0
Securities and debt instruments.....	6,369,149,673	0	6,369,149,673	1,960,667,419	2,610,755,770	0	1,797,726,484	0	0
	9,255,934,650	0	9,255,934,650	2,082,199,711	2,967,013,670	2,408,994,785	1,797,726,484	0	0
<b>Current assets</b>									
Uncollected Union fees.....	257,781,260	0	257,781,260	42,942,081	117,878,542	70,633,483	14,392,080	5,756,832	6,178,242
Trade receivables.....	5,023,180	0	15,023,180	989,149	0	1,620	0	14,052,411	0
Receivables, related funds.....	0	(104,3,660,241)	104,3,660,241	3,189,745,512	468,468,466	13,000	233,561,103	159,656	22,482,504
Other receivables.....	212,791,163	0	212,791,163	8,714,912	0	4,732,950	0	7,715,544	115,757
Restricted bank deposits.....	4,391,438,734	0	4,391,438,734	717,455,942	2,104,849,315	280,461,016	927,242,650	203,219,730	158,210,081
Cash and cash equivalents.....	1,085,753,375	0	1,085,753,375	63,729,114	12,544,152	424,172,640	95,385,809	255,714,114	14,207,546
	5,751,275,712	(104,3,660,241)	6,794,935,953	1,152,785,710	2,703,714,175	780,014,709	1,470,581,642	486,618,287	201,194,130
<b>Total assets</b>	15,007,210,362	(104,3,660,241)	16,050,870,603	3,234,985,421	5,670,755,145	3,189,009,494	3,268,308,126	486,618,287	201,194,130
<b>Equity and liabilities</b>									
<b>Equity</b>									
Revaluation reserve.....	794,935,072	0	794,935,072	0	0	794,935,072	0	0	0
Retained earnings.....	13,966,119,957	0	13,966,119,957	2,482,734,344	5,551,034,919	2,238,875,080	3,234,119,689	279,145,676	170,210,249
<b>Total equity.....</b>	14,761,055,029	0	14,761,055,029	2,482,734,344	5,551,034,919	3,033,810,152	3,234,119,689	279,145,676	170,210,249
<b>Non-current liabilities</b>									
Accrued capital income tax.....	74,966,177	0	74,966,177	22,159,785	32,386,061	0	20,420,331	0	0
	74,966,177	0	74,966,177	22,159,785	32,386,061	0	20,420,331	0	0
<b>Non-current liabilities</b>									
Liabilities, related funds.....	0	(104,3,737,431)	104,3,737,431	617,891,518	22,482,504	151,816,386	13,357,667	207,405,475	30,983,881
Other current liabilities.....	171,189,156	77,190	171,111,966	102,399,774	64,851,661	3,382,956	410,439	67,136	0
	171,189,156	(104,3,660,241)	1,214,849,397	720,091,292	87,334,165	155,199,342	13,768,106	207,472,611	30,983,881
	246,155,333	(104,3,660,241)	1,289,815,574	742,251,077	119,720,226	155,199,342	34,188,437	207,472,611	30,983,881
<b>Total liabilities</b>	15,007,210,362	(104,3,660,241)	16,050,870,603	3,234,985,421	5,670,755,145	3,189,009,494	3,268,308,126	486,618,287	201,194,130
<b>Total equity and liabilities</b>									

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## Cash flow statements

	Consolidated	Elimination	Total	Member fund	Sickness benefit fund	Recreational fund	Labor dispute fund	Educational fund	Grant fund
<b>Operating activities</b>									
Operating profit (loss).....	714,809,698	0	714,809,698	237,994,460	(14,959,015)	319,556,314	127,194,365	48,888,202	(3,864,628)
Depreciation.....	40,174,372	0	40,174,372	20,750,336	16,263,910	3,160,126	0	0	0
Increase in accrued capital income tax.....	31,140,062		31,140,062	14,759,970	6,952,566	0	9,427,526	0	0
Fair value changes of financial assets.....	(446,954,069)		(446,954,069)	(124,020,320)	(204,631,845)	0	(118,301,904)	0	0
Change in operating assets, decrease.....	339,170,063	0	339,170,063	149,484,446	(196,374,384)	322,716,440	18,319,987	48,888,202	(3,864,628)
Other operating assets, decrease.....	37,636,241	464,232,860	(426,596,619)	(74,308,177)	(346,935,274)	(36,219,745)	(31,170,489)	56,699,273	5,337,793
Change in operating liabilities, increase.....	17,090,610	(464,232,860)	481,323,470	365,189,738	2,929,505	351,29,602	11,467,257	60,294,582	6,312,786
<b>Net cash from operating activities</b>	<b>393,896,914</b>	<b>0</b>	<b>393,896,914</b>	<b>440,366,007</b>	<b>(540,380,153)</b>	<b>321,626,297</b>	<b>(1,383,245)</b>	<b>165,882,057</b>	<b>7,785,951</b>
<b>Investing activities</b>									
Net purchases of property, plant and equipments....	(80,198,769)		(80,198,769)	(32,222,969)	0	(47,975,800)	0	0	0
Net sale of securities.....	1,667,975		1,667,975	1	1,667,974	0	0	0	0
Installments of debt instruments.....	112,504,440		112,504,440	11,528,206	67,443,722	0	33,532,512	0	0
Net purchases of securities funds.....	(1,128,112,488)		(1,128,112,488)	(707,316,826)	194,941,154	0	(615,736,816)	0	0
Change in restricted deposits.....	772,658,262		772,658,262	(221,834,485)	163,395,194	(18,245,438)	871,865,536	(12,762,391)	(9,760,154)
	(321,480,580)	0	(321,480,580)	(949,846,073)	427,448,044	(66,221,238)	289,661,232	(12,762,391)	(9,760,154)
<b>Increase in cash and cash equivalents.....</b>	<b>72,416,334</b>	<b>0</b>	<b>72,416,334</b>	<b>(509,480,066)</b>	<b>(112,932,109)</b>	<b>255,405,059</b>	<b>289,277,987</b>	<b>153,119,666</b>	<b>(1,974,203)</b>
Cash and cash equivalents at beginning of the year ..	993,337,040		993,337,040	573,209,179	125,476,261	168,767,581	7,107,822	102,594,448	16,181,749
Cash and cash equivalents at the end of the year ..	1,065,753,375	0	1,065,753,374	63,729,113	12,544,152	424,172,640	295,385,809	255,714,114	14,207,546





