

Efling Trade Union
Consolidated Financial Statements
2024

Efling Trade Union
Gudrunartuni 1
105 Reykjavík
Id. 701298-2259

Efling Trade Union

Consolidated Financial Statements

2024

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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 ended December 31, 2024 which comprise the endorsement by the Board of Directors, the Income Statement, the Statement of Financial Position, the Statement of Cash Flows for the year then ended and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying Financial Statements give a true and fair view of the Financial Position of Efling Trade Union as at December 31, 2024, and its Financial Performance and its cash flows for the year then ended 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 informations

The board and the chairman are responsible for the other information. Other information include 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 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.

Independent auditor's report

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, 3. April 2025

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 2024 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 3.528,8 m.kr. in the year 2024 (2023: 3.184,4 m.kr.), increasing by 344,5 m.kr. between years or about 11%. The Union profit for the year 2024 amounted to 1.281,5 m.kr. (2023: 714,8 m.kr.). The equity of the Union amounted to 16.725.7 m.kr. at year-end (year-end 2023: 15.007.2 m.kr.). The equity ratio at year-end was 97,29% (year-end 2023: 98.36%).

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 Unions consolidated financial statements with its signatures.

Reykjavík, 3. April 2025

Board

Barbara M Sawka (Secretary)

Guðbjörg M Jósepsdóttir

Guðmunda Valdís Helgadóttir

Hjörtur B Jóhannuson

Ian P McDonald

Innocentia F Fiati

Karla E B Ocon

Kolbrún Valvesdóttir

Michael B Whalley (Treasurer)

Olga Leonsdóttir

Rögnvaldur Ó Reynisson

Sæþór B Randalsson

Þórir Jóhannesson (Vice-chairman)

Chairman

Sólveig Anna Jónsdóttir

CEO

Perla Ösp Ásgeirsdóttir

Income Statement for the year 2024

	Notes	2024	2023
Revenues			
Union fees		3.528.831.962	3.184.376.491
Rental income from vacation homes	4	85.311.829	87.751.478
Other income	5	38.534.353	50.027.010
Total revenues		3.652.678.144	3.322.154.979
Operating expenses			
Benefits and grants	6	(1.734.804.258)	(1.811.352.475)
Salary and employee related cost	7	(637.595.214)	(526.025.076)
Expenses arising from members activities	8	(263.174.815)	(286.985.734)
Vacation homes expenses	9	(266.564.524)	(155.664.966)
General and administrative expense	10	(124.210.398)	(130.713.613)
Collection of membership fees	11	(54.066.450)	(74.711.071)
Housing Cost	12	(97.905.260)	(101.262.639)
Operating cost of strike found	13	(10.896.488)	(222.498.391)
Depreciation	15	(42.193.473)	(40.174.372)
Total operating expenses		(3.231.410.880)	(3.349.388.337)
Operating result of the year		421.267.264	(27.233.358)
Financial income	14	537.194.950	470.944.099
Financial expenses	14	(4.698.056)	(4.520.008)
Fair value changes of financial assets	14	554.989.606	446.953.397
Capital income tax		(227.707.149)	(171.334.432)
		859.779.351	742.043.056
Profit of the year		1.281.046.615	714.809.698

Balance sheet at 31.12.2024

Assets	Notes	31/12/2024	31/12/2023
Non-current assets			
Vacation homes	17	2.956.309.278	2.396.650.792
Real estate, land and real estate rights	15	412.193.136	397.102.737
Other fixed assets	15	103.527.650	93.031.448
Security funds	16	7.020.649.004	5.150.237.639
Bonds	16	5.906.813	1.218.912.034
		<u>10.498.585.881</u>	<u>9.255.934.650</u>
Current assets			
Restricted bank deposits	18	4.388.488.363	4.391.438.734
Cash and cash equivalents		1.698.503.860	1.065.753.375
Account recievables		94.642.969	272.804.440
Inventory		4.466.100	0
Other receivables		41.051.259	21.279.163
		<u>6.227.152.551</u>	<u>5.751.275.712</u>
Total assets		<u>16.725.738.432</u>	<u>15.007.210.372</u>
Equity and liabilities			
Equity	19		
Revaluation reserve		1.024.855.285	794.935.072
Retained earnings		15.247.166.572	13.966.119.957
Total equity		<u>16.272.021.857</u>	<u>14.761.055.029</u>
Non-current liabilities			
Accrued capital income tax	20	184.727.121	74.966.177
		<u>184.727.121</u>	<u>74.966.177</u>
Current liabilities			
Trade Payables		38.091.091	21.050.713
Other current liabilities		230.898.363	150.138.453
		<u>268.989.454</u>	<u>171.189.166</u>
Total liabilities		<u>453.716.575</u>	<u>246.155.343</u>
Total equity and liabilities		<u>16.725.738.432</u>	<u>15.007.210.372</u>

Statement of Cash flows 2024

	2024	2023
Operating activities		
Operating profit	1.281.046.615	714.809.698
Depreciations	42.193.473	40.174.372
Increase in accrued capital income tax	109.760.944	31.140.062
Fair value changes of financial assets	(554.810.956)	(446.954.069)
Cash generated from operations	878.190.076	339.170.063
Change in operating assets, (increase) decrease	(75.690.507)	37.636.241
Increase in operating liabilities	327.414.080	17.090.610
Net cash from operating activities	1.129.913.649	393.896.914
Investing activities		
Net sale and purchase of property, plant and equipments	(397.518.347)	(80.198.769)
Net sale and purchase of securities funds	1.216.390.329	1.667.975
Installments of debt instruments	23.099.438	112.504.440
Net purchase and sale of securities funds	(1.342.084.955)	(1.128.112.488)
Change in restricted deposits	2.950.371	772.658.262
	(497.163.164)	(321.480.580)
Increase in cash and cash equivalents	632.750.485	72.416.334
Cash and cash equivalents at beginning of the year	1.065.753.375	993.337.041
Cash and cash equivalents at the end of the year	1.698.503.860	1.065.753.375

Notes

1. General information

Efling Trade Union is a union with a scope that covers the legal jurisdictions of Reykjavik, Kopavogur, Seltjarnarnes, Mosfellsbaer and Kjosarsysla to Botnsa, Grimsnes and Grafningshreppur, Hveragerdi and the municipality of Ölfus. The field of work for members who work in the catering and hospitality industry and in industry also covers Hafnarfjörður, Gardabaer and Bessastadahreppur. The field of work for members who work in Vífilstadir and home care also covers Gardabaer.

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 Gudrunartun 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 Basis for accounting

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 the note below.

	After change	Before change
	2023	2023
* Administrative expense	0	731.449.760
General and administrative expense	130.713.613	0
Salary and employee related cost	526.025.076	0
Membership fee collection cost	74.711.071	0
	<u>731.451.783</u>	<u>731.451.783</u>
	2023	2023
* Expenses arising from members affairs	286.985.734	314.128.965
Operating cost of strike found	27.143.231	0
	<u>314.130.988</u>	<u>314.130.988</u>
	2023	2023
* Benefits and grants	1.811.352.475	2.006.707.635
Operating cost of strike found	195.355.160	0
	<u>2.006.709.658</u>	<u>2.006.709.658</u>

* The line marked with a star represents the name of the line in the 2023 consolidated financial statement.

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.

Notes

4. Rental income from Vacation homes

Due to the implementation of a new system and the utilization of the homes by the people of Grindavik, the rental income decreases slightly from 2023.

5. Other income

	2024	2023
Rental income	23.459.306	24.256.644
Commission from Virk	11.946.870	11.111.712
Other income	3.128.177	14.658.654
	<u>38.534.353</u>	<u>50.027.010</u>

6. Benefits and grants

	2024	2023
Sickness benefits	1.534.693.898	1.592.513.975
Grant for Eyeglass support	35.241.275	37.839.334
Health and wellness activities	64.475.473	71.044.557
Hearing aid support	2.413.700	3.372.056
Medical/rehabilitation	15.976.997	19.901.406
Laser eye surgery	4.381.359	3.958.018
Technological fertilization	5.773.947	8.497.520
Cancer screening	8.134.012	8.442.664
Psychological, social, and interview treatments	43.150.200	45.163.618
Death benefits	19.479.479	19.263.532
Health clinics support, N.F.L.Í. Etc.	450.000	691.047
Correction of benefits and grants	633.918	364.748
Special approval	0	300.000
	<u>1.734.804.258</u>	<u>1.811.352.475</u>

7. Salary and employee related cost

	2024	2023
Salaries	503.022.255	411.070.499
Pension fund	61.389.079	53.836.518
Other salary related expenses	42.862.317	34.971.005
Other employee expenses	30.321.563	26.147.054
	<u>637.595.214</u>	<u>526.025.076</u>
Average number of positions	39	33

8. Expenses arising from members activities

	2024	2023
Membership fee to Así	134.901.773	150.484.833
Professional services	61.604.895	41.361.142
Membership educational events	15.685.436	16.089.415
Publication	9.144.667	20.575.021
Other expenses related to membership affairs	41.838.044	58.475.303
	<u>263.174.815</u>	<u>286.985.714</u>

Notes

9. Vacation homes expenses

	2024	2023
Maintenance	71.030.873	38.874.843
Electricity and heating	12.177.565	13.127.536
Real estate taxes	16.091.226	13.417.291
insurance cost	3.363.502	4.533.515
Cleaning cost	19.162.229	14.758.926
Renting	14.659.461	10.300.458
Operating contributions	78.559.587	64.190.932
VAT reimbursement	(8.295.161)	(51.220.025)
Other administrative expense	46.556.779	33.353.200
Discounted flight an vacation cost	13.258.463	14.328.290
	<u>266.564.524</u>	<u>155.664.966</u>

10. General and administrative expense

	2024	2023
Advertising expenses	57.187.696	73.273.652
Audit and accounting	13.953.179	15.120.391
Other specialist cost	30.525.036	16.982.661
Other administrative expenses	22.544.487	25.336.909
	<u>124.210.398</u>	<u>130.713.613</u>

11. Collection of membership fees

	2024	2023
Collection of membership fees	10.625.891	74.088.771
Write-down of Accounts receivable	39.780.903	0
Written Off Accounts Receivable	3.659.656	622.300
	<u>54.066.450</u>	<u>74.711.071</u>

12. Housing expenses

	2024	2023
Housing cost	33.036.165	32.730.992
Real estate taxes	19.493.600	19.182.900
Renovations and maintenance	23.406.071	23.476.595
Other housing expenses	21.969.424	25.872.152
	<u>97.905.260</u>	<u>101.262.639</u>

13. Operating cost of strike fund

	2024	2023
Cost due to collective agreements	10.896.488	27.143.231
Strike compensation	0	195.355.160
	<u>10.896.488</u>	<u>222.498.391</u>

Notes

14. Finance income and expense

Finance income can be broken down as follows:	2024	2023
Interest income on bank deposits	487.286.473	443.569.740
Interest income on membership fees and union fees	10.849.507	16.666.557
Interest income on other receivables	2.050.113	440
Refund related to securities commission	34.222.804	7.840.888
Dividend received	2.756.700	2.898.000
	<u>537.165.597</u>	<u>470.975.625</u>
Finance expenses can be broken down as follows:		
Other finance expenses	(4.698.056)	(4.520.008)
	<u>(4.698.056)</u>	<u>(4.520.008)</u>
Fair value changes are as follows:		
Interest and fair value changes of securities funds	528.507.007	424.326.494
Interest and fair value changes of securities	26.482.599	22.626.903
Exchange difference	29.353	(31.526)
	<u>555.018.959</u>	<u>446.921.871</u>
	<u>1.087.486.500</u>	<u>913.377.488</u>

15. Property, plant and equipment

	Real estate & land	Furnishing, Software and Cars	Total
Cost			
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 1.1.2024	787.567.086	252.299.606	1.039.866.692
Purchased in the year	22.560.362	49.999.712	72.560.074
Disposal in the year	0	(5.975.000)	(5.975.000)
Balance 31.12.2024	<u>810.127.448</u>	<u>296.324.318</u>	<u>1.106.451.766</u>
Depreciation			
Balance 1.1.2023	383.219.990	126.338.145	509.558.135
Depreciation	7.244.359	32.930.013	40.174.372
Balance 1.1.2024	390.464.349	159.268.158	549.732.507
Depreciation	7.469.963	34.723.510	42.193.473
Disposal in the year	0	(1.195.000)	(1.195.000)
Balance 31.12.2024	<u>397.934.312</u>	<u>192.796.668</u>	<u>590.730.980</u>
Book value			
Balance 1.1.2023	404.347.096	87.763.492	492.110.588
Balance 1.1.2024	397.102.737	93.031.448	490.134.185
Balance 31.12.2024	<u>412.193.136</u>	<u>103.527.650</u>	<u>515.720.786</u>
Depreciation rate	0-1%	12-25%	

Notes

Assessment and insurance value are as follows at year end:

	Assessment value	Insurance value
Guðrúnartún 1	1.129.000.000	1.909.050.000
Iðnó, Vonarstræti 3	85.386.620	26.587.705
Breiðamörk 19	65.950.000	93.850.000

Efling Trade Union owns 28.33% of the property located at Vonarstraeti 3. Municipality of Reykjavik City owns 55% of the property, and Icelandic Seamen's Federation owns 16.67%. the Municipality of Reykjavik City is responsible for the operation and maintenance of the property at Vonarstraeti 3. Additionally, Efling Trade Union owns an ar Collection valued

16. Securities and debt instruments

	31/12/2024	31/12/2023
Bonds	6.981.649.004	5.111.237.639
Government-guaranteed bonds	5.906.813	1.218.912.034
Shares	39.000.000	39.000.000
	<u>7.026.555.817</u>	<u>6.369.149.673</u>

17. Vacation homes and shares in vacation areas

	Assessment value 2024	Assessment value 2023	Change in value
Stora-Fljot Reykholti, 12 houses	571.450.000	545.120.000	26.330.000
Svignaskarð 17 houses	529.580.000	469.450.000	60.130.000
Akureyri 4 apartments, 4 townhouses	392.150.000	366.050.000	26.100.000
Ölfusborgir 10 houses	212.507.637	202.144.146	10.363.491
Brekkuskogur 3 houses	134.950.000	119.050.000	15.900.000
Hvammur 1 house and land for summerhouses	113.350.000	104.890.000	8.460.000
Svignaskarð land, buildings and a house in Skarði	110.378.952	101.898.000	8.480.952
Stykkishólmur 3 houses	113.600.000	98.350.000	15.250.000
Svignaskarðsland 2 houses	84.700.000	66.500.000	18.200.000
Uthlið 3 houses	59.800.000	56.790.000	3.010.000
Einarsstaðir 3 houses	63.050.000	52.900.000	10.150.000
Hellisholar	52.650.000	46.150.000	6.500.000
Kirkjubæjarklaustur 2 houses	41.250.000	38.300.000	2.950.000
Illugastaðir 2 houses	37.350.000	31.500.000	5.850.000
Holmavík	27.700.000	22.850.000	4.850.000
Flokalundur 2 houses	24.100.000	20.700.000	3.400.000
	<u>2.568.566.589</u>	<u>2.342.642.146</u>	<u>225.924.443</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 2024	Value 2023	Change in value
Vacation area: Ölfusborgir	27,8%	37.959.242	36.912.984	1.046.258
Vacation area: Svignaskarð	47,0%	7.325.648	7.262.328	63.320
Vacation area: Illugastadir	6,0%	8.188.347	6.489.467	1.698.880
Vacation area: Flokalundur	15,4%	4.531.180	3.343.867	1.187.312
		<u>58.004.416</u>	<u>54.008.646</u>	<u>3.995.770</u>

Notes

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

Efling is a member in three angling associations. Through the Gljúfurár Angling Association, Efling holds a 20.1% share, and through the Norðurá Angling 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 Angling Association, due to river access in Stóra fljóti, 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 angling. 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.

Vacation homes under construction	Book value 31.12.2023	Purchase of the year	Book value 31.12.2024
Svignaskarð 35	0	44.666.665	44.666.665
Svignaskarð 39	0	43.578.568	43.578.568
Svignaskarð 40	0	35.368.580	35.368.580
Svignaskarð 45	0	45.324.487	45.324.487
Eyrarflöt	0	45.767.500	45.767.500
Aðalgata 16 Stykkishólmur	0	115.032.473	115.032.473
	0	329.738.273	329.738.273

Vacation homes under construction are measured at cost, up until the point they are completed and put to use. From that point on the company measures them using the revaluation method.

18. Restricted bank deposits

	31/12/2024	31/12/2023
Restricted bank deposits - Landsbanki	4.388.488.363	4.391.438.734
	4.388.488.363	4.391.438.734

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

19. Equity

Equity is broken down as follows:	Revaluation reserve	Retained earnings	Total equity
Equity 1.1.2023	501.041.825	13.251.310.259	13.752.352.084
Revaluation	293.893.247	0	293.893.247
Profit for the year	0	714.809.698	714.809.698
Equity 1.1.2024	794.935.072	13.966.119.957	14.761.055.029
Revaluation	229.920.213	0	229.920.213
Profit for the year	0	1.281.046.615	1.281.046.615
Equity 31.12.2024	1.024.855.285	15.247.166.572	16.272.021.857

20. Accrued capital income tax

	31/12/2024	31/12/2023
Balance at beginning of the year	74.966.177	43.826.115
Paid capital income tax	(117.946.205)	(140.194.370)
Change in accrual	227.707.149	171.334.432
Balance at year end	184.727.121	74.966.177

Notes

21. Accounting policy

Revenue recognition

Union fees are recognised as revenue in the periods the remittance forms are received

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 sheet.

Finance income and finance expenses

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

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

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

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.

Notes

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

22. Breakdowns

Account receivables

	31/12/2024	31/12/2023
Account receivables	134.423.872	272.804.440
Write down of Account receivables	(39.780.903)	0
	<u>94.642.969</u>	<u>272.804.440</u>

Other receivables

	31/12/2024	31/12/2023
Paid grants for the education fund	14.096.212	0
Other receivables	26.955.047	21.279.163
	<u>41.051.259</u>	<u>21.279.163</u>

Cash and cash equivalents

The company's cash and cash equivalents consist of funds and unrestricted bank deposits.

	31/12/2024	31/12/2023
Current accounts - Landsbankinn hf.	1.698.503.860	1.065.753.375
	<u>1.698.503.860</u>	<u>1.065.753.375</u>

Trade Payables

	31/12/2024	31/12/2023
Accounts payables	38.091.091	21.050.713
	<u>38.091.091</u>	<u>21.050.713</u>

Other current liabilities

	31/12/2024	31/12/2023
Accrued salary and salary related expense	133.627.184	88.890.755
Payables to the education fund	62.964.619	29.649.093
Accrued capital income tax	0	1.857.434
Payables to the members fund	28.795.253	29.672.312
Other current liabilities	5.511.307	68.859
	<u>230.898.363</u>	<u>150.138.453</u>

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	3.528.831.962	0	3.528.831.962	1.037.323.206	1.629.540.292	500.869.664	196.718.070	78.685.380	85.695.350
Rental income from summerhouses	85.311.829	0	85.311.829	0	0	85.311.829	0	0	0
Other income	38.534.353	0	38.534.353	13.195.406	23.459.306	1.879.641	0	0	0
Total revenues	3.652.678.144	0	3.652.678.144	1.050.518.612	1.652.999.598	588.061.134	196.718.070	78.685.380	85.695.350
Operating expenses									
Benefits and grants	(1.734.804.258)	0	(1.734.804.258)	0	(1.697.605.188)	0	0	0	(37.199.070)
Salary and employee related cost	(637.595.214)	0	(637.595.214)	(509.524.958)	0	(76.843.832)	0	(51.226.424)	0
Expenses arising from members activities	(263.174.815)	0	(263.174.815)	(242.394.846)	(1.188.807)	(1.188.807)	(91.447)	(17.945.121)	(365.787)
Vacation homes expenses	(266.564.524)	0	(266.564.524)	0	0	(266.564.524)	0	0	0
General and administrative expense	(178.276.848)	0	(178.276.848)	(93.267.914)	(38.647.005)	(23.086.157)	(3.696.366)	(13.074.466)	(6.504.940)
Collection of membership fees	(97.905.260)	0	(97.905.260)	(45.689.738)	(39.236.541)	(6.249.139)	(1.922.812)	(4.807.030)	0
Housing Cost	(10.896.488)	0	(10.896.488)	0	0	0	(10.896.488)	0	0
Depreciation	(42.193.473)	0	(42.193.473)	(25.851.623)	(11.277.695)	(5.064.155)	0	0	0
Total operating expenses	(3.231.410.880)	0	(3.231.410.880)	(916.729.079)	(1.787.955.236)	(378.996.614)	(16.607.113)	(87.053.041)	(44.069.797)
Operating result of the year	421.267.264	0	421.267.264	133.789.533	(134.955.638)	209.064.520	180.110.957	(8.367.661)	41.625.553
Financial income	537.194.950	0	537.194.950	69.310.124	218.395.961	61.873.118	137.282.244	32.506.236	17.827.267
Financial expenses	(4.698.056)	0	(4.698.056)	(2.773.720)	(47.590)	(1.859.440)	(8.684)	(8.622)	0
Fair value changes of financial assets	554.989.606	0	554.989.606	175.574.699	221.435.317	0	157.979.590	0	0
Capital income tax	(227.707.149)	0	(227.707.149)	(51.070.849)	(90.264.986)	(12.909.073)	(62.394.811)	(7.145.431)	(3.921.999)
	859.779.351	0	859.779.351	191.040.254	349.518.702	47.104.605	232.858.339	25.352.183	13.905.268
Profit of the year	1.281.046.615	0	1.281.046.615	324.829.787	214.563.064	256.169.125	412.969.296	16.984.522	55.530.821

Condensed Consolidated Financial Statements

Balance sheet

Assets	Consolidated	Elimination	Total	Member fund	Sickness benefit fund	Recreational fund	Labor dispute fund	Educational fund	Grant fund
Fixed assets									
Vacation homes	2.956.309.278	0	2.956.309.278	0	0	2.956.309.278	0	0	0
Real estate, land and real estate rights	412.193.136	0	412.193.136	82.941.562	326.038.615	3.212.959	0	0	0
Other fixed assets	103.527.650	0	103.527.650	69.804.035	18.941.590	14.782.025	0	0	0
Security funds	7.020.649.004	0	7.020.649.004	2.249.162.147	2.822.203.472	0	1.949.283.385	0	0
Securities	5.906.813	0	5.906.813	0	5.906.813	0	0	0	0
	<u>10.498.585.881</u>	<u>0</u>	<u>10.498.585.881</u>	<u>2.401.907.744</u>	<u>3.173.090.490</u>	<u>2.974.304.262</u>	<u>1.949.283.385</u>	<u>0</u>	<u>0</u>
Current assets									
Restricted bank deposits	4.388.488.363	0	4.388.488.363	224.076.975	2.236.897.763	244.825.794	1.399.650.473	113.270.677	169.766.681
Cash and cash equivalents	1.698.503.860	0	1.698.503.860	401.035.298	289.421.297	374.865.740	332.876.144	246.143.994	54.161.387
Account receivables	94.642.969	0	94.642.969	(189.715.009)	186.920.563	56.414.616	22.278.612	8.911.447	9.832.740
Receivables, related funds	0	(232.510.749)	232.510.749	214.126.822	17.417.238	0	125.332	152.886	688.471
Inventory	4.466.100	0	4.466.100	0	0	4.466.100	0	0	0
Other receivables	41.051.259	0	41.051.259	9.282.283	11.219.047	20.000	6.317.960	14.096.212	115.757
	<u>6.227.152.551</u>	<u>(232.510.749)</u>	<u>6.459.663.300</u>	<u>658.806.369</u>	<u>2.741.875.908</u>	<u>680.592.250</u>	<u>1.761.248.521</u>	<u>382.575.216</u>	<u>234.565.036</u>
Total assets	<u>16.725.738.432</u>	<u>(232.510.749)</u>	<u>16.958.249.181</u>	<u>3.060.714.113</u>	<u>5.914.966.398</u>	<u>3.654.896.512</u>	<u>3.710.531.906</u>	<u>382.575.216</u>	<u>234.565.036</u>
Equity and liabilities									
Equity									
Revaluation reserve	1.024.855.285	0	1.024.855.285	0	0	1.024.855.285	0	0	0
Retained earnings	15.247.166.572	0	15.247.166.572	2.817.564.131	5.765.597.983	2.495.044.205	3.647.088.985	296.130.198	225.741.070
Total equity	<u>16.272.021.857</u>	<u>0</u>	<u>16.272.021.857</u>	<u>2.817.564.131</u>	<u>5.765.597.983</u>	<u>3.519.899.490</u>	<u>3.647.088.985</u>	<u>296.130.198</u>	<u>225.741.070</u>
Non-current liabilities									
Accrued capital income tax	184.727.121	0	184.727.121	59.326.469	73.228.389	0	52.172.263	0	0
	<u>184.727.121</u>	<u>0</u>	<u>184.727.121</u>	<u>59.326.469</u>	<u>73.228.389</u>	<u>0</u>	<u>52.172.263</u>	<u>0</u>	<u>0</u>
Non-current liabilities									
Trade Payables	38.091.091	0	38.091.091	18.413.914	4.541.726	15.054.267	81.184	0	0
Liabilities, related funds	0	(232.510.749)	232.510.749	0	26.716.300	107.535.083	11.189.474	78.375.926	8.693.966
Other current liabilities	230.898.363	0	230.898.363	165.409.599	44.882.000	12.407.672	0	8.069.092	130.000
	<u>268.989.454</u>	<u>(232.510.749)</u>	<u>501.500.203</u>	<u>183.823.513</u>	<u>76.140.026</u>	<u>134.997.022</u>	<u>11.270.658</u>	<u>86.445.018</u>	<u>8.823.966</u>
Total liabilities	<u>453.716.575</u>	<u>(232.510.749)</u>	<u>686.227.324</u>	<u>243.149.982</u>	<u>149.368.415</u>	<u>134.997.022</u>	<u>63.442.921</u>	<u>86.445.018</u>	<u>8.823.966</u>
Total equity and liabilities	<u>16.725.738.432</u>	<u>(232.510.749)</u>	<u>16.958.249.181</u>	<u>3.060.714.113</u>	<u>5.914.966.398</u>	<u>3.654.896.512</u>	<u>3.710.531.906</u>	<u>382.575.216</u>	<u>234.565.036</u>

Condensed Consolidated Financial Statements

Cash flow statements

	Consolidated	Elimination	Total	Member fund	Sickness benefit fund	Recreational fund	Labor dispute fund	Educational fund	Grant fund
Operating activities									
Operating profit	1,281,046.615	0	1,281,046.615	324,829.787	214,563.064	256,169.125	412,969.296	16,984.522	55,530.821
Depreciation	42,193.473	0	42,193.473	25,851.623	11,277.695	5,064.155	0	0	0
Increase in accrued capital income tax	109,760.944		109,760.944	37,166.684	40,842.328	0	31,751.932	0	0
Fair value changes of financial assets	(554,810.956)		(554,810.956)	(175,396.049)	(221,435.317)	0	(157,979.590)	0	0
Cash generated from operations	878,190.076	0	878,190.076	212,452.045	45,247.770	261,233.280	286,741.638	16,984.522	55,530.821
Change in operating assets, (increase) decrease	(75,690.507)	(811,149.492)	735,458.985	108,175.482	370,791.160	14,480.337	219,231.279	4,641.192	18,139.535
Change in operating liabilities, increase	327,414.080	811,149.492	(483,735.412)	(306,536.703)	(11,194.139)	(20,202.320)	(2,497.448)	(121,144.887)	(22,159.915)
Net cash from operating activities	1,129,913.649	0	1,129,913.649	14,090.824	404,844.791	255,511.297	503,475.469	(99,519.173)	51,510.441
Investing activities									
Net sale of property, plant and equipments	(397,518.347)		(397,518.347)	(57,064.928)	0	(340,453.419)	0	0	0
Net sale and purchase of securities	1,216,390.329		1,216,390.329	217,288.440	701,513.569	0	297,588.320	0	0
Installments of debt instruments	23,099.438		23,099.438	2,352.454	11,195.541	0	9,551.443	0	0
Net purchase and sale of securities funds	(1,342,084.955)		(1,342,084.955)	(332,739.573)	(708,628.308)	0	(300,717.074)	0	0
Change in restricted deposits	2,950.371		2,950.371	493,378.967	(132,048.448)	35,635.222	(472,407.823)	89,949.053	(11,556.600)
	(497,163.164)	0	(497,163.164)	323,215.360	(127,967.646)	(304,818.197)	(465,985.134)	89,949.053	(11,556.600)
	632,750.485	0	632,750.485	337,306.184	276,877.145	(49,306.900)	37,490.335	(9,570.120)	39,953.841
	1,065,753.375		1,065,753.375	63,729.114	12,544.152	424,172.640	295,385.809	255,714.114	14,207.546
	1,698,503.860	0	1,698,503.860	401,035.298	289,421.297	374,865.740	332,876.144	246,143.994	54,161.387