

ANNUAL REPORT 2021-2022



Efling-trade union Annual Report 2021-2022

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The report of the Efling board relies mainly on the union for sources and data, e.g. minutes of board meetings, data related to collective agreements and sources from the boards of union funds. Reports in the Efling newssheet and on the union's home page are also used.



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CHAIRMAN'S ADDRESS

Dear members.

The working year 2021–2022 was a great learning experience to me, and while I am thankful for it, there are things that concern me. Ahead is a big year for the labour movement and we must stand together in the fight ahead next fall.

I have thought a lot about respect and criticism in recent months. The importance of respecting people and the importance of accepting criticism. The year ahead is a big and important in our fight for better wages and rights, and in that fight we demand that we are shown the respect we've earned. We do not only criticise employers, but also the government, which seems to try everything to increase inequalities in the country, to extend the gap between the highest and the lowest paid. Those who own and those who don't. We know our worth and we demand that employers respect it. We know what tools we have to fight for our rights and we are not afraid to use them if needed.

It is important to look ahead and build trust, respect and unity in Efling. Last year brought us many new challenges, which have been educational, and which have strengthened us. Internal fights which many think have broken us have in fact given us a stronger Efling, which allows its members to have diverse opinions and different views. When all is said and done we're fellow workers, we want to improve the lot of working people in Iceland.

Our demand for more equality is not unrealistic and it is not cheekiness. There never seems to be any space for higher wages but when employers are in trouble then there's always more to be given. In 2021, we saw yet again all actions of the government directed at lightening the load of companies, but increasing that of workers. We got to hear again that there was no space for our moderate raises and we had to stand firm, leading to the collective agreement being upheld and raises being paid.

At the end of last year there were big changes in the office and board of Efling when the then chairman resigned. Efling members were understandably shocked and worried about the future. The struggle went on and the intervening period gave the board a lot to learn. I got a new role, and went from being a vice-chairman to the role of chairman, while the secretary of the board, Ólöf Helga Adolfsdóttir, was selected by the board to temporarily take over as vice-chair.

After this eventful year we in Efling are the wiser for it, we look to the future and we take up the struggle against employers. We know that we create the wealth and that without everything grinds to a halt – so we deserve being listened to.

Agnieszka Ewa Ziolkowska
Chairman of Efling - trade union



THE WORK OF THE BOARD AND UNION

A new board took over after the annual general meeting in the beginning of May 2021, and met regularly thence according to its schedule. The board met 26 times in the working year 2021–2022, normally in the Efling community centre, or in the meeting room in Sókn on the 4th floor of Guðrúnartún under the leadership of the chairman. The board set itself working rules on January 13, 2022 and agreed new rules of order on January 27, 2022. The board discussed many issues, resolved and discussed numerous improvements.

The board had a working day of the board twice, in June and October. In these events, various presentations were given, e.g. on pension affairs, workplace democracy, a shorter workweek and more.

The selection committee did good work, setting up a strong A-list for the board of Efling. A new method of an open application process allowed anyone to

nominate themselves to the A-list. The committee received 28 nominations. The proposal of the selection committee was brought to board and delegate council for confirmation and was accepted without amendments. No other proposals were made. The selection committee worked hard to ensure a reflection of the membership in the categories of age, origin, sector, gender and others.

The working year was coloured by the covid pandemic, which continued affecting meetings. The council met regularly and on average monthly. A lot went on at the end of the year when the chairman resigned and the manager of membership affairs quit. The board and council worked hard in exceptional circumstances, while public discourse was vicious. The board was further reduced when another board member resigned. Both the board and the council have learned a lot in the 2021–2022 working year about their duties and responsibilities.

NEW PEOPLE ON THE EFLING BOARD

The board and delegate council agreed on January 13 to the proposal of the selection committee for a treasurer, secretary and six further board members for the Efling board. The procedure of Efling elections is such that the chairman and treasurer and six other board members are elected for two years, but last year the vice-chair, secretary of the board and five further board members were elected. New board members take over at the union's annual general meeting.

The list agreed to by the board and council got the letter A. Two other lists were brought to Efling, with the one led by Sólveig Anna Jónsdóttir getting the letter B, and the one led by Guðmundur J. Baldursson getting the letter C. Elections took place on February 9-15, and the B-list was elected by a 54% majority.

Those who take a seat on the board are Sólveig Anna Jónsdóttir, former Efling chairman, as chairman; Ísak Jónsson, Grand Hótel Reykjavík, treasurer; Innocentia F. Friðgeirsson, Landspítalinn; Kolbrún Valvesdóttir, Reykjavík home care; Michael Bragi Whalley, Reykjavík kindergarten worker at Nes; Olga Rún Leonsdóttir, Skjól care home; Sæþór Benjamín Randalsson, Mánaberg long-term childcare facility; and Guðbjörg María Jósepsdóttir, Reykjavík kindergarten worker at Gullborg.

INTERPRETATION AND TRANSLATIONS

There was continued emphasis on improving the access of foreign members to information and service, making it easier to attend the union's meetings and participate in discussion. Language skills were a part of the selection criteria in new hires, and interpretation services such as Language line were looked into. Lots of work went into publishing all news in Icelandic, English and Polish. This has been commended by members, as more than half of them are from abroad.

LEGAL ASSISTANCE

Many members seek assistance from the Efling office every day to get help or support for problems they have in the workplace. The union grievance officers receive people every working day and take unscheduled visits. Efling lawyers are available all Tuesday afternoons, at no cost to the members. They also advise grievance officers, who sadly can't always resolve cases on their own, and must pass them on to the union's lawyers.

The Efling legal team comprises Karl Ó. Karlsson and Karen Ósk Nielsen Björnsdóttir at LAG.

WORKPLACE INSPECTIONS

Efling has continued to strengthen its workplace inspections year by year. It is important for a union that negotiates for workers in restaurants, hospitality, tourism and construction to do this work diligently.

A lot of cooperation is maintained between unions, since a single workplace can be represented by many of them.

In these sectors, employers commonly disregard collective agreements, giving cause for union officials to show up and talk to their members. Along with mediating information to our members, the registrations provided by officials helps the tax authorities to combat black market activity, and other institutions do their work.

Limits on gatherings, imposed due to the covid pandemic, hampered workplace inspections. The inspectors did not sit idle, but instead used their time to strengthen connection between inspectors and working internally on narrowing down and better defining the role of workplace inspections. A lot of work began on improving procedures and coordinating inspections and follow-up work. The result of that work was the Inspectors' handbook, published in 2021.

The inspections serve to strengthen connections with members and informing them about their rights and duties at work, as well as spreading information about unions and their importance.

In 2021, workplace inspectors visited 140 workplaces and spoke to over 400 workers.

Ahead is an exciting year, and there is a fighting spirit in our membership. The departing board thanks the union's members for the cooperation and wishes the new board the best of luck.



SERVICE TO EFLING'S MEMBERS

SERVICE POLICY

Efling intends to provide excellent service according to the union's goals to improving and supporting the welfare of members.

Goals of the service policy:

- That communication with members be professional, guided by respect, politeness and a friendly demeanour.
- Emphasizing that service is provide within defined time limits and in accordance with the members' expectations.

- Uniformity in service provided.
- Educating staff on the provision of services.
- Utilizing digital technologies to improve efficiency and simplifying access.
- Making the member's experience of the services positive from start to finish.
- Emphasizing cultural literacy and accessibility to services in more languages than Icelandic.

Organization of the service department:

SERVICE	MAIN TASKS
Reception	Reception staff greets members coming to the union office in Guðrúnartún 1 and Hveragerði, and deals with requests made by phone, email or chat.
Sickness benefits fund	The fund's staff receives members applying for sickness benefits, processes applications and disburses allowances and grants from the fund.
Education fund	The fund's staff processes and disburses institutional and individual grants from the educational fund.
Recreational fund	The fund's staff prepares rental agreements and bookings of summer houses and sells travellers' cheques, fishing- and camping cards.
Virk consultants	Virk consultants assist members during rehabilitation after illness and/or accidents and help members get back to work.

REORGANIZATION

Sickness benefits- and education fund staff were united into a new team for grants and sickness benefits in October. The aim was to improve service to members, increase technical skills and creating a strong team. At the start of the year, the service reps from the summer house fund were moved to a united summer house- and real estate department.

MY PAGES

The My Pages service portal was formally opened on March 2, 2021. Members log in via digital ID and can apply for grants from the sickness benefits- and educational funds, and see the progress of their applications. They can also review their dues payments history and access the summer house application page. Efling is proud of this project and thinks it's important for members to be able to apply online for grants and stay in touch with the union via My Pages.

In 2022, the portal will be developed further. The next update will include a sales page for travellers' cheques and fishing- and camping cards. Later this year, a connection to the case management system is planned, for secure data transfer and online signatures.

My Pages have been exceedingly well received. Last year, there were 8600 visits per month, or 400 per day. The portal is specially designed for use with smart devices, and 55% of visits are from a mobile phone. Visits have increased rapidly in the first months of the new year, indicating that members want to use online portals to use services at their leisure.

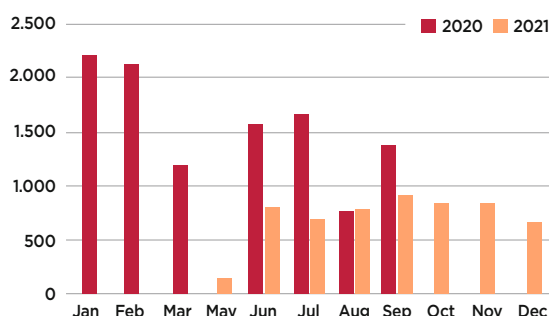
VISITS TO THE OFFICE IN 2021

The Efling reception has a ticketing system where members choose the service they want to get. Three languages can be selected; Icelandic, English and Polish.

Covid and limits on gatherings led to the office being closed from October 5, 2020, until May 26, 2021. Efling members and the office staff deserve praise for the successful maintenance of service during these months.

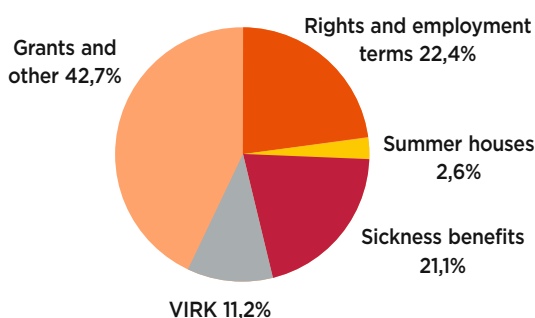
There were a lot fewer guests in 2021 than in 2020, in part due to limits on gatherings, but also due to the My Pages portal which allowed members to get service online.

Number of visits to the office in 2021



Over 40% of members select "grants and other" and get assisted by the reception. Many members come to the office to talk with sickness benefits fund staff, or 21%, and 22% come to meet grievance officers.

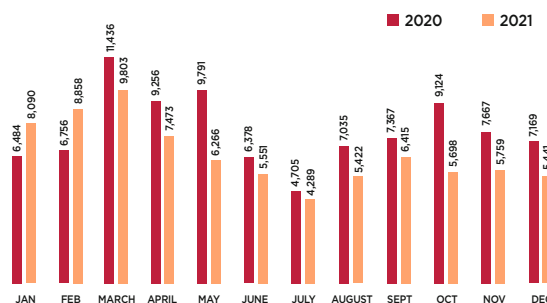
Proportion of services used and number of visits in 2021



CALLING THE OFFICE

When Efling members call the main number of the union, the reception answers questions or directs the call to the applicable office staff. Members can select direct contact with funds via the main number. Here we can see the number of phone calls that office staff received and made to members last year, compared to 2020.

Number of phone calls at the Efling office in 2020 and 2021



There were about 15% fewer phone calls year-on-year, which goes to show that members have utilized My Pages well since they were opened up last spring.

SICKNESS BENEFITS FUND

Sickness benefits

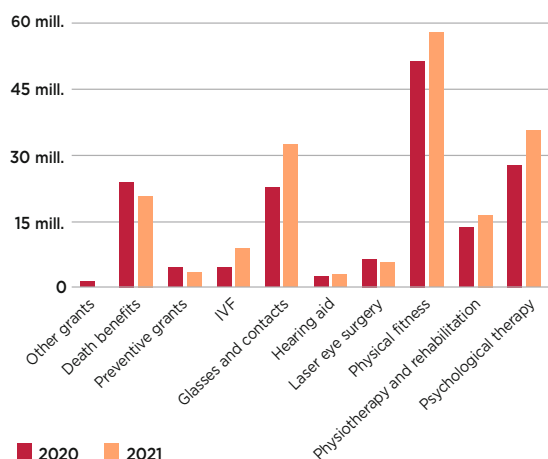
In 2021, 929 members got sickness benefits, a total of 787 million kr. Payments decreased 4.5% and the number of applicants dropped by 1%. A slight majority was female.

Grants

In 2021, the fund paid out 9163 grants to 5475 members. In all, 184 million were paid in grants, 17% more than the previous year. The physical fitness grant was most common, next was psychological therapy, which has increased 28% year-on-year. Most recipients were 20-39 years old and a majority was female.

When My Pages opened, a new type of grant was introduced for preventive care. This unites grants for cancer exams, risk assessments, CPAP sleep masks, gait analysis and dyslexia diagnosis. This type of grant saw a 25% reduction year-on-year, partly due to the cancer exams being taken over by clinics and lower costs for that service.

Payments of grants 2020 and 2021



EDUCATIONAL FUND

In 2021, 4536 grants were paid to 3670 members, similar to the year before. In all, 268 million were paid in 2021 compared to 244 million in 2020, a 9.8% reduction. The 90% ceiling for repayments, raised from 75% due to the pandemic, was extended until May 1, 2022.

In November last year, educational grants were incorporated into My Pages, greatly simplifying the application procedure. Many use their smartphone to apply for grants via My Pages, take photos of their receipts and upload them as attachments.

SUMMER HOUSE AFFAIRS - A MILESTONE REACHED!

The working year has in large part revolved around the build-up of the Stóra Fljót neighbourhood in Bláskógabyggð. That ambitious project has been in the works for years and is now at an end, the houses are now in full use and are exceptionally popular amongst members.

It may be said that the bulk of the summer house fund's operations have been within this project in recent years, and it is unusual and unique to have the opportunity to develop such a grand quarter on our own land, only for Efling members. This big operation will change the landscape of summer house provision in Efling and increase the Southern region's weight.

Operations

The summer houses of unions are a significant part of their operations and often the first contact for members with their union. We therefore think it important that the work around summer houses be done with care, and that it be guided by meeting members' demands as well as we can. We do this not just by building new houses, since many of the houses are of an older type and some well over 50 years old. Maintaining them in top shape is a big task, since Efling has 67 houses all over the country.

The maintenance of older houses goes on all year, and in this working year the biggest single project was the overhaul of a few houses in Ölfusborgir, which have undergone considerable change outside and inside. Efling has ten houses there, and they are the oldest houses Efling offers, with an interesting story.

In the middle of Borgarfjörður is the summer house cluster in Svignaskarð. The land is owned by the summer house fund, and it has 19 summer houses there. The area has seen a lot of work in recent years, with construction of new houses in cooperation with other unions which also have summer houses there.

It could be said that this beautiful land hold the future of our summer house work, with great possibilities.

Extensive work has started on the terrace houses in Akureyri and preparations are afoot for signifi-

cant improvements in Flókalundur, Illugastaðir and Einarssstaðir houses. The focus of our renovation work will be there in the coming months.

Service

The fund's work entails a lot more than summer houses and their supply.

Other options the fund offers are camping and fishing cards at a discount to members, and gift certificates from Icelandair and Úrval Útsýn and hotel discounts when travelling in Iceland.

Demand for this service has increased greatly, and it has been expanded over the years.

Recent months and years have been unprecedented due to the pandemic. We see this in enormous demand for summer houses, and despite a large increase in their supply, it is far from meeting demand. Most houses are now booked 4-8 weeks into the future, with no abatement in sight. We plan to hasten the increase in housing supply, which will be reflected in more offers this summer.

In all, 3,500 members got a summer house in 2021, and 1,000 got cards and discounts. Thus around 4,500 members got direct service from the fund, in addition to thousands who were assisted by phone or in the office.

The renting of houses increased last year by at least 30%, which has been a challenging task.

There was also a day trip to Borgarfjörður, with 65 participants. There has been a long tradition to have such trips in late summer. The main natural wonders of the area were visited and as usual a grand soup buffet capped the day. The group was happy with the trip, which was a great success.

EFLING VIRK CONSULTANTS

In 2022, Efling had 8 VIRK consultants. Their role is to assist members in rehabilitation and return to work after sickness or accidents.

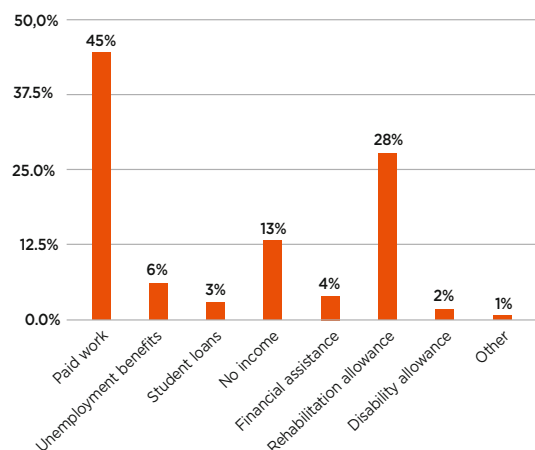
The age distribution of VIRK applicants is in line with the demographics of the union, mostly 20–39-year-olds. Each VIRK consultant assists between 35-40 individuals at each time. The service is individualized. It is safe to say that this service is extremely valuable, both to the individuals and to society, since it allows people to return to work after physical or mental illness.

Great results of VIRK consultants

Efling VIRK consultants discharged 209 individuals in 2021. Over half of them were registered as being in a paid job, looking for a job or attending studies that qualified for a loan at the end of the service, which must count as an achievement.

Each and every individual can have more than one type of income, so the breakdown goes by full-time equivalents. By that measure, around 45% of Efling members in VIRK in 2021 were in paid work.

Source of income of Efling members at the end of VIRK service in 2021 - proportion of full time equivalents



All further information about VIRK's services can be found on the website www.virk.is.



RIGHTS AND EMPLOYMENT TERMS

Currently, the department of rights and employment terms comprises 12 staff along with the head of department, Ingólfur Björgvin Jónsson. It has gotten bigger in tune with the increase in membership demand, and it is strengthening to better service those who seek its help.

Five nationalities are represented in the group of staff, and it was strengthened by three new hires which will help in servicing members from abroad, who are increasingly seeking the department's assistance. Most staff speak two or more languages, such as Polish, Lithuanian, Spanish, Russian and English, to mention a few, and other union staff speak other languages and have provided interpretation to improve service to members.

Staff and the head of department had lots to work on in the recent year. Tasks included improving procedures, such as the implementation of a new case management and archiving system which was introduced in January 2022. All cases worked on by the department are registered there now. The new system will allow for

analysis of the types of cases, which sectors they mostly come from. It will also allow for a better registration of which companies have union reps and how long they've been reps there.

EXTENSIVE PURVIEW

Numerous cases came to our grievance officers in 2021; 30 layoffs without notice, and 699 cases in all. The caseload was such that not all cases could be processed as steadily as we're used to. Service had to be prioritised to give necessary information to those laid off, to attend to partial unemployment provided by the government, and guard the rights of members working via the *Heffum störf* programme. There were problems there in that members were taken off benefits if they rejected a job, even when good reasons were given, such as the pay being below the Efling collective agreement minimum, which happened numerous times. Information from the Directorate of Labour was limited at first. Efling closed off access to the office in

light of limits on gatherings, leading the department to rely on phones and emails to work on cases.

From January 1 until December 31, 2021, Efling grievance officers received 5414 emails via the kjaramal@efling.is inbox. This does not include emails sent to the officers directly. In 2021, the department received 9932 phone calls, 2000 fewer than in 2020. Visits in person numbered 1259, despite the office being closed from January to May.

Despite unprecedented times, the department's staff managed to teach union rep courses in person and via teleconference, and lectures in high schools were performed as Efling specialists have done for years.

Grievance officers and the chair of Efling sit on an internal committee which does the important work of processing applications for work permits, which the union gives its opinions on, such as whether the job fulfils the collective agreement requirements on wages and other items. Efling received 623 applications in 2021, 171 more than the year before, when they were 452. The increase is mostly in healthcare.

DIVERSE CASES

The department received diverse cases in 2021. They included 30 layoffs without notice, 90 fewer than in 2020, mostly explained by the effects of covid being heaviest in 2020. Most ended up as wage claims, i.e. the union collected wages during the notice period for the member in question which had not been paid by the employer, an illegal layoff procedure.

The department serviced 699 individuals formally, 400 fewer than the year before. The department helped members in many different ways, such as by sending letters on their behalf or by calculating whether their wages were correct, and other possible breaches of rights. Wage collection was initiated on behalf of 351 member, 50 more than in 2020.

The union's lawyers were handed 72 cases for collection, to the tune of 54 million, 260 fewer cases than in 2020. The lawyers received 7 cases relating to bankruptcies, amounting to 8 million, a significant reduction from the year before, when they were 121 and amounted to 116.6 million in unpaid wages relating to bankruptcies. Such cases are followed up via the liquidator and if the amount isn't collected from the bankrupt estate, it is collected from the Wage Guarantee Fund. The legal office collected 204.6 million in all, of which the Wage Guarantee Fund paid 161 million.

The department currently has 12 cases and claims amounting to 21.4 million have been calculated. In all, the department sent 169 claims in 2021, 276 fewer than the year before. The total amount claimed by department staff was 104.6 million in 2021, while in 2020 the amount was 326 million.

This large difference is an effect of the covid pandemic, which is coming to a close.

Office staff effected repayment of 15,325,976kr via claims in 2021, nearly 15% of the total claims made. This amount could be higher if wage theft was punishable by law. Companies would then have a greater incentive to close cases at that stage, before lawyers and even courts are brought to bear on the cases.

In this strange and educational year, the department serviced nearly 700 members from 46 nationalities in their cases.



EDUCATION AND MEMBERS' AFFAIRS

EDUCATION AND EVENTS

Education has been further developed with an eye to the needs of members and the emphases of the board. The establishment of Vitinn – the Efling school, and its general course, is the mainstay of these developments. Its aim is to educate Efling members about class struggle, the power of masses, and the capacity of individuals to push for equality and other positive societal changes. The general course was meant to start last November. Due to the unexpected resignation of the chairman, this had to be delayed, but the project goes on and we hope to get it going before fall of 2022.

The weekly Drop-in sessions continued through spring 2021. These were a series of educational events, including some lectures, which were streamed live on the Efling Facebook page. Many issues were discussed, like the makings of a multicultural labour market, workplace democracy, partial unemployment benefits, hiring grants, Mímir services and possibilities for education, to mention a few.

The professional courses, held in cooperation with Mímir, continued, as did various courses on rights such as the taxes course and the retirement course, and the union rep courses in four parts held by Félagsmálaskóli alþýðu in cooperation with Efling staff.

Grievance officers and membership reps of Efling regularly went to high schools to educate students when limits on gatherings allowed.

In the fall of 2021, there were plans for monthly educational evenings in the Efling community centre. The schedule started in October with the event Between us, where four Efling women from abroad spoke about their story and told of their lives in Iceland in an informal discussion. Finally, there were questions and discussion with guests. There was also a Christmas book reading where authors of recently published books came and read excerpts from them. Sadly there were no further educational events due to limits on gatherings, but the plan is to restart them next fall.

Annual events, such as the May Day coffee, the Christmas ball and the coffee of senior Efling members had to be dropped due to limits on gatherings. In December, however, Efling had its Christmas Bingo on a livestream where many members participated, with splendid prizes on offer.

In September 2021, the Efling choir was established. All members are welcome to join. Practices were held weekly on Wednesday under the direction of Jóhanna V. Þórhallsdóttir. The choir started off really well and sang at the Efling Christmas buffet, which was well received.

THE UNION REP SYSTEM

There has been a focus on increasing the number of reps in Efling and strengthening education and communication of and with reps. Continuing the work which began in 2020, there was a campaign to ensure

that the sectors and biggest workplaces covered by Efling agreements had union reps. The project aims at getting the union's grassroots empowered for the collective bargaining next fall, both in setting up connections with the broadest group possible, and by allowing reps to enter more roles of confidence in the union, such as via the negotiation committee.

There were 33 new reps elected in 2021 and 15 re-elected. The union reps now number 252.

In spring, there was a social media campaign on the importance of reps. The campaign was meant to broaden awareness of the union reps' work, their role and the importance of having one in your workplace. The campaign started off well and took the form of pictures and info along with short video clips interviewing reps.

The spring meeting of reps was held on May 26 on Zoom. A survey was sent to reps before it started to establish what they most wanted to know. Most answers had to do with positive and non-violent communication in workplaces, which led to Ragnheiður Aradóttir from PROevents being brought in to speak and organize a workshop where positive communication, applied positive psychology, communication for success, and self-confidence were worked on, as well as other things useful to reps.

PUBLICATION

The Efling educational paper was published last fall, and as usual contained practical information on courses and education on offer for Efling members. The summer houses paper was for the first time published in three languages; Icelandic, English and Polish, instead of only English and Icelandic.

Efling economic analysis was regularly published and attracted interest in important issues to the low-paid, such as housing, how interest relief and child benefits have dropped, and how the changes in retirement age will hit Efling members especially hard. There were also the quarterly reports of the department of rights and employment terms, which provide an insight into the state of the labour market.

Along with the social media campaign on the importance of union reps, there was a pamphlet for reps about their rights. A pamphlet on the rights of tour bus drivers and hotel- and restaurant staff has been in the works, and the Icelandic and English versions are in print. More languages will be published as translations are finished.

MEMBERSHIP SURVEYS

Efling emphasises bringing out the views and focus of members. One part of this is sending out surveys, asking about various issues. Surveys were sent to Reykjavík city and Kópavogur workers on the shorter workweek; and reps were asked what kinds of courses they'd like to attend. A survey was further sent to all members to see what needs and interest they had in education which they could get from Efling.

DIGITAL MEDIA

Efling digital media were further fleshed out in this year. The Efling Facebook page continues to attract followers and the Efling Instagram page is growing rapidly. A new and elegant website went live last summer. It is more accessible and user-friendly than the previous version, and it is trilingual – with all material available in Icelandic, Polish and English.

In the Efling podcast, Radio Efling, important labour issues were discussed, including interviews with members. They were published roughly every two months.

FIRED DURING DISCUSSIONS ABOUT RIGHTS

On August 20, 2021, Icelandair ehf. fired Ólöf Helga Adolfsdóttir, the union rep of Efling members in baggage handling at Reykjavík Airport. The layoff came during negotiations Ólöf was in with the company, which included the lawyer and employment rights division of Efling, about the rights of staff. Efling, with Ólöf in the lead, went on a campaign and demanded Ólöf be rehired.

The board of Efling discussed the affair and declared full support for her. The case was discussed at an ASÍ central committee meeting on September 15 and at a delegate council meeting in Efling on September 16. The council passed a resolution which Sólveig Anna Jónsdóttir, then Efling chairman, sent to Bogi Nils Bogason, CEO of Icelandair, on September 20. Bogi replied on September 30 and rejected rehiring Ólöf.

Union reps and Efling members from all sectors united in solidarity at Reykjavík Airport on October 15 to stand by Ólöf. Many resolutions expressing support were received from other unions.

On October 19, ASÍ subpoenaed SA over the case, on behalf of SGS & Efling and SFP & Icelandair, respectively. In February 2022, the Supreme court confirmed the ruling of the Labour court, rejecting Icelandair's demand for dismissal. The case thus returns to the Labour court.



GILDI PENSION FUND 2021



GILDI PENSION FUND OPERATIONS IN 2021

Returns of the mutual insurance department of Gildi were excellent in 2021, with net nominal returns of 17.8%, meaning real returns of 12.4%. The net assets of the funds at the end of year were 916 billion kr, rising by 152 billion year-on-year. The good returns are mostly carried by Icelandic and foreign shares and foreign initiative funds. Icelandic shares had good returns this year, and did most other asset groups, apart from foreign bonds and foreign short-term funds.

The operating costs of the fund over the year were 1,154 million kr, while in 2020 they were 1,056 million kr. Wages amounted to 700 million kr, with the wages of the board, audit committee and director being 62.6 million kr.

The fund's staff comprised 41 people at the end of year, compared with 39 at the end of 2020. Full-time equivalents were 39.9 in 2021, 39.5 in 2020, an increase of 0.4.

RETURNS BY DEPARTMENTS

The fund is divided into three parts; mutual insurance, private pensions, and specified private pensions. The net assets of the mutual insurance department for payment of pensions were 908,474 million kr at year's end, rising by 150,847 million kr. The net assets of the private pension department were 6,997 million kr at year's end. The specified private pension department was established on July 1, 2017, and its net assets were 620.3 million kr at year's end. It comprises three investment plans, the same as in the private pension department.

Net nominal and real returns

	NET NOMINAL RETURNS	NET REAL RETURNS
Mutual insurance	17.8%	12.4%
Framtíðarsýn 1	16.8%	11.4%
Framtíðarsýn 2	11.8%	6.6%
Framtíðarsýn 3	4.9%	0.0%

PENSION PAYMENTS AND DUES

The fund's pension payments in 2021 amounted to 21,004 million kr, while in 2020 they amounted to 19,269 million kr. Old-age pensions ran to 13,488 million kr, disability pension 6,189 million kr, pensions to surviving spouses 1,055 million kr, and child pensions 177 million kr. The utilization of a temporary permission to cash in private pensions was 86 million kr. There were 16,711 old-age pensioners, 6,702 disabled pensioners, 2,024 surviving spouses, and 1,066 got child pensions. The total number of pensioners was 26,503.

In 2021, a total of 6,747 employers paid pension dues for 52,859 fund members. Dues amounted to 35,875 million kr. Fund members with savings in the mutual insurance department were 251,920 at the end of the year, and 35,985 in the private pension department, of which 744 had a specified private pension.

COVID-19

The spread of Covid-19 had some effect on the operations of Gildi in 2021. Management had to close the office several times to customers, and staff were split into 2-4 groups a few times with a part of staff

working from home while others were in the office. The pandemic came in waves, so this was under constant review and the situation assessed almost day by day, to reduce the risk of infection in the fund's office. Nevertheless, the fund maintained nearly full service, as both staff and customers had adapted to the situation. The spread of the pandemic also affected the world economy and share prices. A lot of the experts' time in asset management, the managerial team and the fund's board went into reviewing the situation. The effects on markets and the world economy were however less than the year before.

DISABILITY PENSION

Disability pension payments are, as before, a high proportion of the fund's pension payments, and among the highest rates seen in Icelandic pension funds. To equalize the situation of pension funds with varying disability claims, the state has provided injections paid off social security contributions. Gildi has utilized these sums to raise the rights of pension recipients and paying members. The injection amounted to over 1,973 million kr in 2021, and rights were raised by 4% on that basis. The board of the fund considers this amount to be insufficient and its distribution not properly implemented in order to equalize the situation of pension funds with differing disability shares.

ACTUARIAL APPRAISAL

An actuarial appraisal was performed on the mutual insurance department as it stood at the end of 2021. The total position of the fund is positive to the tune of 20,140 million kr, or about 1.4%, 2.7% worse than the year before. The weaker position is a result of new actuarial statistics which raise the liabilities of the fund. The appraisal used new death and survivor statistics from the actuarial mathematicians' association for the first time, which assumes a lower death rate in future. The data are based on the experience of 1999-2018. This method leads to a calculation of higher liabilities than before. As before, a margin is added on top of the basic death statistics assumptions, adjusted for the experience of Gildi members in 2014-2018. Special disability statistics are also calculated for the fund.

The total position of the fund is a positive 1.4%, within the limits required by law. The accrued position is at 12.9%, but the future position is negative 12.6%, which requires counteracting measures to correct the imbalance. The fund's actuarial mathematician sees a need to change the age-related rights, lowering them to adjust to the new life expectancies. This means a new table must be 10% lower on average than the

current one to balance the future position of the fund. The board of the fund will present the annual general meeting in April with proposals for changes to the ordinances of the fund to meet the higher liabilities due to the rising life expectancy.

MEMBERSHIP LOANS

In 2021, the fund provided 1,202 new membership loans in the amount of 20,653 million kr. This is a considerable increase over the previous year, with a higher amount as well. The year before, 987 loans in the amount of 14,460 million kr were provided. The number of loans and their sum were similar in 2021 to the numbers in 2019.

There were some changes to the conditions of fund loans in 2021. At the end of January, the loan-to-value ratio was raised from 70% to 75% after having been kept at that rate for some time. Simultaneously lower rates were announced to react to lower interest levels. Over the year, rates started rising and on August 5, the unindexed rates of the fund were raised by ten basis points. Two more rate changes were to come, with unindexed rates rising as the indexed rates were lowered.

FOREIGN INVESTMENTS

The policy of Gildi and part of its risk management policy is to have a broad portfolio, not only based on the Icelandic economy. The investment assets denominated in foreign currencies were valued at 319,851 million kr at year's end, rising by 34,047 million kr year-on-year. The fund sold foreign papers for 20,760 million kr over and above its purchases in 2021. With the sales of foreign assets and a strengthening of the króna through the year, the proportion of investment assets denominated in foreign currencies dropped from 39.2% to 36.3% in 2021.

Gildi has set itself a goal to expand foreign investments in coming years, with a view to broadening the categories of foreign assets. That way, risk within Iceland is reduced. The fund expects rising permissions for foreign investments in the coming years. Current law forbids foreign assets being more than 50% of the fund's value.

The investment policy of the fund sets a goal for share of assets denominated in foreign currencies. The goal for the mutual insurance department is set to rise to 39% in 2022. The same number for the private pension plans of the fund is somewhat lower, or 26% in Framtíðarsýn 1, 18% in Framtíðarsýn 2 and 0% in Framtíðarsýn 3.



EFLING FINANCES 2021

The Efling annual accounts comprise the consolidated accounts of seven Efling funds, which are: the union fund, strike fund, educational fund, sickness benefits fund, grants fund, rehabilitation fund and summer house fund. The consolidated accounts are at the front of the annual accounts and the overview of the funds is in tables further back.

OPERATIONS AND RETURNS

The returns of 2021 were considerably better than the year before. The dues through the year amounted to 2.4 billion kr, an increase of 12.9%, after a contraction of 6.7% in 2019 and 2020. Operating costs dropped year-on-year by 435 million, or 15.2%. Strike fund payments had been 461 million kr in the year before and omitting them, operating costs rise by 26.7 million or 1.1%. Income over expenditures before financial items were 209 million kr, but had been running at a 516 million kr deficit the year before. Financial items amounted to 334 million kr compared with 467 million the year before. The returns of the year came to 543 million kr, but had been in the red to the tune of 48 million kr the year before.

RETURNS

The net assets of the union at the end of 2021 were 13,518.8 million kr, rising by 547.6 million year-on-year. The nominal returns were a positive 4.2% in 2021, compared with a negative nominal yield of 1.5% the year before. Net real returns on equity, taking into account 4.84% inflation, is at a negative 0.59% in 2021 compared with a negative 4.81% the year before. The real returns of the union's asset portfolio in 2021 is at a negative 0.93% compared with 0.51% positive real returns in 2020. The asset portfolio means all paper assets owned by the union as well as term deposits and cash in hand.

EQUITY

The capital position of Efling is strong, its assets are mostly in solid bonds, term deposits, summer houses, real estate and land parcels. The total assets of the union are nearly 14 billion kr. Debts are at 411 million and thus the equity is 13.5 billion kr at the end of 2021.

MEMBERS

In 2021, dues-paying were 37,979, 851 more than the year before. Of those, 20,910 were male, 17,069 female. Since some of them pay dues only part of the year, the average number of dues-paying members were 26,058.

EMPLOYERS

In 2021, 3,621 employers paid dues to the union on behalf of their members, compared with 3,318 the year before.

UNION FUND

Dues of the union fund are 0.7% of gross wages. Of those, 15% go to the strike fund and 6% to the educational fund.

The equity of the membership fund stood at 2.3 billion kr at the end of 2021 and rose by 0.75% during the year.

STRIKE FUND

The strike fund receives 15% of union dues paid to the membership fund, so 0.1% of gross wages go there.

The equity of the strike fund stood at 3 billion kr at the end of 2021, and rose by 7.4% during the year.

EDUCATIONAL FUND

The educational fund receives 6% of the union dues, so 0.04% of gross wages are paid there.

The equity of the educational fund stood at 204 million kr at the end of 2021, and remained unchanged this year.

SICKNESS BENEFITS FUND

The negotiated dues paid to the sickness benefits fund are an employers' contribution of 0.75-1% of gross wages.

The equity of the sickness benefits fund stood at 5.9 billion kr at the end of 2021, and rose by 3.3% during the year.

GRANTS FUND

The income of the grants fund is a 5% contribution from the collected dues in the sickness benefits fund. Benefits and grants from the fund in 2021 were 160% of its income, compared with 104% the year before.

The equity of the grants fund stood at 150 million kr at the end of 2021, dropping by 20% during the year.

REHABILITATION FUND

The operation of this department in Efling is one of the pillars of the project to reduce the disability burden amongst members. The demand for work rehabilitation has increased in recent years and there is a good chance that this outfit can reduce sickness benefits and pension payments.

This department is not operated with a view to collecting funds.

SUMMER HOUSE FUND

The negotiated dues of the summer house fund are a 0.25-0.33% contribution of gross wages paid by employers. The summer house fund also receives rental income.

The equity of the summer house fund, mostly tied up in summer houses, stood at 2 billion kr at the end of 2021, rising by 10% during the year.



Consolidated Financial Statements

2021

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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, 2021 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, 2021, 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.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors 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 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 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 either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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:

- I 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 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.

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, March 28, 2022

Deloitte ehf.

Benóni Torfi Eggertsson
State Authorized Public Accountant

Árni Þór Vilhelmsson
State Authorized Public Accountant

Examiner's opinion

We signed examiner's who are elected by members, have reviewed this consolidated financial statement and with reference to the auditor's report, we propose that it will be approved.

Reykjavík, March 28, 2022

Andrea Jóhanna Helgadóttir

Leó Reynir Ólason

ENDORSEMENT BY THE BOARD OF DIRECTORS

The Financial Statements of Efling-Trade Union 2021 have been prepared in accordance with Financial Statement act no. 3/2006 in Iceland with the exception of the requirements for presentation of equity account which consists of unrealised share in profit of associates because Efling-Trade Union is an organization.

Profit for the year 2021 was 543.110.646 ISK. According to the balance sheet, the company's assets amount to 13,929,671,742 ISK, book value of equity at year end is 13.518.797.747 ISK and the company's equity ratio is 97.05%.

The Board of Directors refers to the Consolidated Financial Statements regarding changes in the Company's equity and disposal of the year.

The main role of Efling-Trade Union is to work on collective wage agreements, interpret them in favor of the members, to build up rights in funds for members and to defend their rights in collective agreements and labor disputes, against accident and sickness benefits, recreational and in educational matters. Efling-Trade Union provides its members with diverse services in these areas.

It is the opinion of the Board of Directors of Efling-Trade Union that these Financial Statements present all the information necessary to show the position at year end, the operating result for the year and the financial developments during the year. The Board of Directors of Efling-Trade Union hereby confirm the Consolidated Financial Statements for 2021 with their signature.

Reykjavík, March 28, 2022

BOARD OF DIRECTORS

Agnieszka Ewa Ziolkowska

chairman

Eva Ágústsdóttir

Felix Kofi Adjahoe

Guðmundur J. Baldursson

Innocentia Fiati

Jóna Sveinsdóttir

Kolbrún Valvesdóttir

Michael Bragi Whalley

Ólöf Helga Adolfsdóttir

Stefán E. Sigurðsson

Úlfar Snæbjörn Magnússon

Zsófia Sidlovits

Saviour De-Graft Ametefio

Linda Dröfn Gunnarsdóttir

Managing director

INCOME STATEMENT 2021

	Notes	2021	2020
Operating revenue			
Union fees		2,430,019,099	2,151,651,313
Rental income from summerhouses		73,866,031	52,624,163
Other income	3	126,399,974	136,371,118
		<u>2,630,285,104</u>	<u>2,340,646,594</u>
Operating expenses			
Union fees and taxes		132,464,495	132,229,355
Benefits and grants		975,749,529	1,452,820,343
Summerhouses operation costs		148,612,225	136,905,544
Other cost of the recreational fund		6,778,086	7,156,768
Members education		6,479,345	4,354,823
Promotions and marketing		64,066,405	76,145,886
Meetings, publishing and members tours.....		22,595,192	21,327,651
Collective wage agreements cost.....		638,600	30,160,310
Union fees registration service		93,612,846	84,032,375
Salaries and related expenses	4	692,828,346	675,414,869
Other operating expenses	5	223,193,285	189,516,930
Depreciation	9	54,566,525	46,163,822
		<u>2,421,584,879</u>	<u>2,856,228,676</u>
Operating profit (loss)		208,700,225	(515,582,082)
Financial income	6	183,181,736	179,765,508
Financial expenses	7	(3,860,644)	(6,606,186)
Exchange rate difference in Securities	8	255,066,922	377,358,768
Capital income tax.....	17	(99,977,593)	(83,098,857)
Profit (loss) for the year		<u><u>543,110,646</u></u>	<u><u>(48,162,849)</u></u>

BALANCE SHEET AT 31 DECEMBER 2021

	Notes	31.12.2021	31.12.2020
Assets			
Non-current assets			
Summerhouses	9	1,611,091,574	1,414,693,445
Real estate, land and real estate rights.....	10	408,378,496	437,355,929
Equipment	10	93,546,337	39,546,687
Power station Hvammi.....	10	3,212,959	3,212,959
Shares in other companies.....	11	100,000	100,000
Securities and securities funds	12	5,652,359,844	5,277,373,075
Restricted bank deposits	13	5,315,591,191	5,262,743,560
		<u>13,084,280,401</u>	<u>12,435,025,655</u>
Current assets			
Union fees	14	440,717,769	354,863,388
Trade receivables	15	19,424,182	14,552,856
Other receivables	15	13,930,192	31,642,808
Cash and cash equivalents.....	15	371,319,181	527,195,702
		<u>845,391,323</u>	<u>928,254,754</u>
Assets		<u><u>13,929,671,724</u></u>	<u><u>13,363,280,409</u></u>

BALANCE SHEET AT 31 DECEMBER 2021

	Notes	31.12.2021	31.12.2020
Equity and liabilities			
Equity	16		
Revaluation reserve		258,085,039	253,560,460
Retained earnings		13,260,712,708	12,717,602,062
Equity		<u>13,518,797,747</u>	<u>12,971,162,522</u>
Non-current liabilities			
Deferred capital income tax	17	237,048,227	211,439,415
		<u>237,048,227</u>	<u>211,439,415</u>
Current liabilities			
Other current liabilities	18	173,825,750	180,678,472
		<u>173,825,750</u>	<u>180,678,472</u>
 Liabilities		 <u>410,873,977</u>	 <u>392,117,887</u>
Total equity and liabilities		<u><u>13,929,671,724</u></u>	<u><u>13,363,280,409</u></u>

STATEMENT OF CASH FLOWS 2021

	Notes	2021	2020
Operating activities			
Operating profit (loss)		543,110,646	(48,162,849)
Depreciation.....	10	54,566,525	46,163,822
Increase (decrease) in operating liabilities		25,608,812	(5,884,133)
Exchange rate difference in Securities		(259,925,851)	(360,567,198)
Cash generated from (to) operations		<u>363,360,132</u>	<u>(368,450,358)</u>
(Increase) decrease in operating assets.....		(73,013,090)	34,170,313
(Decrease) increase in operating liabilities		(6,852,722)	29,721,222
Net cash from (to) operating activities		<u>283,494,320</u>	<u>(304,558,823)</u>
Investing activities			
Purchases of property and equipment	10	(271,462,292)	(410,983,134)
Sales of securities		257,739,242	337,906,259
Installments of securities		241,270,324	266,458,544
Purchases of securities funds.....		(614,070,484)	(362,401,737)
Restricted bank deposits (increase) decrease.....		(52,847,631)	172,847,572
		<u>(439,370,841)</u>	<u>3,827,504</u>
Net decrease in cash and cash equivalents		(155,876,521)	(300,731,319)
Cash and cash equival. at the beg. of the year		<u>527,195,702</u>	<u>827,927,021</u>
Cash and cash equivalents at the end of the year.....		<u>371,319,181</u>	<u>527,195,702</u>

NOTES

1. GENERAL INFORMATION

Efling Trade-Union was founded in December 1998 and began its operations at year end 1999. Members are around 28.000. The company's head office is at Guðrúnartúni 1 in Reykjavík. The office in the south region is at Breiðamörk 19 í Hveragerði.

The main role of Efling Trade-Union is to work on collective wage agreements and interpret them in favor of the members also to established rights in funds for members and to defend their rights in collective agreements and labor disputes, defend their rights for accident- and sickness benefits, recreational- and in educational matters. Efling Trade-Union provides its members with diverse services in these areas.

2. ACCOUNTING POLICIES

Basis of preparation

The Consolidated financial statements of Efling Trade-Union for the year 2021 are prepared in accordance with Financial Statement act no. 3/2006 in Iceland. The Consolidated Financial Statement is prepared in Icelandic króna.

The Principal Accounting Policies adopted are set out below.

Estimates and decisions

At the making of the annual report, the management, in accordance with laws on Financial Statements, need to make decisions, estimate and draw conclusions which affect assets and liabilities at the reporting date, information in the notes and income and cost. All conclusions and estimates are based on knowledge and experience and other relevant factors and make up the basis for decisions made on book value of assets and liabilities which cannot be ascertained by any other mean.

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

Revenue recognition

Union fees are entered in the income statement when payment is made on the basis of payment report from Gildi pension fund, which is in charge of collecting of the Eflings's union fees.

Lease income from summerhouses is accounted for as revenue when payment is received.

Interest income is recognized for the relevant period in accordance with applicable principal and interest rate.

Borrowing costs

All borrowing costs are recognized in the period they incur. Borrowing cost are capitalized and depreciated during the loan.

Property and equipment

Property and equipment are recognized as asset when it is probable that future economic benefit associated with the asset will flow to Efling Trade-Union and the cost of the asset can be measured in a reliable manner. Property and equipment which qualifies for recognition as an asset is initially measured at cost. The cost of a property and equipment comprises its purchase price and any directly attributable cost of bringing the asset to working condition for its intended use.

The depreciable amount of the asset is allocated on a fixed annual percentage of the historical cost over its useful life, less residual value.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Recreational fund's ownership in joint property of summerhouses is calculated as a share in net assets of the summerhouses at year end 2020. Summerhouses are valued to the current property valuation price at year end 2021.

Power station at Hvammi is valued at the purchase price less depreciation. Depreciation is based on 10 years of service life.

Taxation

Efling-trade union is a tax exempt and does not pay any income tax but pays even though a capital income tax.

2. ACCOUNTING POLICIES (CONTINUED)**Financial assets**

Securities, other than shares, listed on a regulated securities market are capitalized on market prices at year end, which is considered to be the price on the last registration date of the year. Other securities are recognized as an asset based on their yield on the purchase date. Shares are capitalized at the original purchase price.

Union fees receivables

Union fees receivables are stated at nominal value.

Trade payables

Trade payables are valued at nominal value and accounts payable in other currencies have been booked at the exchange rates prevailing on the balance sheet date.

3. OTHER INCOME

	2021	2020
Rental income	16,485,207	37,029,139
Commission from Virk	107,436,593	99,241,979
Other income	2,478,174	100,000
	<u>126,399,974</u>	<u>136,371,118</u>

4. SALARIES AND RELATED EXPENSES

	2021	2020
Salaries	554,084,524	541,355,548
Pension fund.....	78,778,760	76,040,381
Other salary-related expenses.....	49,850,240	49,602,886
Other employee expenses.....	10,114,822	8,416,054
	<u>692,828,346</u>	<u>675,414,869</u>
Average number of positions.....	57	55

5. OTHER OPERATING EXPENSES

	2021	2020
Auditing and preparing of financial reports (Deloitte ehf.).....	9,063,198	8,145,018
Accounting assistance (Deloitte ehf.).....	4,789,769	3,966,048
Legal assistance regarding collective issues.....	55,006,090	41,133,185
Other expert's costs.....	6,824,319	7,882,389
Car expenses, taxis and vans.....	1,929,899	319,447
Paper, printing, magazines, telephone costs and postage	12,153,433	11,328,100
Computer system operation.....	37,693,029	29,948,088
Employee courses.....	1,003,866	1,826,761
Employee recruitment cost.....	4,497,802	5,567,575
Equipment maintenance.....	1,928,942	2,283,332
Canteen operation.....	13,672,080	11,091,605
Flowers and gifts	35,295	130,607
Sanitary ware, cleaning, garbage and other costs.....	17,628,938	15,220,806
Rent and other real estate cost.....	57,459,773	51,791,949
Starfsafli's part of the operation cost.....	(493,148)	(1,117,980)
	<u>223,193,285</u>	<u>189,516,930</u>

6. FINANCIAL INCOME

	2021	2020
Interest income on bank deposits	167,644,318	169,236,467
Interest income on membership fees and union fees.....	7,844,723	8,820,241
Interest income on other receivables	5,511,095	0
Dividend.....	2,181,600	1,708,800
	<u>183,181,736</u>	<u>179,765,508</u>

7. FINANCIAL EXPENSES

	2021	2020
Commissions on securities purchases.....	(1,587,596)	(3,947,377)
Other interest expense.....	(2,273,048)	(2,658,809)
	<u>(3,860,644)</u>	<u>(6,606,186)</u>

8. EXCHANGE RATE DIFFERENCE OF SECURITIES

	2021	2020
Interest and exchange rate difference on securities holdings	255,066,922	377,358,768
	<u>255,066,922</u>	<u>377,358,768</u>

9. SUMMERHOUSES

	Book value
Share ownership in summerhouses	
Summerhouses Ölfusborgum.....	27,740,031
Summerhouses Illugastöðum.....	5,043,327
Summerhouses Flókalundi	4,598,906
Summerhouses Svignaskarði.....	15,486,223
	<u>52,868,487</u>
Efling's summerhouses	
Ölfusborgir 10 houses	163,101,087
Illugastaðir 2 houses.....	25,500,000
Svignaskarð 17 houses	331,890,000
Svignaskarð/Fróðhús, land with buildings and residential building at Skarði.....	80,842,000
Einarsstaðir 3 houses.....	40,200,000
Akureyri 4 apartments, 3 townhouses.....	192,300,000
Hvammur 1 house with summer cottages lands.....	75,820,000
Flókalundur 2 houses.....	13,340,000
Úthlíð 2 houses.....	42,260,000
Kirkjubæjarklaustur 2 houses.....	29,600,000
Borgarsel.....	15,250,000
Stykkishólmur.....	33,650,000
Brekkuskógur 3 houses.....	81,500,000
Hellishólar.....	37,050,000
Hólmavík.....	13,800,000
	<u>1,176,103,087</u>
Land	
tóra-Fljót.....	382,120,000
	<u>382,120,000</u>
Summerhouses total.....	<u>1,611,091,574</u>
	Real estate and land
Position at the beginning of the year.....	1,414,693,445
Purchases of property.....	191,873,550
The year's assessment change according to the real estate valuation of the land.....	4,524,579
Year-end position.....	<u>1,611,091,574</u>

10. PROPERTY, EQUIPMENT AND DEPRECIATION

	Buildings and land	Equipment and furniture	Power station Hvammi	Total
Cost or valuation				
At beginning of year.....	784,354,127	117,391,555	32,129,589	933,875,271
Additions.....	0	79,588,742	0	79,588,742
At end of year.....	784,354,127	196,980,297	32,129,589	1,013,464,013
Accumulated depreciation				
Accumulated depreciation.....	346,998,198	77,844,868	28,916,629	453,759,695
Depreciation during the year.....	28,977,433	25,589,092	0	54,566,525
At end of year.....	375,975,631	103,433,960	28,916,629	508,326,220
Carrying Amount				
Book value at beginning of year.....	437,355,929	39,546,687	3,212,959	480,115,576
Book value at end of year.....	408,378,496	93,546,337	3,212,959	505,137,793
Depreciation rates.....	0-4%	12-33%	10%	

The assessment- and insurance value for the Company's assets is analyzed as the following:

	Assessment value	Insurance value	Book value
lðnó 28.33% share.....	46,333,715	219,260,035	2,122,606
Land at Vonarstræti 3.28.33% share.....	23,655,550	0	11,859,397
Breiðamörk 19	35,130,000	73,450,000	48,351,649
Breiðamörk 19, land	7,170,000	0	0
Guðrúnartún 1	744,550,000	1,452,500,000	346,044,844
Guðrúnartún, land	181,750,000	0	0
	1,038,589,265	1,745,210,035	408,378,496

11. SHARES IN OTHER COMPANIES

	31.12.2021	31.12.2020
Kaupfélag Árnesinga svf. B-deild, fv. kr. 100,000, share 0.1%.....	100,000	100,000
	100,000	100,000

12. SECURITIES AND SECURITIES FUNDS

	31.12.2021	31.12.2020
Securities funds		
Funds at Landsbanka Íslands hf.	2,018,237,625	711,332,789
Funds at Arion banka hf.	762,034,233	728,572,711
Funds at Íslandsbanka hf.	453,291,700	431,955,724
Funds at Íslensk verðbréf hf.	150,128,290	0
	<u>3,383,691,848</u>	<u>1,871,861,224</u>
Securities listed on the market:		
Government guaranteed securities.....	1,715,211,779	2,820,849,454
Securities issued by credit institutions.....	638,793	675,347
Local government securities.....	551,794,526	582,548,716
	<u>2,267,645,098</u>	<u>3,404,073,517</u>
Other securities		
Other securities	1,022,898	1,438,334
	<u>1,022,898</u>	<u>1,438,334</u>
	<u>5,652,359,844</u>	<u>5,277,373,075</u>

13. RESTRICTED BANK DEPOSITS

	31.12.2021	31.12.2020
Restricted bank deposits - Landsbanki hf.	3,016,876,860	3,011,019,329
Restricted bank deposits - Íslandsbanki hf.	1,033,783,175	1,024,000,017
Restricted bank deposits - Arion banki hf.	1,264,931,156	1,227,724,214
	<u>5,315,591,191</u>	<u>5,262,743,560</u>

14. UNION FEES

	31.12.2021	31.12.2020
Union fees	440,717,769	354,863,388
	<u>440,717,769</u>	<u>354,863,388</u>

15. OTHER FINANCIAL ASSETS

	31.12.2021	31.12.2020
Trade receivables		
Domestic receivables.....	19,424,182	14,552,856
	<u>19,424,182</u>	<u>14,552,856</u>

15. OTHER FINANCIAL ASSETS (CONTINUE)

	31.12.2021	31.12.2020
Other receivables		
Virk Endurhæfingarsjóður.....	8,941,812	8,750,097
Other receivables.....	4,988,380	22,892,711
	<u>13,930,192</u>	<u>31,642,808</u>

Cash and cash equivalents

The Company's cash and cash equivalent consist of cash and bank balances.

	31.12.2021	31.12.2020
Current account Landsbankinn hf.	276,990,976	427,453,292
Currency account Landsbankinn hf.	7,751,657	8,198,016
Current account Íslandsbanki hf.	155,295	123,456
Currency account Íslandsbanki hf.	848,371	897,237
Current account Arion banki hf.	85,407,882	90,391,701
Cash in hand.....	165,000	132,000
	<u>371,319,181</u>	<u>527,195,702</u>

16. EQUITY

	Revaluation account	Retained earnings	Total
Equity 1.1.2020	401,552,748	12,765,764,911	13,167,317,659
Fixed assets revaluation.....	(147,992,288)	0	(147,992,288)
Operating loss.....	0	(48,162,849)	(48,162,849)
Equity 1.1.2021	253,560,460	12,717,602,062	12,971,162,522
Fixed assets revaluation.....	4,524,579	0	4,524,579
Operating profit.....	0	543,110,646	543,110,646
Equity 31.12.2021.....	<u>258,085,039</u>	<u>13,260,712,708</u>	<u>13,518,797,747</u>

17. DEFERRED CAPITAL INCOME TAX

	31.12.2021	31.12.2020
At beginning of year.....	211,439,415	217,323,548
Paid capital income tax during the year.....	(74,368,781)	(88,982,990)
Changes in deferred capital income tax liability.....	99,977,593	83,098,857
Balance at year end.....	<u>237,048,227</u>	<u>211,439,415</u>

18. TRADE AND OTHER PAYABLES

	31.12.2021	31.12.2020
Trade payable		
Operating expenses, payable.....	173,825,750	180,678,472
	<u>173,825,750</u>	<u>180,678,472</u>

19. APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved by the Board of Directors and authorized for issue on March 28, 2022.

CONDENSED INCOME STATEMENT IN 2021

	Member fund	Sickness benefits fund	Recreational fund	Labor Dispute fund	Educational fund	Rehabilitation fund	Grant fund of Efling	Transfers	CFS total 31/12/2021	CFS total 31/12/2020
Operating revenue										
Union fees.....	740,215,383	1,093,103,042	346,699,674	138,328,840	55,331,538	0	56,340,622	0	2,430,019,099	2,151,651,313
Rental income from summerhouses.....	0	0	73,866,031	0	0	0	0	0	73,866,031	52,624,163
Other income.....	16,713,36	14,813,871	2,478,174	0	0	107,436,593	0	0	126,399,974	136,371,118
	741,886,719	1,107,916,913	423,043,879	138,328,840	55,331,538	107,436,593	56,340,622	0	2,630,285,104	2,340,646,594
Operating expenses										
Union fees and taxes.....	132,464,495	0	0	0	0	0	0	0	132,464,495	132,229,355
Benefits and grants.....	4,275,500	881,213,133	0	0	0	0	90,260,896	0	975,749,529	1,452,820,343
Summerhouses operation costs.....	0	0	148,612,225	0	0	0	0	0	148,612,225	136,905,544
Other cost of the recreational fund.....	0	0	6,778,086	0	0	0	0	0	6,778,086	7,156,768
Members education.....	61,40,640	0	0	0	338,705	0	0	0	6,479,345	4,354,823
Promotions and marketing.....	27,485,471	915,449	15,857,312	0	11,569,125	0	0	0	64,066,405	76,145,886
Meetings, publishing and members tours.....	22,067,877	0	520,585	0	6,730	0	0	0	22,595,192	21,327,651
Collective bargaining cost.....	638,600	0	0	0	0	0	0	0	638,600	301,60,310
Union fees registration service.....	37,391,878	38,512,860	16,671,608	0	445,892	148,625	441,983	0	93,612,846	84,032,375
Salaries and related expenses.....	465,888,448	44,209,257	48,144,282	0	34,197,531	97,854,945	2,533,883	0	692,828,346	675,414,869
Other operating expenses.....	106,684,156	56,160,003	23,405,118	6,894,998	11,977,264	14,951,835	3,119,911	0	223,193,285	189,516,930
Depreciation.....	13,666,618	39,316,998	1,544,345	0	0	38,564	0	0	54,566,525	46,163,822
	816,703,683	1,068,566,748	261,533,561	6,894,998	58,535,247	112,993,969	96,356,673	0	2,421,584,879	2,856,228,676
Operating profit (loss).....	(74,816,964)	39,350,165	161,510,318	131,433,842	(3,203,709)	(5,557,376)	(40,016,051)	0	208,700,225	(515,582,082)
Financial income										
Exchange rate difference in Securities.....	49,885,441	69,990,498	15,658,412	36,952,163	7,398,562	0	3,296,660	0	183,181,736	179,765,508
Financial expenses.....	59,907,860	132,886,915	2,937,426	59,738,400	(403,679)	0	0	0	255,066,922	377,358,768
Capital income tax.....	(17,595,562)	(368,687)	(1,481,841)	(247,755)	(2,799)	0	0	0	(3,860,644)	(6,061,866)
	(16,270,343)	(51,170,179)	(2,954,061)	(25,131,412)	(3,726,331)	0	(725,267)	0	(99,977,593)	(83,098,857)
	91,763,396	151,338,547	14,159,936	71,311,396	3,265,753	0	2,571,393	0	334,410,421	467,419,233
Profit (loss) for the year	16,946,432	190,688,712	175,670,254	202,745,238	62,044	(5,557,376)	(37,444,658)	0	543,110,646	(48,162,849)

CONDENSED BALANCE SHEET AT DECEMBER 31, 2021

	Member fund	Sickness benefits fund	Recreational fund	Labor Dispute fund	Educational fund	Rehabilitation fund	Grant fund of Efling	Transfers	CFS total 31,12,2021	CFS total 31,12,2020
ASSETS										
Non-current assets										
Summerhouses	0	0	1,611,091,574	0	0	0	0	0	1,611,091,574	1,414,693,445
Real estate, land and real estate rights	62,333,652	346,044,844	0	0	0	0	0	0	408,378,496	437,355,929
Equipment	38,572,263	46,516,036	8,281,286	0	0	176,752	0	0	93,546,337	39,546,687
Power station Hvammi	0	0	3,212,959	0	0	0	0	0	3,212,959	3,212,959
Shares in other companies	100,000	0	0	0	0	0	0	0	100,000	100,000
Securities and securities funds	828,443,374	3,061,198,618	62,068,645	1,650,606,527	50,042,680	0	0	0	5,652,359,844	5,277,373,075
Restricted bank deposits	1,132,803,829	2,253,974,460	240,221,340	1,367,666,636	178,950,693	0	141,974,233	0	5,315,591,191	5,262,743,560
	2,062,253,118	5,707,733,958	1,924,875,804	3,018,273,163	228,993,373	176,752	141,974,233	0	13,084,280,401	12,435,025,655
Current assets										
Union fees	167,165,573	211,076,059	62,476,137	0	0	0	0	0	440,717,769	354,863,388
Trade receivables and other receivables	18,335,496	3,312,928	2,279,750	460,898	23,490	8,941,812	0	0	33,354,374	46,195,664
Receivables from funds	150,849,907	34,937,712	0	12,521,578	7,910	3,165,837	0	(201,482,945)	0	0
Cash and cash equivalents	35,156,075	184,227,719	88,349,422	1,411,943	50,136,631	0	12,037,391	0	371,319,181	527,195,702
	371,507,051	433,554,418	153,105,309	14,394,419	50,168,031	12,107,649	12,037,391	(201,482,945)	845,391,324	928,254,754
Assets total	2,433,760,169	6,141,288,376	2,077,981,113	3,032,667,582	279,161,404	12,284,401	154,011,624	(201,482,945)	13,929,671,724	13,363,280,409

CONDENSED BALANCE SHEET AT DECEMBER 31, 2021

	Member fund	Sickness benefits fund	Recreational fund	Labor Dispute fund	Educational fund	Rehabilitation fund	Grant fund of Efling	Transfers	CFS total 31,12,2021	CFS total 31,12,2020
Equity and liabilities										
Equity										
Revaluation reserve.....	0	0	258,085,039	0	0	0	0	0	258,085,039	253,560,460
Retained earnings (accumulated loss).....	2,283,018,198	5,947,321,116	1,733,432,424	2,961,971,547	204,070,476	(19,554,854)	150,453,801	0	13,260,712,708	12,717,602,062
	2,283,018,198	5,947,321,116	1,991,517,463	2,961,971,547	204,070,476	(19,554,854)	150,453,801	0	13,518,797,747	12,971,162,522
Non-current liabilities										
Deferred capital income tax.....	34,746,773	128,378,038	2,602,984	69,221,783	2,098,649	0	0	0	237,048,227	211,439,415
	34,746,773	128,378,038	2,602,984	69,221,783	2,098,649	0	0	0	237,048,227	211,439,415
Current liabilities										
Unpaid operating expenses.....	104,518,689	39,939,500	13,733,056	188,947	3,439,060	12,006,498	0	0	173,825,750	180,678,472
Payables to funds.....	11,476,509	25,649,722	70,127,610	1,285,305	69,553,219	19,832,757	3,557,823	(201,482,945)	0	0
	115,995,198	65,589,222	83,860,666	1,474,252	72,992,279	31,839,255	3,557,823	(201,482,945)	173,825,750	180,678,472
	150,741,971	193,967,260	86,463,650	70,696,035	75,090,928	31,839,255	3,557,823	(201,482,945)	410,873,977	392,117,887
Total equity and liabilities	2,433,760,169	6,141,288,376	2,077,981,113	3,032,667,582	279,161,404	12,284,401	154,011,624	(201,482,945)	13,929,671,724	13,363,280,409

THE BOARD OF EFLING - UNION 2021 - 2022

Chairman

Sólveig Anna Jónsdóttir

Agnieszka Ewa Ziolkowska,
chairman from November 2021

Vice chairman

Agnieszka Ewa Ziolkowska

Ólöf Helga Adolfsdóttir,
vice chairman from November 2021

Secretary

Ólöf Helga Adolfsdóttir

Treasurer

Eva Ágústsdóttir

Board members

Daníel Örn Arnarsson

Felix Kofi Adjahoe

Guðmundur Baldursson

Innocentia Fiati

Jóna Sveinsdóttir

Kolbrún Valvesdóttir

Michael Bragi Whalley

Saviour De-Graft Ametefio

Stefán E. Sigurðsson

Úlfar Snæbjörn Magnússon

Zsófia Sidlovits

BOARDS OF EFLING – UNION FUNDS 2021-2022

EDUCATIONAL FUND

Board members

Agnieszka Ewa Ziolkowska, chairman	Board
Úlfar Snæbjörn Magnússon, vice chairman	Board
Ólöf H. Adolfsdóttir	Board
Innocentia F. Friðgeirsdóttir	Stjórn
Michael Bragi Whalley	Board

Substitute board members

Hólmfríður Vigdís Sævarsdóttir	Delegate Concil
Kristján Benediktsson	Delegate Concil

SICKNESS FUND

Board members

Sólveig Anna Jónsdóttir, formaður	Board
Agnieszka Ewa Ziolkowska, formaður	Board
Daníel Örn Arnarson	Board
Kolbrún Valvesdóttir	Board
Ragnar Ólason	Delegate Concil

Substitute board members

Barbara Maria Sawka	Delegate Concil
Alma Pálmadóttir	Delegate Concil

RECREATIONAL FUND

Board members

Guðmundur J. Baldursson, chairman	Board
Magdalena Kwiatkowska, vice chairman	Delegate Concil
Aðalgeir Björnsson	Delegate Concil
Tabit Lakhdar	Delegate Concil
Katrín Phumipravan	Delegate Concil

Substitute board members

Ruth Adjaho Samúelsson	Delegate Concil
Hörður Aðalsteinsson	Delegate Concil

LABOUR DISPUTE FUND

Board members

Eva Ágústsdóttir, formaður	Board
Andrea Jóhanna Helgadóttir, varaform.	Delegate Concil
Jóna Sveinsdóttir	Board
Þorsteinn M. Kristjánsson	Board
Valtýr B. Thors	Delegate Concil

Substitute board members

Felix Kofi Adjahoe	Board
Stefán E. Sigurðsson	Board

