

Metsähallitus Financial Statements for the period from 1 January to 31 December 2020

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METSÄHALLITUS GROUP AND METSÄHALLITUS ENTERPRISE

Board of Directors' report for the financial period 1 January-31 December 2020

Metsähallitus is a state-owned enterprise. The enterprise consists of Parks & Wildlife Finland, property development and Group management. Parks & Wildlife Finland is divided into National Parks Finland and Wildlife Service Finland. Metsähallitus Group comprises the enterprise and its subsidiaries. The Ministry of Agriculture and Forestry is responsible for the ownership steering related to Metsähallitus. In matters related to public administration services, Metsähallitus is also steered by the Ministry of the Environment in its respective branch.

Metsähallitus uses, manages and protects the state-owned land and water areas under its control as an entity in line with the Government's real estate strategy and ownership policy guidelines. The use of areas is planned in accordance with the natural resource plans, aiming for the highest possible social benefit and cost efficiency.

Metsähallitus' business operations involve the utilisation of the potential of the land and water areas under its control. It can also engage in similar market-based activities through its subsidiaries

and affiliated companies. The enterprise engages in forestry through its subsidiary, Metsähallitus Forestry Ltd, which pays compensation to the enterprise for the right to use state-owned forests. The Government sets a yield target for basic equity used for business purposes. The annual dividend payment target is determined on the basis of this yield requirement. The dividend is paid from the operating profit.

The properties under the control of Metsähallitus are the target of active property development. The Property Development unit is responsible for leasing, development, sales and purchases related to the properties. The overall social benefit is even taken into account in Metsähallitus' property business, creating the preconditions for the related business activities.

Ensuring biodiversity and the prerequisites for the recreational use of nature is an important part of Metsähallitus' operations. The business operations also ensure compliance with social obligations by creating benefits for recreational use, values

related to nature, employment and local culture. General social obligations place use restrictions on approximately 597,000 hectares of Metsähallitus' multiple-use forests. Restrictions associated with the Nature Conservation Act, Forest Act and land use also limit the use of approximately 243,000 (205,000 in the previous year) hectares of land. Metsähallitus participated in the conservation of genetic diversity as the primary manager of gene reserve forests and genetic resources collections.

Metsähallitus provides nature and hiking services, and manages species protection duties in all state-owned land and water areas. The management of national parks, wilderness areas and other protected areas are the responsibility of the Parks & Wildlife Finland unit. This unit is responsible for the use and management of Finland's network of protected areas on state-owned land and water areas in Metsähallitus' possession, and in private nature reserves in cooperation with the owners and Centres for Economic Development, Transport and the Environment. Wildlife Service Finland is responsible for organising hunting and fishing, wilderness

supervision and collecting the fisheries management fee.

OPERATIONS DURING THE FINANCIAL PERIOD

The year 2020 was an exceptional year, which had a wide and varied impact on Metsähallitus' different operations. The uncertainty caused by the COVID-19 pandemic and the difficulty of anticipation were reflected in general market and consumption development.

Metsähallitus' new ownership policy guidelines for 2020-2024 were adopted on 28 April 2020. The new guidelines are based on changes in the environment where we operate and objectives set in the Government Programme concerning, in particular, the carbon neutrality target for 2035 and halting the loss of biodiversity while practising sustainable forestry. The new policy measures aim for even better coordination of the different forms of land use and the objectives relating to sustainable forestry, supply of wood raw material, biodiversity, recreational use and climate policy.

Metsähallitus' strategy was renewed and its implementation began during the financial period. The strategy is based on ownership policy guidelines and the objectives for them. The new strategy focuses on responsibility, customer orientation and promoting digitalisation. The strategy period covers the years 2020–2025.

A significant increase in funding granted in the State budget to implement the government programme of Prime Minister Sanna Marin had an effect on the finances and operations of Metsähallitus Parks & Wildlife Finland. The annual basic funding from the Ministry of the Environment was increased by EUR 7.5 million and EUR 20.2 million was allocated for future investments in 2020. A total of EUR 15.7 million was also received from the 2020 Supplementary state budgets and margin of distribution. The funding received promotes nature conservation measures and also reduces the renovation backlog for hiking infrastructure. Implementation of the measures began in a systematic manner during the financial period.

Parks & Wildlife Finland had a busy year in terms of public administration services. Domestic tourism increased as a result of the general travel recommendations issued due to the pandemic. The number of visitors to National Parks Finland sites increased significantly. The number of Wildlife Service Finland permits purchased and days spent in the wilderness exceeded expectations. The accumulation of fisheries management fees was the highest ever. These has significant impacts on the local economy. Customer satisfaction remained at a high level.

Due to the market situation, the year was variable in terms of forestry. The wood market was uncertain at the beginning of the year. During the spring, industrial actions in the forestry industry significantly reduced deliveries of roundwood. Demand for timber declined when the COVID-19 crisis began, but improved rapidly towards the end of the year. The impact of the COVID-19 crisis on the end product market remained smaller than expected.

Due to the market situation, prices for all timber grades fell during the early part of the year. The price of pulpwood levelled out and the price for logs increased during the autumn. Profit in forestry was significantly affected by implementation of the objectives set in the ownership policy guidelines, which had a cost impact of approximately EUR 0.5 million during the financial year. Harvest volumes totalled 5.9 million cubic metres.

In terms of property development, interest in domestic tourism was visible as increased private market demand in property and plot sales. The largest development projects continued and advanced according to plan. In 2020, the development of wind power projects expanded to sea areas. At the end of 2020, an offshore wind power development project spanning several years was launched with the municipality of Korsnäs. The project will play a major role in promoting renewable energy on the Finnish scale. The planning proposal for the offshore wind park was submitted to the municipality of Korsnäs in late 2020. In addition, project rights for two wind farms were sold and the project development began for two new wind farms – Simo and Kajaani.

METSÄHALLITUS GROUP'S ECONOMIC DEVELOPMENT

Metsähallitus Group's turnover was EUR 340.3 million (EUR 368.5 million in the previous financial period) and its profit EUR 114.2 million (129.2). Other operating income totalled EUR 19.4 million (21.4 million), of which fixed asset transfer profits totalled EUR 12.1 million (14.7 million). Funding received from the State budget presented for public administration services totalled EUR 55.5 (43.0) million.

Metsähallitus enterprise's turnover was EUR 126.2 (126.2) million and its profit EUR 127.4 (149.4) million. Other operating income totalled EUR 39.9 million (30.0 million), of which fixed asset transfer profits totalled EUR 12.1 million (14.6 million). Funding from State budget funds for public administration services totalled EUR 55.5 (43.0) million. The funding was spent on implementing the objectives agreed on with the steering ministries. The increase in funding is mainly due to an annual increase of EUR 7.5 million in basic funding granted in the government programme of Prime Minister Sanna Marin.

The enterprise's balance sheet includes one item in other equity, EUR 224.8 million in total, which is not used for public administration services. The annual dividend payment target does not apply to this balance sheet item. This balance sheet item was subject to an income of EUR 120,000 (108,000) and expenses of EUR 45,000 (29,000) during the financial period. The income primarily consisted of rental income from public water areas.

DEVELOPMENT OF BUSINESS OPERATIONS

The business operations (business operations entity) of Metsähallitus Group consist of the enterprise's business operations and its subsidiaries, which are Metsähallitus Forestry Ltd, Siemen Forelia Oy and MH-Kivi Oy.

The profit of the business operations entity totalled EUR 114.4 (129.4) million. Turnover totalled EUR 328.9 (356.4) million. It mainly consisted of timber sales and rental income from property. Turnover from forestry totalled EUR 305.9 (334.5) million, and the rest comprised rental income, sales of seeds and soil and rock resources. Other operating income amounted to EUR 23.3 (26.0) million, of which revenue from the sale of assets accounted for EUR 11.6 (14.2) million. Asset sales revenue is mostly revenue from the sale of real property.

The turnover of Metsähallitus Forestry Ltd totalled EUR 306.1 (335.1) million and its profit totalled EUR 9.1 (20.9) million. The decrease in turnover was influenced by industrial actions in the forestry industry early in the year and market price development. Implementation of the objectives set in the ownership policy guidelines increased costs during the year.

The profit of Siemen Forelia Oy totalled EUR 1.3 (0.6) million and its turnover totalled EUR 3.9 (3.3) million. Good seed sales boosted the profit of Siemen Forelia Oy. For the financial period, the profit of MH-Kivi Oy, engaged in the rock material business, totalled EUR 0.2 (1.2) million and its turnover totalled EUR 1.2 (1.5) million. Asset depreciation entries

totalling EUR 0.4 million had a negative impact on the profit of MH-Kivi Oy.

In November 2020, the Helsinki District Court rejected an action brought by Morenia Oy in order to overrule the decision made through arbitration. In its decision, the District Court stated that the arbitrator was not disqualified from participating in the arbitration procedure between Morenia Oy and Metsähallitus and MH-Kivi Oy. The decision is not legally valid.

The dispute concerning an earth materials business transaction was processed through arbitration in 2016 and 2017. In both cases, the court of arbitration accepted the demands of MH-Kivi Oy and Metsähallitus. Morenia Oy was declared bankrupt in June 2019 by decision of Oulu District Court.

During the financial period, business operations received land areas from the State through transfer of possession and inheritance, at a total value of EUR 0.1 (0.2) million. Buildings and land areas with a total value of EUR 8.3 million were transferred out of business operations to other State units as a transfer of possession.

Metsähallitus enterprise's business operations consist of property development and Group operations. The profit of the business operations totalled EUR 127.4 (149.4) million. Turnover totalled EUR 113.7 (113.0) million. The turnover mainly consisted of the Metsähallitus Forestry Ltd compensation for the right to use forests EUR 95.0 (95.0) million, and of property development sales revenue totalling EUR 18.3 (17.6) million.

Other operating income mainly consists of internal service production. Other operating income amounted to EUR 32.7 (34.6) million, of which revenue from the sale of assets accounted for EUR 11.5 (14.0) million.

INVESTMENTS AND SALE OF FIXED ASSETS

Metsähallitus Group's investments for the financial period totalled EUR 21.5 (22.3) million. A total of EUR 5.9 (2.3) million in public funding was received for investments. Metsähallitus enterprise's investments amounted to EUR 12.0 (10.8) million.

The investments of Group business operations, totalling EUR 19.5 (19.2) million, were covered by cash-flow financing. The largest investments were related to property development and the improvement of roads used for forestry purposes. During the financial period, costs incurred from the construction and renovation of forest roads totalled EUR 10.8 (11.1) million.

The investments of the enterprise's business operations, totalling EUR 7.2 (7.7) million, were covered by cash-flow financing. The largest investments were related to property development.

The ownership and administration of premises owned by the enterprise's business operations were transferred to the Ministry of Agriculture and Forestry by transfer of possession at the turn of the year. The properties were transferred to the Ministry of Agriculture and Forestry in December with a residual book value of EUR 8.4 million. The properties will be transferred to Senate Properties on 1

January 2021. Metsähallitus will remain in the premises as a tenant of Senate Properties.

Data on the number of fixed asset transfers, transfer prices and profits and losses 1 Jan–31 Dec 2020

BUSINESS OPERATIONS	events	Book value	Transfer price	Transfer profits	Transfer losses
Exchanges	7	18 340,00	18 340,00	0,00	0,00
Transfers of possession, land and water areas	5	1 145 523,00	1 145 523,00	0,00	0,00
Transfers of possession, buildings	7	7 241 187,92	7 241 187,92	0,00	0,00
Sales, land and water areas	198	1 688 846,40	7 667 588,58	6 034 379,18	55 637,00
Sales, buildings	2	4 809,56	6 156,78	1 347,22	0,00
Sales to Public Administrative Duties		0,00	0,00	0,00	0,00
Change in land use - to Public Administrative Duties	33	52 642,00	52 642,00	0,00	0,00
Other, land areas	13	20 361,00	20 361,00	0,00	0,00
Total	265	10 171 709,88	16 151 799,28	6 035 726,40	55 637,00

FINANCING

Metsähallitus Group's liquid funds totalled EUR 60.7 (46.5) million at the end of the financial period. At the end of the financial period, the Group's short-term interest-bearing loans totalled EUR 4.0 (14.0) million. The line of credit was not in use at the turn of the year (EUR 7.2 million). Metsähallitus does not engage in investment activities. Its cash surplus is invested in accordance with the financial guidelines approved by the Board of Directors. The enterprise secures liquidity with an uncommitted loan agreement of EUR 20 million and a commercial paper programme of EUR 50 million, which were not in use at the turn of the year. Some of the subsidiaries have lines of credit.

At the end of the financial period, Metsähallitus Group had EUR 34 million in long-term interest-bearing loans. A loan of EUR 40 million was taken for Metsähallitus Forestry Ltd in May 2020. The loan is equal instalment by nature and the loan period is five years.

In the Metsähallitus Group cash flow statement, the cash flow from business operations totalled EUR 140.2 (127.2) million, and the cash flow for the enterprise totalled 153.5 (138.2) million. Cash flows from investing activities was EUR -2.3 (-0.7) million. The sale of assets amounted to EUR 23.5 (19.3) million.

During the financial period, EUR 138.9 million relating to the profit for 2019 was paid in dividends to the

state. The cash flow from financing activities showed a deficit of EUR 123.7 (104.1) million.

At the end of the financial period, leasing liabilities totalled EUR 5.4 (5.7) million, mainly related to vehicles and ICT equipment.

GOALS SET FOR THE BUSINESS

The service and other operational goals set for Metsähallitus' business and the profit and dividend payment goals for the financial period 1 January–31 December 2020 and the attainment of those goals.

The goals set by Parliament

Parliament defined the following objectives for Metsähallitus' business for the period 1 January–31 December 2020.

In its business operations, and in providing guidance to its subsidiaries, Metsähallitus has taken into account its general social obligations, in accordance with the legislation on Metsähallitus.

The impact of taking these general social obligations into account was EUR 73.3 (77.6) million on the direct operating profit during the calendar year 2020.

Metsähallitus releases a follow-up report, General social obligations, which includes a more detailed account of the content, measurement and monitoring of these obligations, along with the benefits obtained.

In 2019, the Metsähallitus basic equity was increased by EUR 0.5 million in accordance with the authorisation provided.. In order to change Metsähallitus'

basic equity, the Government issued a separate authorisation for the transfer of possession related to premises. The equity was reduced by EUR 8.3 million in the transfer of possession.

The maximum amount for business loans set by Parliament was EUR 50 million. Metsähallitus has no long-term loans. Metsähallitus secures its liquidity with an uncommitted loan agreement of EUR 20 million and a commercial paper programme of EUR 50 million. At the end of the financial period, Metsähallitus had no interest-bearing debt.

Metsähallitus provided EUR 0.9 million in collateral for its operations to parties outside the Group. The authorisation granted by Parliament was EUR 2.0 million.

Realised investments totalled EUR 8.2 million, falling below the maximum sum of EUR 20 million defined by Parliament. Investment commitments given totalled EUR 3.2 million of the maximum sum of EUR 20 million defined by Parliament.

The goals set by the Ministry of Agriculture and Forestry and their attainment

In addition to the above-mentioned objectives, the Ministry of Agriculture and Forestry defined the following objectives for Metsähallitus' business for the period 1 January–31 December 2020. The objectives were based on the ownership policy guidelines relating to Metsähallitus, which were confirmed on 28 April 2020.

The new ownership policy guidelines aim for even better coordination of the different forms of land use and the objectives relating to sustainable forestry, supply of wood raw material, biodiversity, recreational use and climate policy. A growth target was set for Metsähallitus concerning carbon sinks and stores. In terms of multiple-use forests within the scope of business operations, the objective is to increase the net carbon sink by at least 10 per cent before 2035 by means of measures taken during the planning period 2020-2024.

In practice, the changes mean that Metsähallitus' forestry operations will have a strong focus on active ecological management, climate sustainability and taking recreational use into account. Alongside these measures, it will be possible to implement raw material supply for the forest bioeconomy and its positive impacts on regional economies and employment in accordance with regional natural resource plans.

Metsähallitus began implementing a programme of active nature management measures in multiple-use forests during the period under review. Metsähallitus Forestry Ltd hired three nature management experts and extensive training was arranged for the personnel. Nature management work was performed in an area of more than 1,000 hectares. The planning reserve for future nature management work was increased by approximately 3,000 hectares. The nature management programme simultaneously implements the Helmi programme in state-owned multiple-use forests.

In 2020, Metsähallitus completed a review of the landscape ecological network using a revised system throughout the country. During the past year, reviews of the landscape ecological network were completed in the natural resource planning areas of Kainuu, Southern Finland and Central and Northern Ostrobothnia. Nearly 3,500, hectares of mires, forests in a natural state, streams, springs and other nature sites were added to the network in Kainuu, more than 5,000 hectares in Southern Finland and almost 2,000 hectares in Central and North Ostrobothnia by means of cooperation between Metsähallitus employees, citizens and stakeholders. There are about 100,000 nature sites and about 30,000 known habitats where endangered species occur in the multiple-use forests of Metsähallitus.

In accordance with the ownership policy, continuation of the rotation period was used more extensively in suitable sites in multiple-use forests. In Lapland's natural resource plan, for example, Metsähallitus decided to reduce the annual area of regeneration felling to 10,000 hectares (the sustainable harvesting potential would be 18,800 hectares/year).

Special fellings, such as selective fellings and gap felling, accounted for 31 per cent of regeneration fellings. Continuation of the rotation period and the use of special fellings will target sites where these methods can be used to reconcile forest management with, for example, recreational use, taking the landscape into account or reindeer husbandry.

The development of forest management methods continued in the continuous cover silviculture observation areas at Rautavaara, Suomussalmi and Savukoski. Each of the areas reserved for developing continuous cover silviculture over the next 30 years is approximately 5,000 hectares in size. All three observation areas are located in an area ranging from Central Finland to Northern Finland that has thus far been subject to less research and is characterised by the pine-dominated forests. Continuous cover forest management was also researched and developed with Natural Resources Institute Finland (Luke) on the basis of previously established sample plots and by participating in the "Opportunities to apply uneven-aged forest management in Lapland" project.

Climate Smart Forestry was implemented via further development of carbon balance calculation for drained peatlands in the North Karelia area. This work was based on a pilot project completed earlier with Natural Resources Institute Finland. Tools and geographical information for planning restoration drainage were developed to promote carbon sequestration capacity and water protection in peatlands through forest management methods.

Metsähallitus will increase fertilisation, and ash fertilisation in particular, in order to increase carbon sequestration and carbon storage in forests. During 2020, preparations were made to double the amount of fertilisation from 2021 onwards. The aim is to increase fertilisation volumes to 30,000 hectares per year. The increase in fertilisation that begins in 2021 will have a full impact on growth and carbon

sink from 2029 onwards, when additional growth of 300,000 m³/year and an impact on carbon sink of 0.435 million tonnes CO₂ eqv/year will have been achieved. In addition to fertilisation, growth and carbon sequestration in multiple-use forests will be promoted by using selectively bred seeds. Selectively bred seeds are used in forest regeneration whenever possible, with consideration to the availability of seed. The carbon store in multiple-use forests was calculated at 122 million tons of carbon (NFI 12: 117 million tons of carbon) in 2020. Carbon sink growth in multiple-use forests was 0.96 million tons of CO₂ eqv/year in 2020. Carbon sink growth in the forests was 11.75 per cent in comparison to the NFI 12 carbon sink level.

Natural resource plan work for the Sámi Homeland was started. The Akwè: Kon model will be applied for the first time in this work. The Akwé: Kon guidelines make it possible to safeguard the participation of the Sámi people in preparing projects and plans, impact assessment and decision-making. It is intended for use when assessing the cultural, environmental and social impacts of projects and plans in the Sámi Homeland that may affect the Sámi culture, livelihoods and cultural heritage. The foundation for natural resource planning is a conflict mapping process for reindeer herding cooperatives in the forests of the Sámi Homeland that was completed with assistance from Akordi Oy. As with the Natural Resource Plan for Lapland, information on the number of visitors to different areas based on mobile phone network data produced by Telia is used for natural resource planning in the Sámi Homeland.

The agreement between the Reindeer Herders' Association and Metsähallitus was renewed and signed in January 2021. A review of the reindeer herding cooperatives' main grazing areas started with the Sattasniemi reindeer herding cooperative.

Metsähallitus collaborates actively with regional cooperation groups in tourism areas. The work in cooperation groups has progressed well during the financial period. The master plans for land use and tourism in hiking areas will be completed for the Kylmäluoma, Evo and Oulujärvi Hiking Areas, and they will be published at the end of the financial period. Preparation of the detailed shore plan in Ruunaa is in progress for the Neitikoski and Kattilakoski areas.

Metsähallitus and environmental organisations continued discussions with the aim of creating a new national operating model to promote cooperation opportunities and resolve differences of opinion related to forest management.

Based on the Government Programme and Metsähallitus' ownership policy guidelines, Metsähallitus has promoted sustainable wind power production in state-owned land and water areas and launched a study on offshore wind power projects.

Metsähallitus has participated in the development of ecological compensation taking place as part of the reform of nature conservation legislation. Metsähallitus has also launched preparation of a long-term plan for state-owned water areas. The work will begin with sea areas, and promote versa-

tile, sustainable use, sustainable business and the protection of biodiversity in sea areas.

Metsähallitus spent EUR 4.5 million to acquire areas and buildings for Finnish Defence Forces needs, with the areas accounting for EUR 3.7 million of that sum. After the transactions are completed, the acquired areas will be transferred to the Finnish Defence Forces.

The calculated decrease in operating profit corresponding to the benefits created based on Metsähallitus' general social obligations was an estimated EUR 73.3 (77.6) million. The change is due to a lower timber price in comparison to previous year and an increase in the amount of area in limited use.

Business use of the areas is limited so that some of the areas are completely outside the scope of commercial use and forestry activities are limited in some areas. The calculated decrease in turnover is determined on the basis of these factors. In order to preserve biodiversity, promote the use of nature for recreational purposes and secure favourable conditions for the practice of reindeer husbandry and Sámi traditions, forestry was limited in 597,000 (16.6%) hectares of multiple use forests and 593,000 hectares of forested land (16.5%). A total of 354,000 hectares (9.8%) were fully excluded from commercial use and 243,000 hectares (6.7%) were in limited use. These factors reduced Metsähallitus' calculated operating profit by EUR 67.6 million. In addition, an increase in planning costs and the limitations of property development decreased the operating profit by EUR 5.7 million in total.

The cost of measures under the new ownership policy and the loss of revenue effect in 2020 was calculated at EUR 7.2 million.

Metsähallitus' goal was to promote the regional economy and employment by making full use of sustainable felling opportunities while taking existing natural resource plans, general social obligations, climate policy objectives and the market situation into account. In particular, poor demand for pulpwood meant that sustainable felling opportunities (6.57 million m³/year) could not be fully utilised.

Taking into consideration the cumulated backlog of felling from previous years, it would have been possible to increase fellings by nearly 1.7 million m³/year in 2020 in comparison to the regional natural resource plans. Full investments in forest management and road construction were made.

Operating profit and dividend payment goal for the financial period 1 January to 31 December 2020

The profit of the enterprise totalled EUR 127.4 million (149.4). The result met the target, set at EUR 125.1 million. The profit target for 2019 was affected by the Government decision to increase Metsähallitus Forestry Ltd's annual right of use compensation by EUR 15 million to EUR 95 million and the dividend received from Metsähallitus Forestry Ltd, which was some EUR 20 million higher than in the previous year. This is because the company's result was significantly better than expected due to a favourable timber market situation. The return on investment for the basic equity of the enterprise was 4.9 per cent, which exceeded the target figure of 4.8 per cent.

The Ministry set EUR 120.0 million as the target for dividend paid to the state on the profit and retained earnings for the period 2020, to be paid during the year 2021. When adopting the financial statements, Parliament will make its final decision on the sum to be paid to the state as dividend. The retained earnings from business operations entered in the balance sheet of the enterprise totalled EUR 140.6 million at the end of the financial period, of which profit for the period was EUR 127.4 million.

The long-term objective set by the Ministry is to maintain the profitability of the businesses at a good level. Metsähallitus Forestry Ltd, Siemen Forelia Oy and MH-Kivi Oy made a profit during the financial period. The profitability of Metsähallitus' business for 2020 remained at the previous year's level and the profitability of the business operations entity declined but still remained at a good level.

PARKS & WILDLIFE FINLAND – PUBLIC ADMINISTRATION SERVICE

Parks & Wildlife Finland is responsible for managing the public administration services of Metsähallitus. These services form part of the enterprise. Separate financial statements are prepared for Parks & Wildlife Finland, as part of Metsähallitus Group's financial statements.

Parks & Wildlife Finland's turnover consists of the income from operations related to public administration services which are subject to a charge. Fishing and hunting licences account for most of such income. Funding received from state budgets amounted to EUR 55.5 million. The value of land and water areas used for public administration services was EUR 1,008,00 (1,000.00) million. The value of built property was EUR 15.7 (16.7) million.

This includes the buildings and service structures in national parks and protected areas, and buildings in cultural heritage sites. Other equity related to public administration services increased during the financial period. Transfers of possession added EUR 8.1 (12.3) million to the balance sheet. There is no yield target for the equity of Parks & Wildlife Finland. The areas used by Parks & Wildlife Finland for which no yield target has been set total 4.419 million hectares.

The funding of Parks & Wildlife Finland is managed separately from the Group's other funding. Cash flow from operations during the period showed a surplus of EUR 35.6 million (surplus of EUR 0.7 million). Liquid funds at the end of the financial period totalled EUR 46.6 million.

Metsähallitus owns a subsidiary, Nuuksiokeskus Ltd, for the management of public administration services. The results of this company are taken into account in the consolidated financial statements. Nuuksiokeskus Ltd showed a loss of EUR 272,000 (319,000).

METSÄHALLITUS GROUP PERSONNEL

Wages and salaries paid by the Metsähallitus Group totalled EUR 61 (61.9) million. The enterprise's share of this was EUR 40 (39.2) million. The Group has no employees abroad.

All of Metsähallitus' employees are included in a profit-sharing system. The bonus criteria are linked to objectives set for the financial result and the quality and impacts of operations. The maximum bonus is 10 per cent of the total payroll. Achieve-

ment of the financial result triggers payment of the bonus.

The financial statements do not include a provision for bonuses, as the actual result did not achieve the performance target. The Metsähallitus Board of Directors decides on the payment of bonuses.

Implementation of Metsähallitus' updated personnel policy continued and the operational focus areas in line with the new strategy were competence and building a good workplace. During the financial period, principles for competence management were drawn up and shared competences that support the Metsähallitus strategy were defined. Personnel training and competence development was promoted by signing a cooperation agreement concerning coaching with a partner and making more effective use of the central government's e-oppiva online learning. The first personnel promise was compiled for Metsähallitus during the financial period. In accordance with the Equality and Non-Discrimination Plan, Metsähallitus appointed of the two occupational health and safety persons to serve as harassment contact persons.

A wide-ranging participatory project was launched to update the pay system. The aim is to create a uniform pay system for Metsähallitus. During 2020, the focus was on role descriptions for jobs and supervisor training began.

Updating of personnel systems began during the financial year, and the aim is to implement the updated systems available in phases during 2021-2022.

The annual personnel survey was administered in the autumn. The result was at a fairly good level. Employer image and Metsähallitus' management work showed the greatest improvement. Although there was a slight decrease in supervisory work, it still remained at a good level.

The COVID-19 pandemic had a significant impact on the personnel's work, and the switch to remote work was easy. As a company with many locations, Metsähallitus already had some experience with remote work. Operating instructions were drawn up for the corona period in order to safeguard health. A webinar series for the personnel was launched with occupational health services. These webinars dealt with changes in everyday matters caused by the exceptional situation. The results of the corona-related staff survey performed last autumn influenced the selection of topics. The webinars will continue in 2021.

Metsähallitus Group personnel	2020	2019
Number of employees	1 154	1 130
of whom fixed-term	202	142
Employees by business unit and subsidiary		
Forestry Ltd	421	447
Parks & Wildlife Finland and the public administration services it handles	554	504
Group business units	125	123
Metsähallitus Property Development	40	41
Siemen Forelia Oy	13	14
MH-Kivi Oy	1	1
Number of employees at the head office	158	156
Number of employees outside the head office	996	974
Person-years		
Person-years by business unit and subsidiary	1 142	1 153
Forestry Ltd	441	476
Parks & Wildlife Finland and the public administration services it handles	526	506
Group business units	121	118
Metsähallitus Property Development	39	41
Siemen Forelia Oy	14	11
MH-Kivi Oy	1	1
Age of employees		
Average age of employees (all permanent)	51	52
Gender distribution		
Women, %		
Permanent and fixed-term, total	36	34
Men, %		
Permanent and fixed-term, total	64	66

ADMINISTRATION AND MANAGEMENT

Timo Laitinen has served as the Chairman of the Board and Kai Kaatra as Vice Chairman until 30 August 2020. The Government appointed Sanna Paanukoski as Vice Chairman of the Board starting on 1 September 2020 and Ismo Tiainen as a member of the Board starting on 1 April 2020. The board members were Johanna Ikäheimo, Simo Rundgren, Jussi Saukkonen and Helena Säteri until 30 March 2020, Liisa Tyrväinen and Pekka Hautala as the employee representative. The Board of Directors will serve until 31 March 2022.

Jussi Saukkonen was the Chair of the Audit Committee and the members were Kai Kaatra until 30 August 2020, Simo Rundgren and Helena Säteri until 30 March 2020, Ismo Tiainen starting on 1 April 2020 and Sanna Paanukoski starting on 1 September 2020.

Timo Laitinen was the Chair of the Nomination and Remuneration Committee and the members were Johanna Ikäheimo and Liisa Tyrväinen.

Juha S. Niemelä served as Director General of Metsähallitus. Metsähallitus' Management Group members were Jukka Bisi, Director, Wildlife Service Finland; Thomas Hallenberg, Property Development Director; Terhi Koipijärvi, Director of Communications; Jussi Kumpula, Managing Director, Metsähallitus Forestry Ltd; Heli Lehtonen, Director of Finance; Susanna Oikarinen, General Counsel; Tapio Pouta, Director of Development; Anna-Leena Ruuth, Director of Information Management; Samuli Sillman, Deputy Director, Parks & Wildlife Finland; Timo Tanninen, Director, Parks & Wildlife Finland;

and Terhi Vires, Director of Human Resources. As a result of an organisational change on 1 January 2021, Tapio Pouta, Director of Development, and Samuli Sillman, Deputy Director, Parks & Wildlife Finland, will leave the Metsähallitus Management Group.

On 14 January 2021, the Government appointed Henrik Jansson as the new Director of Parks & Wildlife Finland starting on 1 February 2021. Jansson previously served as Regional Manager of the Coastal and Metropolitan Area.

The wages and salaries paid to the Board and Managing Director totalled EUR 551,216 (502,892) during the financial period.

The auditor of the enterprise was Jorma Nurkkala, Authorised Public Accountant, Chartered Public Finance Auditor and Heikki Ruosteenoja, Authorised Public Accountant, Chartered Public Finance Auditor until 30 June 2020. The Ministry of Agriculture and Forestry organised tendering for Metsähallitus' auditing. The auditor is KPMG Oy Ab, with Jorma Nurkkala, Authorised Public Accountant, Chartered Public Finance Auditor serving as principal auditor and Outi Koskinen, Authorised Public Accountant, Chartered Public Finance Auditor, as the other principal auditor.

CORPORATE GOVERNANCE OF METSÄHALLITUS

Metsähallitus has posted a description of its corporate governance, approved by the Board of Directors, on its website. The description outlines matters such as Metsähallitus' legal status, the Group's basic structure, ownership steering, the steering of public

administration services, the Board of Directors, the Management Group, remuneration, internal supervision, auditing and external audit functions, and communications.

RESPONSIBILITY

Metsähallitus' first responsibility programme was launched in 2018 and its measures extended to the end of the 2016-2020 strategy period. The programme involved building Metsähallitus' responsibility foundation, identifying key responsibility themes, compiling a responsibility policy, responsible and ethical practices, and a GRI reporting framework. Responsibility was integrated with management and operations. In addition, an equality and non-discrimination plan was drawn up and Metsähallitus' climate programme was launched.

During the upcoming strategy period 2021-2024, responsibility and the responsibility programme have been strongly integrated into the strategy. Responsibility promotes the activities of the strategy, supports achievement of goals and is part of compliance and risk management. The responsibility programme will continue the responsibility work launched earlier in areas such as equality and non-discrimination, responsible procurement, climate and biodiversity. For example, the programme provides new perspectives in terms of value creation, human rights, the customer experience and the brand.

In 2020, the achievement of Finland's climate targets and transition to a carbon-neutral society

was promoted through good forest management, prudent and systematic restoration and planning of measures, and by developing implementation guidelines and practices based on research data.

During 2020, implementation of the responsibility programme continued in all four focus areas: management, environment, people and society. The purpose of Metsähallitus was summarised, the brand clarified and the Metsähallitus strategy updated.

Metsähallitus' first value creation model was prepared in autumn 2020 in connection with the strategy process. The model identifies the value that Metsähallitus creates for society through its strategy and responsibility work from the economic, environmental and social perspectives. Identifying social impact helps in the implementation and development of a new strategy and creates the conditions needed for responsible cooperation and sustainable solutions.

As part of the work to prevent corruption and bribery, hospitality guidelines and a gift register were launched to increase the transparency of operations.

The whistleblowing channel continued to operate in 2020, and the personnel were informed about opportunities to use it as part of internal communications. A total of 23 (28) reports were sent to the whistleblowing channel during the year. Most of these were notifications of abuse. The majority of reports were associated with personnel themes and the environment. During the year, not a single report

involved discrimination, regarding which three reports were made in 2019.

RISK MANAGEMENT

The goal of risk management is to ensure the achievement of the targets set for Metsähallitus and uninterrupted operational continuity. Metsähallitus takes a moderate stance on risk-taking.

Risks are managed using a systematic risk management process. The risk management process includes regular assessment of risks and their management measures at both group and unit level. The significance of risks is assessed as a combination of the probability and impact of the risk. Implementation of risk management measures is the responsibility of the unit in which the risks occur. Risks are reported regularly to the Audit Committee and the Metsähallitus Board of Directors.

The Board of Directors and the Audit Committee oversee the functioning and comprehensiveness of Metsähallitus' risk management. The Board of Directors approves the risk management policy. The risk management policy will be updated in 2021. The Director General has overall responsibility for the functioning and organisation of risk management and compliance. The Head of Risk Management owns the risk management process and is in charge of the development, guidance and reporting models of risk management for Metsähallitus Group as well as the support of the organisation's risk management. The managers of the business units and subsidiaries are responsible for contributing to risk management and its functionality in their respec-

tive areas and its implementation in accordance with Group guidelines and the risk management process. In 2020, risk management activities were part of the financial administration unit led by the Director of Finance. At the beginning of 2021, the risk management function was transferred to the Legal Affairs and Compliance unit in conjunction with an organisational change.

Internal auditing is an important part of risk management, for example, to ensure the functioning of internal controls. Metsähallitus has outsourced its internal audit. The annual audit plan is compiled with the outsourcing partner and confirmed by the Board of Directors. Observations made during the internal audit are processed in the unit in question and in the Management Group. Observations related to all audits are reported to the Audit Committee. The audits performed during the financial period primarily focused on reviewing basic functionalities. The recommendations provided in the audit are taken into account in the activity and its development. The manager of the unit being audited is responsible for implementing the recommendations.

The year 2020 and risk management

Risk management in 2020 focused on managing the corona situation in addition to maintaining the normal risk management process. A number of development targets were identified during the year, for which development measures were initiated.

Responsibility is a prominent element in the strategy that was updated during 2020. The respon-

sibility aspect of risks was a focus of risk management during the year. Responsibility risks and their management were added as an integral part of comprehensive risk management.

Identification and assessment of risks and specification of management measures were added as part of strategy-based operational planning.

Practical implementation of the Metsähallitus Climate Programme and efforts to prevent risks related to climate change were taken into account when planning the use of multiple-use forests, in the instructions for their management and processing, and when developing the functionalities and spatial data content of the forest resource and planning system.

Only a few small forest fires occurred on state-owned land in 2020, and these were detected in time and effectively handled. Metsähallitus personnel assist the fire authorities and also handle post-fire monitoring on state-owned land.

The COVID-19 pandemic had an impact on Metsähallitus' operations, but the majority of activities were carried out normally. The transfer of office employees to remote work took place smoothly and based on the personnel survey carried out in the autumn, the personnel have managed relatively well in this exceptional situation. National Parks Finland's visitor centres and reservation huts were closed temporarily due to the COVID-19. With regard to managing the corona situation, the Management Group was supported by a preparation group operating under the Head of Risk Management. The

group is responsible for monitoring the situation and for Metsähallitus' corona-related instructions and operating models.

Key risks

Metsähallitus, key risks include the negative development of timber and property prices and a decrease in demand. Property development risks also include permit practices and the related complaints, which can prolong sales times. For example, permit practices can have a substantial effect on the prerequisites for promoting the production of renewable energy that is a target in wind power projects. These factors can also have a significant impact on the financial result.

Failure to reconcile the targets and common goals related to various functions and the state-owned land and water areas managed by Metsähallitus has an effect on the attainment of objectives. A possible decrease in regional economy impacts can affect the vitality of regions.

Key responsibility risks include the potential negative impact of operations on biodiversity and climate change as well as the rights of indigenous peoples, failure to reconcile the different needs of society and ensure equality, possible shortcomings in the implementation of human rights throughout the value chain, and deficiencies in compliance. In addition, possible deviations from the agreed and communicated operating models have been identified as both responsibility and reputation risks.

The impacts of climate change on natural conditions, adapting to the changes and mitigating the

negative impacts are very important factors in Metsähallitus' activities and operating environment. Climate change increases the risks of insect and storm damage. Storm damage presents challenges for timber harvesting and increases financial risk as the value of timber declines and costs rise. Changes in off-road conditions can also hamper the personnel's operative activities in the terrain and increase the risk of accidents.

Metsähallitus maintains information on risks related to contaminated sites. These risks are classified as primary and secondary responsibilities in accordance with the related legislation. Metsähallitus mainly bears secondary responsibility. The statement on contaminated soils is updated on a regular basis.

Particular attention was paid to risks associated with customer safety because, for example, deficiencies or the poor condition of service infrastructure and signs can cause dangerous situations. Metsähallitus will continue its active cooperation with Tukes to develop customer safety. The significant additional funding allocated to Parks & Wildlife Finland will, among other things, make it possible to improve the condition of structures and reduce customer safety risks. The strong increase in funding represents a challenge in terms of the organisation's ability to implement all renovation and development measures on schedule.

The prolonged exceptional situation caused by the COVID-19 pandemic may put a burden on the personnel and affect operational quality and achievement of goals. The aim is to manage this risk

by actively monitoring and anticipating the situation, communicating, training supervisors and personnel, and renewing operating methods.

Many potential benefits have been identified in relation to promoting digitalisation in Metsähallitus. There is a risk that the benefits will not be fully realised if the organisation is unable to commit to changes and acquire the necessary new competence.

The risks associated with data and cyber security continue to increase. Realisation of those risks could mean a disruption in operations or information falling into the hands of unauthorised parties. The risks are being actively managed, and during 2020 data security management resources were increased, and the organisation appointed a full-time data security manager.

KEY EVENTS AFTER THE FINANCIAL PERIOD

The operations of Metsähallitus and the Group ran according to plan in the first part of 2021, and the observations have not involved events with substantial impact on the Group's profit or balance position.

OUTLOOK AND GOALS SET BY THE OWNER FOR 2021

Metsähallitus' new ownership policy guidelines for the 2020-2024 planning period were confirmed in spring 2020. For the first time, a growth target was set for Metsähallitus concerning carbon sinks and stores. In terms of multiple-use forests within the scope of business operations, the objective is to increase the net carbon sink by at least 10 per cent

before 2035 by means of measures taken during the planning period. In practice, the changes mean that Metsähallitus' forestry operations will have a strong focus on active ecological management, climate sustainability and taking recreational use into account.

The new targets will be taken into account when setting the Metsähallitus profit target. The EUR 114 million annual dividend paid to the State at the end of the planning period 2020-2024 corresponds to a 4.4 per cent return on invested capital. The dividend target is approximately EUR 18 million less than it would have been if operations had continued according to previous policies. Metsähallitus will assess the balance sheet value of multiple-use forests in 2021. The change in balance sheet value will be reported as a note to the financial statements 2021.

The national economic outlook influences the operations of Metsähallitus Group in various ways. Financial performance is largely dependent on the development of timber demand and prices. The outlook on the demand side in Metsähallitus' other key business area, the property business, is significantly affected by land-use planning and other permit processes.

The targets set for Parks & Wildlife Finland are based on performance agreements concluded with the steering ministries. A significant increase in Metsähallitus' funding for public administration services will affect activities in 2021, which will emphasise the implementation of measures as planned.

BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF RETAINED EARNINGS

Metsähallitus enterprise's retained earnings total EUR 140,591,859.25, of which the profit for the financial period is EUR 127,380,323.73.

The enterprise's retained earnings total EUR 140,591,859.25, of which the profit for the financial period is EUR 127,380,323.73.

The retained earnings of Parks & Wildlife Finland were EUR 0.00, and the profit for the financial period was EUR 0.00. The profit of the financial period and the profit of the previous financial period have been transferred to the Other equity of Parks & Wildlife Finland.

The Board of Directors proposes that EUR 120,000,000.00 of the operating profit be paid in dividends to the state.

The Board of Directors proposes that that the dividend be paid in accordance with the plan approved by the Ministry, which is based on the cash flow from Metsähallitus' operations.

Profit and loss account

EUR	Notes	Metsähallitus Group 1 Jan–31 Dec 2020	Metsähallitus Group 1 Jan–31 Dec 2019	Enterprise 1 Jan–31 Dec 2020	Enterprise 1 Jan–31 Dec 2019
TURNOVER	1.1	340 344 778,03	368 486 947,64	126 191 542,33	126 173 975,68
Other operating income	1.2	19 402 772,19	21 355 402,14	39 858 341,19	30 024 576,36
Financing for other operations from the State budget	1.3	55 455 649,52	42 978 162,63	55 448 329,52	42 978 162,63
Raw materials and services					
Raw materials and consumables					
Purchases during the financial year		5 205 726,18	8 530 724,19	1 178 590,98	3 539 683,37
Variation in inventories		-1 257 104,17	-61 173,81	210 165,42	143 520,24
External services		160 560 318,44	171 131 130,39	7 211 883,51	6 259 377,82
Raw materials and services, total		164 508 940,45	179 600 680,77	8 600 639,91	9 942 581,43
Staff expenses					
Wages and salaries	1.4	50 551 784,83	51 489 285,13	32 537 317,94	32 061 640,07
Social security expenses					
Pension expenses		8 769 301,06	8 993 019,32	6 356 831,57	6 364 485,17
Other social security expenses		1 701 994,19	1 397 137,99	1 065 791,65	813 895,62
Staff expenses, total		61 023 080,08	61 879 442,44	39 959 941,16	39 240 020,86
Depreciation, amortisation and impairment					
Depreciation, amortisation and impairment in total	1.5	9 901 547,03	8 162 018,01	4 207 531,31	4 209 774,37
Other operating costs	1.6	52 180 928,81	43 310 688,57	54 424 416,93	33 636 868,53
OPERATING PROFIT		127 588 703,37	139 867 682,62	114 305 683,73	112 147 469,48
Financial income and expenses					
Income from other investments under non-current assets		40 541,68	36 501,46	22 540 541,68	40 208 138,89
Other interest and financial income		25 877,85	31 478,12	21 562,06	16 216,16
Interest and other financial expenses		466 349,80	116 548,93	93 088,21	68 884,13
Reversal of reductions in value of investments held as		0,00	0,00	1 100 000,00	2 500 000,00
Financial income and expenses in total	1.7	-399 930,27	-48 569,35	23 569 015,53	42 655 470,92
PROFIT BEFORE FINANCIAL STATEMENT TRANSFERS AND TAXES		127 188 773,10	139 819 113,27	137 874 699,26	154 802 940,40
Income taxes		12 010 568,98	12 325 366,93	9 433 523,00	7 025 181,79
Transfer of the profits of Public Administration Service to Equity		-1 060 852,53	1 611 009,58	-1 060 852,53	1 611 009,58
Minority share		86 656,32	101 670,84	0,00	0,00
PROFIT FOR THE FINANCIAL YEAR		114 204 007,91	129 206 426,76	127 380 323,73	149 388 768,19

Balance sheet, assets

EUR	Notes	Metsähallitus Group 31.12.2020	Metsähallitus Group 31.12.2019	Enterprise 31.12.2020	Enterprise 31.12.2019
ASSETS					
NON-CURRENT ASSETS					
Intangible assets					
	1.8				
Intangible rights		3 159,57	13 732,03	3 159,57	8 575,97
Other intangible assets		40 393 010,31	33 354 829,35	1 543 883,29	488 745,47
Advance payments and work in progress		1 237 533,49	1 814 043,63	1 237 533,49	1 814 043,63
Intangible assets in total		41 633 703,37	35 182 605,01	2 784 576,35	2 311 365,07
Tangible assets					
Land and water areas		3 902 364 388,53	3 892 642 404,77	3 900 832 828,60	3 890 759 286,35
Roads		23 230 566,80	24 630 248,25	23 228 248,85	24 627 405,48
Buildings and structures		31 180 143,02	39 689 606,68	18 462 333,88	26 923 725,01
Machinery and equipment		1 117 992,26	1 377 701,06	159 773,21	212 096,89
Other tangible assets		183 468,32	205 304,42	10 599,04	10 599,04
Advance payments and work in progress		2 547 976,61	7 700 293,71	2 547 976,61	7 700 293,71
Tangible assets in total		3 960 624 535,54	3 966 245 558,89	3 945 241 760,19	3 950 233 406,48
Investments					
Shares in Group's subsidiaries	1.9	0,00	0,00	49 425 635,81	48 325 635,81
Other shares and holdings	1.10	1 435 050,79	1 812 691,81	1 843 923,20	2 221 564,22
Other receivables		1 800,00	1 800,00	1 800,00	1 800,00
Investments in total		1 436 850,79	1 814 491,81	51 271 359,01	50 549 000,03
NON-CURRENT ASSETS IN TOTAL		4 003 695 089,70	4 003 242 655,71	3 999 297 695,55	4 003 093 771,58
CURRENT ASSETS					
Inventories					
Finished products		13 223 343,69	12 162 539,62	1 077 184,45	1 287 349,87
Work in progress		863 161,20	666 861,10	0,00	0,00
Inventories in total		14 086 504,89	12 829 400,72	1 077 184,45	1 287 349,87

EUR	Notes	Metsähallitus Group 31.12.2020	Metsähallitus Group 31.12.2019	Enterprise 31.12.2020	Enterprise 31.12.2019
RECEIVABLES					
Non-current receivables					
Other receivables	1.11	5 175 015,72	2 175 015,72	3 000 000,00	0,00
Non-current receivables in total		5 175 015,72	2 175 015,72	3 000 000,00	0,00
Current receivables					
Accounts receivable		31 095 374,00	37 001 035,83	1 444 462,97	1 673 352,45
Receivables from Group's subsidiaries	1.12	0,00	0,00	4 373 883,57	9 992 788,09
Other receivables	1.13	804 365,68	1 886 067,58	116 990,34	125 417,06
Prepayments and accrued income	1.14	7 175 556,86	5 750 662,00	6 911 245,73	5 470 292,93
Current receivables in total		39 075 296,54	44 637 765,41	12 846 582,61	17 261 850,53
Cash in hand and at banks		60 749 235,48	46 513 460,98	56 395 636,66	45 822 200,24
CURRENT ASSETS IN TOTAL		119 086 052,63	106 155 642,83	73 319 403,72	64 371 400,64
ASSETS IN TOTAL		4 122 781 142,33	4 109 398 298,54	4 072 617 099,27	4 067 465 172,22

Balance sheet, equity and liabilities

EUR	Notes	Metsähallitus Group 31.12.2020	Metsähallitus Group 31.12.2019	Enterprise 31.12.2020	Enterprise 31.12.2019
EQUITY AND LIABILITIES					
EQUITY					
	1.15				
Basic equity		2 593 160 887,84	2 601 446 795,86	2 593 160 887,84	2 601 446 795,86
Other equity		224 811 631,77	224 811 647,00	224 811 631,77	224 811 647,00
Other equity of Public Administration Service		1 039 385 483,92	1 030 224 375,46	1 039 385 483,92	1 030 224 375,46
Retained earnings		33 328 531,07	43 021 494,22	13 211 535,52	2 722 767,33
Profit for the financial year		114 204 007,91	129 206 426,76	127 380 323,73	149 388 768,19
EQUITY IN TOTAL		4 004 890 542,51	4 028 710 739,30	3 997 949 862,78	4 008 594 353,84
MINORITY SHARE	1.16	4 757 187,12	4 844 316,71	0,00	0,00
PROVISIONS					
Other provisions	1.17	1 039 918,00	1 291 705,00	174 310,00	181 310,00
LIABILITIES					
Non-current liabilities					
	1.18				
Loans from financial institutions		34 000 000,00	7 122 385,77	0,00	0,00
Other liabilities		52 000,00	1 752 250,00	52 000,00	1 752 250,00
Non-current liabilities in total		34 052 000,00	8 874 635,77	52 000,00	1 752 250,00
Current liabilities					
	1.19				
Loans from financial institutions		4 000 000,00	13 995 836,24	0,00	13 995 836,24
Advances received		41 260 702,46	15 337 090,76	40 859 702,63	11 972 885,95
Accounts payable		9 074 801,86	12 553 547,35	3 529 582,02	2 967 516,41
Debts to Group's subsidiaries	1.20	0,00	0,00	12 518 165,72	12 110 287,69
Other liabilities	1.21	7 697 430,13	8 239 303,68	8 392 527,26	6 687 639,99
Accruals and deferred income	1.22	15 975 824,66	15 517 449,70	9 140 948,86	9 203 092,10
Deferred tax liabilities		32 735,59	33 674,03	0,00	0,00
Current liabilities in total		78 041 494,70	65 676 901,76	74 440 926,49	56 937 258,38
LIABILITIES IN TOTAL		112 093 494,70	74 551 537,53	74 492 926,49	58 689 508,38
EQUITY AND LIABILITIES IN TOTAL		4 122 781 142,33	4 109 398 298,54	4 072 617 099,27	4 067 465 172,22

Cash flow statement

EUR	Metsähallitus Group 1.1.-31.12.2020	Metsähallitus Group 1.1.-31.12.2019	Enterprise 1.1.-31.12.2020	Enterprise 1.1.-31.12.2019
CASH FLOW FROM BUSINESS OPERATIONS				
Payments from sales	346 250 439,86	371 348 501,88	132 039 336,33	127 666 491,20
Payments from other operating income	6 946 992,05	4 918 579,99	23 363 606,96	14 169 990,86
Payments from operating charges	-258 490 480,39	-279 349 829,91	-70 921 708,07	-79 783 073,18
Cash flow from business operations, before financial items and taxes	94 706 951,52	96 917 251,96	84 481 235,22	62 053 408,88
Interest paid and other financial expenses	-466 349,80	-116 548,93	-93 088,21	-68 884,13
Interest income from business operations	25 877,85	31 478,12	21 562,06	16 216,16
Dividends received	40 541,68	36 501,46	22 540 541,68	40 208 138,89
Direct taxes	-9 522 429,41	-12 616 166,32	-8 859 551,38	-7 023 922,63
Cash flow before the State's budget funding	84 784 591,84	84 252 516,29	98 090 699,37	95 184 957,17
State's budget funding for other operations	55 455 649,52	42 978 162,63	55 448 329,52	42 978 162,63
Cash flows from operating activities	140 240 241,36	127 230 678,92	153 539 028,89	138 163 119,80
INVESTMENTS				
Purchase of environmental protection areas, shares	9 913,06	5 413,26	9 913,06	5 413,26
Purchase of fixed assets, funding by Ministry	-5 250 236,98	-2 368 045,63	-5 250 236,98	-2 368 045,63
Purchase of fixed assets, other funding	-673 187,45	-15 920,09	-673 187,45	-15 920,09
Investments in tangible and intangible assets	-24 973 330,30	-19 874 049,99	-13 930 804,59	-8 370 246,08
Profits for the sale of tangible and intangible assets	23 449 255,50	19 272 341,52	26 895 200,48	19 139 889,61
Shareholder investment in/return on environmental protection areas and shares	-9 913,06	-5 413,26	-9 913,06	-5 413,26
Funding received for the construction of nature centres etc.	5 161 504,38	2 314 864,92	5 161 504,38	2 314 864,92
Cash flows from investing activities	-2 285 994,85	-670 809,27	12 202 475,84	10 700 542,73
FINANCING				
Change in other non-current, interest-bearing loans	26 877 614,23	7 122 385,77	0,00	0,00
Change in other non-current, non-interest-bearing loans	-1 700 250,00	-1 362 250,00	-1 700 000,00	-1 359 750,00
Change in current loans from financial institutions	-9 995 836,24	-6 999 702,61	-13 995 836,24	-6 999 702,61
Change in Group loans to subsidiaries	0,00	0,00	-572 232,07	-5 401 146,96
Contribution to State revenue	-138 900 000,00	-102 895 000,00	-138 900 000,00	-102 895 000,00
Cash flows from financing activities	-123 718 472,01	-104 134 566,84	-155 168 068,31	-116 655 599,57
CHANGE IN LIQUID FUNDS				
Liquid funds on 1 Jan	46 513 460,98	24 088 158,17	45 822 200,24	13 614 137,38
Liquid funds on 31 Dec	60 749 235,48	46 513 460,98	56 395 636,66	45 822 200,24
Net change in cash and cash equivalents	14 235 774,50	22 425 302,81	10 573 436,42	32 208 062,86

Notes to the financial statements 2020

The 2020 financial statements have been prepared in accordance with the Act on Metsähallitus (234/2016) and Government decree (1368/2016).

The financial statements cover the period from 1 January to 31 December 2020, and the comparative information dates from the previous financial year, 1 January to 31 December 2019.

METSÄHALLITUS GROUP AND BUSINESS OPERATIONS ENTITY

Metsähallitus Group includes the business operations of the Metsähallitus enterprise and Public Administration Services as well as their subsidiaries, Metsähallitus Forestry Ltd, MH-Kivi Oy, Siemen Forelia Oy and Nuuksiokeskus Oy.

The Business Operations Entity consists of the business operations of the Metsähallitus enterprise and its subsidiaries, Metsähallitus Forestry Ltd, MH-Kivi Oy and Siemen Forelia Oy.

Nuuksiokeskus Oy is a subsidiary of the Public Administration Services.

FINANCING FOR PUBLIC ADMINISTRATIVE DUTIES FROM THE STATE BUDGET

In the enterprise's profit and loss account, financing received from the Budget is reported as income on an accrued basis, so that it corresponds to expenses (excluding depreciations), expense adjustments

and the acquisition costs of fixed assets subject to wear and tear for the accounting period. Financing received during the financial period for incomplete buildings and other fixed assets is entered as acquisition cost deductions. The notes on Parks & Wildlife Finland present the financing received from the State budget.

VALUATION AND ALLOCATION PRINCIPLES

Non-current assets

By a Government decision (27 October 2016), state-owned land and water assets were transferred into the possession of Metsähallitus' business operations on 15 April 2016, as defined in the new Act. Other assets related to business operations and assets managed in relation to public administrative duties were transferred at book value. Simultaneously, the basic equity of business operations was raised, and the losses associated with public administrative duties from the previous financial year, and the loss for the first part of the year 2016, were transferred as a reduction in other equity related to public administrative duties.

In addition, the so-called other land and water assets, areas dedicated to traditional sources of livelihood and most public water areas were transferred from public administration services to Business Operations on the accounts.

Following this, all assets transferred into or out of the possession of business operations without a consideration were measured at fair value, upon the transfer. Once the enterprise has received a decision on the transfer of assets and an auditor's report, the assets will be recorded as having been added to or deducted from the asset account of the balance sheet. The counter item is "Equity adjustment" under "Other liabilities" on the balance sheet, from which the transfer to or from basic equity is performed after the ministry has issued its decision, as necessary, on the change in basic equity.

Assets transferred into or out of public administration services without consideration were measured at the book value of the releasing party. The transfer of assets is recorded on the basis of the received decision on transfer into or out of the asset account of the balance sheets. The counter item is Other equity of Parks & Wildlife Finland.

Other non-current assets that can be depreciated are recorded in the acquisition cost, from which depreciations are deducted according to plan. Asset items are depreciated using the straight-line method, over their estimated useful life. Depreciations, for a decrease in substance, have been performed for the remeasured gravel resources.

VALUATION OF CURRENT ASSETS

Inventories

The immediate acquisition cost of inventories remaining at the end of the accounting period has been activated. If the probable acquisition cost or net realisable value of the inventories is less than the acquisition cost during the accounting period, the difference is recorded as an expense.

COMPARABILITY WITH THE PREVIOUS YEAR

During the financial year, the enterprise's business recorded a total of EUR 1.1 million in reversal of reduction in value of shares in two subsidiaries. The item is presented as financial income in the profit and loss account. The reversals of reduction in value are based on realised and forecasted positive financial development. The entry practice was altered in part at the beginning of 2020 in conjunction with a change of accounting system. The figures for the reference year 2019 have not been made comparable, as the changes are not essential in terms of the entity.

COVID-19 PANDEMIC

The COVID-19 pandemic did not have a significant negative impact on the operations of Metsähallitus Group.

Notes to the consolidated financial statements 2020

All companies owned at the end of the year are included in the consolidated financial statements.

The consolidated financial statements have been prepared using the purchase method. The difference between the acquisition cost of subsidiaries and equity corresponding to the acquired holdings is presented as goodwill, which is depreciated over a period of five years.

Internal Group transactions, as well as internal Group receivables and liabilities, have been eliminated.

The Group's calculated deferred tax assets are presented in the notes.

Minority shares have been separated from equity and profit for the financial year and presented as separate items in the consolidated profit and loss account and balance sheet.

Notes to profit and loss account

MEUR	Notes	Metsähallitus Group 1.1.-31.12.2020	Metsähallitus Group 1.1.-31.12.2019	Enterprise 1.1.-31.12.2020	Enterprise 1.1.-31.12.2019
Turnover by business unit	1.1				
Forestry Business		305,1	333,7	95,3	95,0
Metsähallitus Property Development		18,4	17,4	18,3	17,6
Sale of soil and rock resources		1,2	1,5	0,0	0,0
Seed and sapling production		3,4	2,6	0,0	0,0
Other		12,2	13,2	12,6	13,5
Total		340,3	368,5	126,2	126,2
Other operating income	1.2				
Gains on the sale of fixed assets		12,1	14,7	12,1	14,6
Other income		7,3	6,6	27,8	15,4
Total		19,4	21,4	39,9	30,0
Funding received from the State budget	1.3				
Financing for other operations from the Budget during the financial period as income on an accrued basis		55,5	43,0	55,4	43,0
Wages and salaries paid to the management, 1000 EUR	1.4				
Wages and salaries paid to the Board and Managing Director during the financial period		1050	988	551	503
Depreciation according to plan	1.5				
Intangible assets		5,5	3,9	0,7	0,5
Roads		1,4	1,4	1,4	1,4
Buildings and structures		2,3	2,4	2,1	2,2
Machinery and equipment, other tangible assets		0,4	0,4	0,1	0,1
Total		9,6	8,2	4,2	4,2

Depreciation according to plan, depreciation periods	before 1 January 2020	starting from 1 January 2020
Intangible rights, other long-term expenditure	4–5 years	4–5 years
Gravel areas	Depreciation for decrease of substance	Depreciation for decrease of substance
Roads	10–25 years	1–25 years
Fish structures	primarily 10 years	15 years
Log floating structures	25 years	15 years
Buildings	20–40 years, Nuuksiokeskus 90 years	20 years
Structures and facilities	4–10 years	8 years
Machinery and equipment	4–8 years, Nuuksiokeskus 15 years	4–5 years
Other tangible assets: asphaltting, planting beds	15–20 years	15 years

Depreciation according to plan has been calculated by fixed asset as straight-line depreciations for each depreciation period from the original purchase price.

NOTES TO PROFIT AND LOSS ACCOUNT

MEUR	Notes	Metsähallitus Group 1.1.-31.12.2020	Metsähallitus Group 1.1.-31.12.2019	Enterprise 1.1.-31.12.2020	Enterprise 1.1.-31.12.2019
Other operating costs	1.6				
Facility expenses		19,5	10,3	18,1	9,3
ICT expenses		11,8	10,4	9,3	8,5
Travelling expenses		4,6	5,9	2,2	3,0
External services		2,6	6,0	2,3	3,6
Machinery and equipment expenses, vehicle expenses		3,9	3,1	3,5	2,7
Other social security expenses		2,7	2,6	1,6	1,6
Other expenses		7,0	5,0	5,6	4,4
Group internal expenses		0,0	0,0	11,8	0,6
Total		52,2	43,3	54,4	33,6
Other interest and financial income	1.7				
Dividend income from external sources		0,04	0,04	0,0	0,0
Dividend income from subsidiaries		0,00	0,00	22,5	40,2
Interest income		0,03	0,03	0,0	0,0
Total		0,1	0,1	22,6	40,2
Interest and other financial expenses					
Interest expenses		0,5	0,1	0,1	0,1
Total		0,5	0,1	0,1	0,1
Reversal of reduction in value for investments under non-current assets					
Reversal of reduction in value of subsidiaries' shares		0,0	0,0	1,1	2,5
Financial income and expenses in total		-0,4	0,0	23,6	42,7

Notes to balance sheet

	Notes	Intangible assets	Land and water areas	Roads, land and water constr.	Buildings and structures	Machinery and equipment, other tangible assets	In progress projects	Other shares and holdings, other receivables	Total
Non-current assets (MEUR)	1.8								
METSÄHALLITUS GROUP									
Acquisition cost on 1 Jan		48,6	3 897,6	97,3	106,9	29,2	7,7	1,8	4 191,5
Reduction in value on 1 Jan									0,0
Increases		11,9	9,4			0,1			21,5
Decreases					6,2		5,2	0,4	11,8
Reduction in value			0,3						0,3
Acquisition cost on 31 Dec		60,5	3 907,4	97,3	100,7	29,3	2,5	1,4	4 201,5
Accumulated depreciation and reduction in value 1 Jan		9,5	4,9	71,3	64,8	27,2	0,0	0,0	180,1
Accumulated depreciation relating to decreases and transfers		0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Depreciation during the financial year		3,9	0,0	1,4	2,4	0,4	0,0	0,0	8,2
Accumulated depreciation on 31 Dec		18,9	5,0	74,1	69,5	28,0	0,0	0,0	197,8
Book value on 1 Jan		35,2	3 892,6	24,6	39,7	1,6	7,7	1,8	4 003,2
Book value on 31 Dec		41,6	3 902,4	23,2	31,2	1,3	2,5	1,4	4 003,7
Production machinery and equipment, book value on 31 Dec						1,3			
ENTERPRISE									
Acquisition cost on 1 Jan		8,2	3 892,6	97,8	87,2	16,8	7,7	50,5	4 160,9
Reduction in value on 1 Jan		0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Increases		1,1	10,1	0,0	0,0	0,0	0,0	0,7	12,0
Decreases		0,0	0,0	0,0	6,4	0,0	5,2	0,0	11,5
Acquisition cost on 31 Dec		9,4	3 902,7	97,8	80,8	16,8	2,5	51,3	4 161,3
Accumulated depreciation and reduction in value 1 Jan		5,9	1,8	73,2	60,3	16,6	0,0	0,0	157,8
Accumulated depreciation relating to decreases and transfers		0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Depreciation during the financial year		0,7	0,0	1,4	2,1	0,1	0,0	0,0	4,2
Accumulated depreciation on 31 Dec		6,6	1,8	74,6	62,3	16,6	0,0	0,0	162,0
Book value on 1 Jan		2,3	3 890,8	24,6	26,9	0,2	7,7	50,5	4 003,1
Book value on 31 Dec		2,8	3 900,8	23,2	18,5	0,2	2,5	51,3	3 999,3
Production machinery and equipment, book value on 31 Dec						0,2			

NOTES TO BALANCE SHEET

	Notes	Holdings %	Book value in the parent company, euros
Shares in subsidiaries	1.9		
ENTERPRISE			
Metsähallitus Forestry Ltd, Rovaniemi		100	25 649 635,81
MH-Kivi Oy, Oulu		100	6 400 000,00
Siemen Forelia Oy, Jyväskylä		100	5 176 000,00
Nuuksiokeskus Oy, Espoo		68,1	12 200 000,00
Total			49 425 635,81

	Notes	Metsähallitus Group 2020	Metsähallitus Group 2019	Enterprise 2020	Enterprise 2019
Other shares and holdings	1.10				
Shares and holdings, book value (MEUR)					
Shares in subsidiaries		0,0	0,0	49,4	48,3
Shares in associated undertakings		0,0	0,0	0,0	0,0
Other shares and receivables		1,4	1,8	1,8	2,2
Total		1,4	1,8	51,3	50,5
Non-current receivables	1.11				
Other receivables		3,0	0,0	3,0	0,0
Guaranteed deposits		2,2	2,2	0,0	0,0
Total		5,2	2,2	3,0	0,0
Receivables from Group's subsidiaries (MEUR)	1.12				
Accounts receivable				1,1	9,9
Other receivables				0,0	0,0
Prepayments and accrued income				0,7	0,0
Total				1,9	10,0

NOTES TO BALANCE SHEET

	Notes	Metsähallitus Group 2020	Metsähallitus Group 2019	Enterprise 2020	Enterprise 2019
Other receivables, current (MEUR)	1.13				
Other prepayments, prepaid expenses		0,1	0,1	0,1	0,1
Deferred VAT and tax assets		0,7	1,8	0,0	0,0
Total		0,8	1,9	0,1	0,1
Current prepayments and accrued income (MEUR)	1.14				
Life projects, accrued income		0,5	0,9	0,4	0,9
EU Structural Fund projects, accrued income		3,1	2,8	3,0	2,8
Project receivables, other accrued income		3,5	1,7	3,4	1,7
Other prepaid expenses, purchase invoices		0,2	0,3	0,0	0,0
Total		7,2	5,8	6,9	5,5
Equity (MEUR)	1.15				
Basic equity on 1 Jan		2 601,4	2 600,9	2 601,4	2 600,9
Transfers of possession, inheritance by the State		-8,2	0,3	-8,2	0,3
Changes in land use		0,0	0,0	0,0	0,0
Other changes, including basic equity return and value adj.		0,0	0,2	0,0	0,2
Basic equity on 31 Dec		2 593,2	2 601,4	2 593,2	2 601,4
Other equity on 1 Jan		224,8	224,8	224,8	224,8
Change		0,0	0,0	0,0	0,0
Other equity on 31 Dec		224,8	224,8	224,8	224,8

	Notes	Metsähallitus Group 2020	Metsähallitus Group 2019	Enterprise 2020	Enterprise 2019
Other equity from public administration services before transfer of profits on 1 Jan		1 036,2	1 023,9	1 036,2	1 023,9
Transfers of possession, inheritance by the State		8,1	12,3	8,1	12,3
Changes in land use, others		0,0	0,1	0,0	0,1
Shareholder investment in purchase of environmental conservation areas		0,0	0,0	0,0	0,0
Transfer of profits from public administration services in 2016 to Equity		-0,9	-0,9	-0,9	-0,9
Transfer of profits from public administration services in 2017 to Equity		-2,1	-2,1	-2,1	-2,1
Transfer of profits from public administration services in 2018 to Equity		-1,4	-1,4	-1,4	-1,4
Transfer of profits from public administration services in 2019 to Equity		-1,6	-1,6	-1,6	-1,6
Transfer of profits from public administration services in 2020 to Equity		1,1	0,0	1,1	0,0
Other equity on 31 Dec		1 039,4	1 030,2	1 039,4	1 030,2
Retained earnings on 1 Jan		172,2	145,9	152,1	105,6
Transfer of profits from public administration services in 2016 to Other equity		0,0	0,0	0,0	0,0
Contribution to State revenue		-138,9	-102,9	-138,9	-102,9
Retained earnings on 31 Dec		33,3	43,0	13,2	2,7
Profit for the financial year 1 Jan–31 Dec		114,2	129,2	127,4	149,4
Results for previous financial year and current financial year on 31 Dec		147,5	172,2	140,6	152,1
EQUITY IN TOTAL ON 31 DEC		4 004,9	4 028,7	3 998,0	4 008,6
Minority share	1.16				
Nuuksiokeskus Oy		4,8	4,8		
MINORITY SHARE IN TOTAL		4,8	4,8		

NOTES TO BALANCE SHEET

	Notes	Metsähallitus Group 2020	Metsähallitus Group 2019	Enterprise 2020	Enterprise 2019
Provisions (MEUR)	1.17				
Other provisions		1,0	1,3	0,2	0,2
Provisions, total		1,0	1,3	0,2	0,2
Total of long-term loans due in a period exceeding 5 years					
Total		34,0	7,1	0,0	0,0
Amount of debt not paid to the State (MEUR)	1.19				
Debt to the State, withholding tax liabilities, social security contribution liabilities, VaEL, TyEL		1,7	2,5	0,9	1,6
Debts to Group's subsidiaries (MEUR)					
Accounts payable				0,8	0,1
Accruals and deferred income				1,9	0,4
Consolidated liabilities				11,0	11,6
Total				13,7	12,1
Other liabilities, non-current and current (MEUR)					
Non-current, non-interest-bearing loans		0,1	1,8	1,7	1,8
VAT liabilities		4,5	5,3	4,3	4,3
Withholding taxes and social security contributions and other debts related to statutory personnel expenses (payment of salaries)		1,1	1,2	0,7	0,8
Equity reviews		0,4	0,3	0,4	0,3
Other		1,7	1,4	0,0	1,4
Total		7,7	10,0	7,2	8,4
Accruals and deferred income (MEUR)	1.22				
Differentiated statutory personnel expenses		0,6	1,3	0,2	0,8
Holiday pay liabilities, including social security expenses		11,5	11,8	7,1	6,9
Tax averaging		2,5	0,1	0,6	0,0
Other		1,4	2,3	1,3	1,5
Total		16,0	15,5	9,1	9,2

Other notes

	Notes	Metsähallitus Group 2020	Metsähallitus Group 2019	Enterprise 2020	Enterprise 2019
Contingent liabilities (MEUR)	1.23				
Leasing liabilities					
to be paid during the following year		2,4	2,3	2,3	2,2
to be paid at a later date		3,1	3,3	2,7	3,1
Bank guarantee liabilities		2,4	1,9	0,9	0,5
Other banking liabilities		1,0	1,6	0,5	1,1
Deposited securities, guarantee deposits		0,8	0,8	0,0	0,0
Investment commitments		3,2	4,1	3,2	4,1
Vuokravastuut milj. euroa (alv. 0)		4,3	4,4	4,3	4,4

Contingent liabilities

The leasing contracts include a redemption clause after the residual value reaches the agreed level. The contracts can be terminated with a 3 month notice period. The Group also has contracts without a redemption clause, mainly for five-year periods.

An inspection responsibility of value-added tax is related to property renovations and new construction investments for 10 years, starting from the beginning of the year in which the construction service is completed.

The opposing party has filed appeals to overturn the rulings concerning the sale of a subsidiary's business and reserved the right to present claims for receivables from Metsähallitus and its subsidiary. In the opinion of Metsähallitus, the claims are unjustified.

Liesing liabilities

Metsähallitus has leasing agreements for facilities that are valid for a fixed-term and until further notice. The facilities are managed centrally inside the Group.

During the financial period, facilities were handed over in a transfer of possession for which the leasing contracts take effect retroactively on 1 January 2021. The leasing contracts had not been signed at the end of the financial period.

Responsibility for remediation of contaminated sites

In areas administered by Metsähallitus, the responsibility involved in contaminated soil areas lies primarily with the party who was responsible for the contaminating activity. As the holder of the area, Metsähallitus may be held responsible for the remediation costs of the contaminated soil if the primary responsible party is unable to do so.

Related-party transactions

Public Administration Service receives Budget funding for its operations. The item is reported in the enterprise's and group's profit and loss as income on an accrued basis, described in more detail in the separate financial statements.

A contribution to State revenue was paid for the period 1 January to 31 December 2019.

	Notes	Metsähallitus Group 2020	Metsähallitus Group 2019	Enterprise 2020	Enterprise 2019
Internal Group transactions during the financial year*	1.24				
Sale of goods				0,5	0,3
Sale of services				116,2	104,8
Purchase of goods				0,1	0,0
Purchase of services				12,6	1,9
Total				104,0	103,2
Number of employees during the period, person-years	1.25				
Employees		192	213	0	0
Supervisors		950	940	686	665
Total		1 142	1 153	686	665
Calculated deferred tax assets and liabilities	1.26				
Calculated deferred tax assets					
from subsidiary losses		2,1	2,0		
from provisions		0,2	0,2		
Total		2,3	2,2		
Auditors' fees (1000 EUR)					
KPMG Audit					
Audit, financial year and previous financial year		73,8	75,7	47,5	42,9
Services in accordance with section 1.1.2 of the Auditing Act					
Tax consulting		0,0	54,4	0,0	47,6
Other services		143,9	458,3	140,9	458,3
Total		217,7	588,5	188,4	548,8

*Internal Group transactions are market-based.

BUSINESS OPERATIONS

Profit and loss account

EUR	Notes	Business operations entity 1 Jan–31 Dec 2020	Business operations entity 1 Jan–31 Dec 2019	Business operations 1 Jan–31 Dec 2020	Business operations 1 Jan–31 Dec 2019
TURNOVER			356 431 062,65	113 656 385,81	112 964 874,25
Other operating income			26 012 671,01	32 693 328,20	34 590 309,30
Financing for other operations from the State budget					
Raw materials and services					
Raw materials and consumables					
Purchases during the financial year		4 448 647,26	5 460 587,80	96 216,65	125 955,05
Variation in inventories		-1 467 269,59	-204 694,05	0,00	0,00
External services		154 874 923,68	166 356 550,05	661 723,57	215 744,83
Raw materials and services, total		157 856 301,35	171 612 443,80	757 940,22	341 699,88
Staff expenses					
Wages and salaries		27 304 179,56	29 259 006,22	9 293 262,67	9 833 961,16
Social security expenses					
Pension expenses		4 205 980,51	4 565 759,10	1 793 511,02	1 937 224,95
Other social security expenses		930 785,55	813 293,46	294 583,01	230 051,09
Staff expenses, total		32 440 945,62	34 638 058,78	11 381 356,70	12 001 237,20
Depreciation, amortisation and impairment in total	2.3	7 936 167,82	6 059 142,36	2 742 258,59	2 601 744,02
Other operating costs	2.4	27 273 677,33	28 341 270,64	18 253 639,97	18 855 925,03
OPERATING PROFIT		126 767 828,11	141 792 818,08	113 214 518,53	113 754 577,42
Financial income and expenses					
Income from other investments under non-current assets		40 144,04	36 487,46	22 540 144,04	40 208 124,89
Other interest and financial income		25 590,45	27 112,53	21 283,51	11 852,93
Interest and other financial expenses		433 770,15	107 477,91	62 099,35	60 605,26
"Reversal of reductions in value of investments held as non-current assets"		0,00	0,00	1 100 000,00	2 500 000,00
Financial income and expenses in total		-368 035,66	-43 877,92	23 599 328,20	42 659 372,56
TAXES		126 399 792,45	141 748 940,16	136 813 846,73	156 413 949,98
Income taxes		12 010 568,98	12 325 366,93	9 433 523,00	7 025 181,79
PROFIT FOR THE FINANCIAL YEAR		114 389 223,47	129 423 573,23	127 380 323,73	149 388 768,19

Balance sheet

EUR	Notes	Business operations entity 1 Jan–31 Dec 2020	Business operations entity 1 Jan–31 Dec 2019	Business operations 1 Jan–31 Dec 2020	Business operations 1 Jan–31 Dec 2019
ASSETS					
NON-CURRENT ASSETS					
Intangible assets					
	2.6				
Intangible rights		3 159,57	13 732,03	3 159,57	28 753,38
Other intangible assets		40 351 689,86	33 299 036,50	1 533 501,73	901 497,01
Advance payments and work in progress		806 125,66	1 419 462,14	806 125,66	660 766,96
Intangible assets in total		41 160 975,09	34 732 230,67	2 342 786,96	1 591 017,35
Tangible assets					
Land and water areas		2 893 691 009,73	2 892 019 502,84	2 892 816 855,52	2 887 190 837,10
Roads		23 126 810,84	24 512 273,58	23 124 492,89	25 894 369,89
Buildings and structures		2 773 043,83	10 235 742,34	2 750 905,92	10 435 347,89
Machinery and equipment		290 455,84	282 381,06	0,00	0,00
Other tangible assets		10 599,04	10 599,04	10 599,04	10 599,04
Advance payments and work in progress		2 511 193,98	7 582 293,65	2 511 193,98	8 956 945,72
Tangible assets in total		2 922 403 113,26	2 934 642 792,51	2 921 214 047,35	2 932 488 099,64
Investments					
Shares in Group's subsidiaries	2.7	0,00	0,00	37 225 635,81	33 625 635,81
Other shares and holdings	2.9	697 346,11	1 074 987,13	1 106 218,52	1 483 859,54
Investments in total		697 346,11	1 074 987,13	38 331 854,33	35 109 495,35
NON-CURRENT ASSETS IN TOTAL		2 964 261 434,46	2 970 450 010,31	2 961 888 688,64	2 969 188 612,34

BALANCE SHEET

EUR	Notes	Business operations entity 1 Jan–31 Dec 2020	Business operations entity 1 Jan–31 Dec 2019	Business operations 1 Jan–31 Dec 2020	Business operations 1 Jan–31 Dec 2019
CURRENT ASSETS					
Inventories					
Finished products		12 146 159,24	10 875 189,75	0,00	0,00
Work in progress		863 161,20	666 861,10	0,00	0,00
Inventories in total		13 009 320,44	11 542 050,85	0,00	0,00
Receivables					
Non-current receivables					
Other receivables		5 175 015,72	2 175 015,72	3 000 000,00	0,00
Non-current receivables in total		5 175 015,72	2 175 015,72	3 000 000,00	0,00
Current receivables in total					
Accounts receivable		30 029 605,93	35 696 177,86	378 694,90	368 494,48
Receivables from public administration services	2.11	2 622 467,03	1 185 517,98	2 248 289,34	1 106 334,25
Receivables from the enterprise's subsidiaries	2.12	1 286,56	0,00	1 464 041,48	9 895 820,83
Other receivables	2.13	694 005,72	1 772 286,00	6 630,38	11 635,48
Prepayments and accrued income	2.14	3 042 483,60	1 195 879,88	2 778 174,82	915 510,81
Current receivables in total		36 389 848,84	39 849 861,72	6 875 830,92	12 297 795,85
Cash in hand and at banks		13 413 063,37	34 808 915,29	9 761 977,30	34 806 181,49
CURRENT ASSETS IN TOTAL		67 987 248,37	88 375 843,58	19 637 808,22	47 103 977,34
ASSETS IN TOTAL		3 032 248 682,83	3 058 825 853,89	2 981 526 496,86	3 019 716 113,96

Balance sheet

EUR	Notes	Business operations entity 1 Jan–31 Dec 2020	Business operations entity 1 Jan–31 Dec 2019	Business operations 1 Jan–31 Dec 2020	Business operations 1 Jan–31 Dec 2019
EQUITY AND LIABILITIES					
EQUITY					
Basic equity		2 593 160 887,84	2 601 446 795,86	2 593 160 887,84	2 601 446 795,86
Other equity		224 811 631,77	224 811 647,00	224 811 631,77	224 811 647,00
Retained earnings		35 188 844,38	44 665 270,85	13 211 535,52	2 722 767,33
Profit for the financial year		114 389 223,47	129 423 573,23	127 380 323,73	149 388 768,19
EQUITY IN TOTAL	2.15	2 967 550 587,46	3 000 347 286,94	2 958 564 378,86	2 978 369 978,38
PROVISIONS					
Other provisions	2.16	1 039 918,00	1 291 705,00	174 310,00	181 310,00
LIABILITIES					
Non-current					
Loans from financial institutions	2.17	34 000 000,00	7 122 385,77	0,00	0,00
Other liabilities		52 000,00	1 752 000,00	52 000,00	1 752 000,00
Current					
Loans from financial institutions	2.18	4 000 000,00	13 995 836,24	0,00	13 995 836,24
Advances received		636 491,83	5 767 103,81	235 492,00	2 402 899,00
Accounts payable		6 939 426,97	11 350 918,26	1 399 239,19	1 772 518,88
Payables to Public Administration Service	2.19	661 552,75	521 762,84	3 102,30	424 795,58
Debts to the enterprise's subsidiaries	2.20	0,00	0,00	11 091 886,63	12 031 103,96
Other liabilities	2.21	6 718 303,29	7 261 747,24	6 223 153,05	5 718 455,25
Accruals and deferred income	2.22	10 617 666,94	9 381 433,76	3 782 934,83	3 067 216,67
		32 735,59	33 674,03	0,00	0,00
LIABILITIES IN TOTAL		63 658 177,37	57 186 861,95	22 787 808,00	41 164 825,58
EQUITY AND LIABILITIES IN TOTAL		3 032 248 682,83	3 058 825 853,89	2 981 526 496,86	3 019 716 113,96

Cash flow statement

EUR	Business operations entity 1 Jan–31 Dec 2020	Business operations entity 1 Jan–31 Dec 2019	Business operations 1 Jan–31 Dec 2020	Business operations 1 Jan–31 Dec 2019
CASH FLOW FROM BUSINESS OPERATIONS				
Payments from sales	333 140 520,58	358 889 260,09	120 936 009,65	113 797 230,37
Payments from other operating income	8 001 249,88	10 969 496,76	16 292 885,67	20 129 371,70
Payments from operating charges	-230 168 979,93	-230 821 612,24	-33 588 597,87	-29 591 179,65
Cash flow from business operations, before financial items and taxes	110 972 790,53	139 037 144,61	103 640 297,45	104 335 422,42
Interest paid and other financial expenses	-433 770,15	-107 477,91	-62 099,35	-60 605,26
Interest income from business operations	25 590,45	27 112,53	21 283,51	11 852,93
Dividends received	40 144,04	36 487,46	22 540 144,04	40 208 124,89
Direct taxes	-9 522 429,41	-12 616 166,32	-8 859 551,38	-7 023 922,63
Cash flows from operating activities	101 082 325,46	126 377 100,37	117 280 074,27	137 470 872,35
INVESTMENTS				
Investments in tangible and intangible assets	-19 953 825,02	-19 207 017,89	-8 299 700,77	-7 713 247,04
Sale of tangible and intangible assets	20 816 228,63	18 630 830,62	20 765 849,60	18 498 378,71
Sale of other investments	377 641,02	0,00	377 641,02	0,00
Cash flows from investing activities	1 240 044,63	-576 187,27	12 843 789,85	10 785 131,67
FINANCING				
Change in other non-current, interest-bearing loans	26 877 614,23	7 122 385,77	0,00	0,00
Change in other non-current, non-interest-bearing loans	-1 700 000,00	-1 355 750,00	-1 700 000,00	-1 353 250,00
Change in current loans from financial institutions	-9 995 836,24	-6 999 702,61	-13 995 836,24	-6 999 702,61
Change in Group loans to subsidiaries	0,00	0,00	-572 232,07	-5 401 146,96
Contribution to State revenue	-138 900 000,00	-102 895 000,00	-138 900 000,00	-102 895 000,00
Cash flows from financing activities	-123 718 222,01	-104 128 066,84	-155 168 068,31	-116 649 099,57
CHANGE IN LIQUID FUNDS				
Liquid funds on 1 Jan	34 808 915,29	13 136 069,03	34 806 181,49	3 199 277,04
Liquid funds on 31 Dec	13 413 063,37	34 808 915,29	9 761 977,30	34 806 181,49
Change	-21 395 851,92	21 672 846,26	-25 044 204,19	31 606 904,45

Notes to the profit and loss account

EUR	Notes	Business operations entity 1 Jan–31 Dec 2020	Business operations entity 1 Jan–31 Dec 2019	Business operations 1 Jan–31 Dec 2020	Business operations 1 Jan–31 Dec 2019
Turnover by business unit	2.1				
Forestry Business		305 861 044,22	334 496 198,40	95 262 833,91	95 000 000,04
Metsähallitus Property Development		18 332 774,14	17 442 140,74	18 332 774,14	17 636 341,13
Sale of soil and rock resources		1 214 648,65	1 491 770,24	0,00	0,00
Seed and sapling production		3 427 535,39	2 672 420,19	0,00	0,00
Other		76 181,86	328 533,08	60 777,76	328 533,08
Total		328 912 184,26	356 431 062,65	113 656 385,81	112 964 874,25
of which turnover for Public Administration Service and other subsidiaries		-808 430,60 0,00	838 194,21 0,00	0,00 -95 262 833,91	2 235,64 95 194 577,07
Other operating income	2.2				
Gains on the sale of fixed assets		11 593 162,65	14 161 737,46	11 542 783,62	14 029 285,55
Income from services to Public Administration Service		11 086 406,32	10 916 600,74	10 983 862,93	10 847 210,21
Income from services to subsidiaries		16 736,21	16 145,40	10 128 482,55	9 611 871,08
Other income		659 110,79	918 187,41	38 199,10	101 942,46
Total		23 355 415,97	26 012 671,01	32 693 328,20	34 590 309,30
Depreciation according to plan	2.3				
Intangible assets		5 451 901,59	3 866 661,29	659 352,15	486 136,86
Depreciation for decrease in substance		33 328,49	49 860,72	3 890,60	20 098,67
Roads		1 385 462,74	1 385 463,72	1 384 937,92	1 384 939,08
Buildings and structures		700 702,79	717 194,37	694 077,92	710 569,41
Machinery and equipment, other tangible assets		42 651,60	39 962,26	0,00	0,00
Total		7 614 047,21	6 059 142,36	2 742 258,59	2 601 744,02

Depreciation according to plan, depreciation periods:	before 1 January 2020	starting from 1 January 2020
Intangible rights, other long-term expenditure	4-5 years	4-5 years
Gravel areas	Depreciation for decrease of substance	Depreciation for decrease of substance
Roads	10-25 years	10 years
Fish structures	primarily 10 years	15 years
Log floating structures	25 years	15 years
Buildings	20-40 years	20 years
Structures and facilities	4-10 years	8 years
Machinery and equipment	4-8 years	4-5 years
Other tangible assets: asphalting, planting beds	15-20 years	15 years

Depreciation according to plan has been calculated by fixed asset. Entry of depreciation begins from the introduction of the asset.

NOTES TO THE PROFIT AND LOSS ACCOUNT

EUR	Notes	Business operations entity 1 Jan–31 Dec 2020	Business operations entity 1 Jan–31 Dec 2019	Business operations 1 Jan–31 Dec 2020	Business operations 1 Jan–31 Dec 2019
Other operating costs	2.4				
Facility expenses		7 587 831,03	6 797 851,75	6 254 002,31	5 947 368,97
ICT expenses		9 183 642,55	8 065 431,29	6 697 229,03	6 084 035,11
Travelling expenses		2 646 446,19	3 516 657,95	235 296,37	613 964,63
External services		1 028 899,83	4 148 290,44	681 734,05	1 830 072,76
Machinery and equipment expenses, vehicle expenses		661 785,17	775 753,77	283 578,90	424 866,25
Other social security expenses		1 808 407,49	1 860 666,51	699 312,49	785 057,03
Other expenses		4 455 607,08	3 153 638,44	3 149 894,28	2 562 476,11
Group internal expenses		-98 942,01	22 980,49	252 592,54	608 084,17
Total		27 273 677,33	28 341 270,64	18 253 639,97	18 855 925,03
Other interest and financial income	2.5				
Dividend income from external sources		40 144,04	36 487,46	40 144,04	36 487,46
Dividend income from subsidiaries		0,00	0,00	22 500 000,00	40 171 637,43
Interest income		25 590,45	27 112,53	21 283,51	11 852,93
Total		65 734,49	63 599,99	22 561 427,55	40 219 977,82
Interest and other financial expenses (EUR)					
Interest expenses		433 770,15	107 477,91	62 099,35	60 605,26
Total		433 770,15	107 477,91	62 099,35	60 605,26
Reversal of reduction in value for investments under non-current assets					
Reversal of reduction in value of subsidiaries' shares		0,00	0,00	1 100 000,00	2 500 000,00
Financial income and expenses in total		-368 035,66	-43 877,92	23 599 328,20	42 659 372,56

Notes to balance sheet

	Notes	Intangible assets	Land and water areas	Roads, land and water constr.	Buildings and structures	Machinery and equipment, other tangible assets	In progress projects	Other shares and holdings, other receivables	Total
Non-current assets (MEUR)	2.6								
BUSINESS OPERATIONS ENTITY									
Acquisition cost on 1 Jan		42,1	2 891,3	71,6	14,3	0,7	8,3	1,1	3 113,2
Reduction in value on 1 Jan		0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Increases		12,8	5,8	0,0	0,4	0,1	0,5	0,0	19,5
Decreases		1,0	3,0	0,0	9,0	0,0	6,3	0,4	19,6
Reduction in value		0,0	0,3	0,0	0,0	0,0	0,0	0,0	0,3
Acquisition cost on 31 Dec		54,0	2 893,7	71,6	5,7	0,7	2,5	0,7	3 112,8
Accumulated depreciation and reduction in value 1 Jan		7,4	0,0	47,1	4,1	0,4	0,0	0,0	142,7
Accumulated depreciation relating to decreases and transfers		0,0	0,0	0,0	-1,8	0,0	0,0	0,0	-1,8
Depreciation during the financial year		5,5	0,0	1,4	0,7	0,0	0,0	0,0	7,6
Accumulated depreciation on 31 Dec		12,9	0,0	48,5	3,0	0,4	0,0	0,0	148,5
Book value on 1 Jan		34,7	2 891,3	24,5	10,2	0,3	8,3	1,1	2 970,4
Book value on 31 Dec		41,2	2 893,7	23,1	2,8	0,3	2,5	0,7	2 964,3
Production machinery and equipment, Book value on 31 Dec						0,3			
BUSINESS OPERATIONS	2.6								
Acquisition cost on 1 Jan		2,7	2 890,1	71,6	14,3	0,1	8,3	37,6	3 024,6
Reduction in value on 1 Jan		0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Increases		2,1	4,2	0,0	0,4	0,0	0,5	0,0	7,2
Decreases		1,0	1,5	0,0	9,0	0,0	6,3	0,4	18,0
Increase in value		0,0	0,0	0,0	0,0	0,0	0,0	1,1	1,1
Acquisition cost on 31 Dec		3,8	2 892,8	71,6	5,7	0,1	2,5	38,3	3 014,8
Accumulated depreciation and reduction in value 1 Jan		0,8	0,0	47,1	4,0	0,1	0,0	0,0	52,0
Accumulated depreciation relating to decreases and transfers		0,0	0,0	0,0	-1,8	0,0	0,0	0,0	-1,8
Depreciation during the financial year		0,7	0,0	1,4	0,7	0,0	0,0	0,0	2,7
Accumulated depreciation on 31 Dec		1,4	0,0	48,5	2,9	0,1	0,0	0,0	52,9
Book value on 1 Jan		1,9	2 890,1	24,5	10,2	0,0	8,3	37,6	2 972,6
Book value on 31 Dec		2,3	2 892,8	23,1	2,8	0,0	2,5	38,3	2 961,9
Production machinery and equipment, book value on 31 Dec						0,0			

NOTES TO BALANCE SHEET

	Notes	Holdings %	Book value EUR
Shares in subsidiaries	2.7		
METSÄHALLITUS			
Metsähallitus Metsätalous Oy, Rovaniemi		100	25 649 635,81
MH-Kivi Oy, Oulu		100	6 400 000,00
Siemen Forelia Oy, Jyväskylä		100	5 176 000,00
Total			37 225 635,81

	Notes	Business operations entity 2020	Business operations entity 2019	Business operations 2020	Business operations 2019
Shares and holdings, book value (EUR)	2.9				
Shares in subsidiaries		0,00	0,00	37 225 635,81	36 125 635,81
Other shares and holdings		334 407,84	712 048,86	743 280,25	1 120 921,27
Joint forest holdings		362 938,27	362 938,27	362 938,27	362 938,27
Total		697 346,11	1 074 987,13	38 331 854,33	37 609 495,35
Receivables from Public Administration Service (EUR)					
Accounts receivable		740 113,42	-15 046,00	365 995,73	-94 193,95
Prepayments and accrued income		1 882 353,61	1 200 563,20	1 882 293,61	1 200 528,20
Total		2 622 467,03	1 185 517,20	2 248 289,34	1 106 334,25
Receivables from subsidiaries (EUR)	2.12				
Accounts receivable		0,00	0,00	109 397,04	9 849 724,47
Prepayments and accrued income		1 286,56	0,00	1 354 644,44	46 096,36
Total		1 286,56	0,00	1 464 041,48	9 895 820,83
Other receivables, current (EUR)	2.13				
Other prepayments, prepaid expenses		6 630,00	18 631,36	6 630,38	11 635,48
VAT receivables		687 375,34	1 376 491,19	0,00	0,00
Deferred tax assets		0,00	377 163,45	0,00	0,00
Total		694 005,34	1 772 286,00	6 630,38	11 635,48
Current external prepayments and accrued income (EUR)	2.14				
Other prepaid expenses/purchase invoices		159 854,87	253 062,98	10 995,14	14 646,54
Other accrued income		2 882 628,73	942 816,90	2 767 179,68	900 864,27
Total		3 042 483,60	1 195 879,88	2 778 174,82	915 510,81

NOTES TO BALANCE SHEET

	Notes	Business operations entity 2020	Business operations entity 2019	Business operations 2020	Business operations 2019
Equity (EUR)	2.15				
Basic equity on 1 Jan		2 601 446 795,86	2 600 935 160,52	2 601 446 795,86	2 600 935 160,52
Transfers of possession		-8 393 020,02	7 810,00	-8 393 020,02	7 810,00
Inheritance by the State		146 827,00	319 503,00	146 827,00	319 503,00
Changes in land use		-49 472,00	-29 241,00	-49 472,00	-29 241,00
Other		9 757,00	213 563,34	9 757,00	213 563,34
Basic equity on 31 Dec		2 593 160 887,84	2 601 446 795,86	2 593 160 887,84	2 601 446 795,86
Other equity on 1 Jan		224 811 647,00	224 811 647,00	224 811 647,00	224 811 647,00
Increase, decrease		-15,23	0,00	-15,23	0,00
Other equity on 31 Dec		224 811 631,77	224 811 647,00	224 811 631,77	224 811 647,00
Retained earnings on 1 Jan		174 088 844,38	147 560 270,85	152 111 535,52	105 617 767,33
Contribution to State revenue		-138 900 000,00	-102 895 000,00	-138 900 000,00	-102 895 000,00
Retained earnings on 31 Dec		35 188 844,38	44 665 270,85	13 211 535,52	2 722 767,33
Profit for the financial year		114 389 223,47	129 423 573,23	127 380 323,73	149 388 768,19
Equity in total on 31 Dec		2 967 550 587,46	3 000 347 286,94	2 958 564 378,86	2 978 369 978,38
Provisions (EUR)	2.16				
Other provisions (EUR)		1 039 918,00	1 291 705,00	174 310,00	181 310,00
Total of long-term loans due in a period exceeding 5 years (EUR)	2.17				
Total		34 000 000,00	7 122 385,77		
Amount of debt not paid to the State (EUR)	2.18				
Debt to the State, withholding tax liabilities, social security contribution liabilities, VaEL, TyEL		1 062 524,58	1 563 465,26	287 538,56	607 075,53
Payables to public administration services (EUR)	2.19				
Accounts payable		661 315,60	136 829,38	3 102,30	39 862,12
Accruals and deferred income		237,15	384 933,46	237,15	384 933,46
Total		661 552,75	521 762,84	3 339,45	424 795,58
Payables to subsidiaries (EUR)	2.20				
Accounts payable		0,00	0,00	57 364,51	24 102,29
Accruals and deferred income		0,00	0,00	17 747,16	418 231,79
Consolidated liabilities		0,00	0,00	11 016 537,81	11 588 769,88
Total		0,00	0,00	11 091 649,48	12 031 103,96

NOTES TO BALANCE SHEET

	Notes	Business operations entity 2020	Business operations entity 2019	Business operations 2020	Business operations 2019
Other external liabilities (EUR)	2.21				
VAT liabilities		3 974 294,22	4 894 143,51	3 837 171,24	3 821 417,59
Withholding taxes and social security contributions and other debts related to statutory personnel expenses (payment of salaries)		593 671,07	725 934,76	235 643,81	260 382,20
Equity reviews		440 138,00	275 493,90	440 138,00	275 493,90
Other		1 710 200,00	1 366 175,07	1 710 200,00	1 361 161,56
Total		6 718 303,29	7 261 747,24	6 223 153,05	5 718 455,25
External accruals and deferred income (EUR)	2.22				
Differentiated statutory personnel expenses		468 853,51	837 530,50	51 894,75	346 693,33
Holiday pay liabilities, including social security expenses		6 603 981,57	7 048 284,92	2 150 494,63	2 142 446,26
Tax averaging		2 489 078,01	0,00	573 971,62	0,00
Other		1 088 489,44	1 495 618,35	1 006 573,83	578 077,08
Total		10 650 402,53	9 381 433,77	3 782 934,83	3 067 216,67

Other Notes

MEUR	Notes	Business operations entity 2020	Business operations entity 2019	Business operations 2020	Business operations 2019
Contingent liabilities	2.23				
Leasing liabilities					
to be paid during the following year		1,9	1,5	1,7	1,4
to be paid at a later date		2,2	1,9	1,8	1,7
Bank guarantee liabilities		2,4	1,9	0,9	0,5
Other banking liabilities		1,0	1,6	0,5	1,1
Investment commitments		3,2	4,1	3,2	4,1

The leasing contracts for business operations include a redemption clause after the residual value reaches the agreed level. The contracts can be terminated with a 3 month notice period. The Group also has contracts without a redemption clause, mainly for five-year periods. An inspection responsibility of value-added tax is related to property renovations and new construction investments for 10 years, starting from the beginning of the year in which the construction service is completed.

Responsibility for remediation of contaminated sites

In areas administered by Metsähallitus, the responsibility involved in contaminated soil areas lies primarily with the party who was responsible for the contaminating activity.

As the holder of the area, Metsähallitus may be held responsible for the remediation costs of the contaminated soil, if the primary responsible party is unable to do so.

MEUR	Notes	Business operations entity 2020	Business operations entity 2019	Business operations 2020	Business operations 2019
Related-party transactions	2.24				
A contribution to State revenue was paid.		138,9	102,9	138,9	102,9
Internal Group transactions during the financial year*					
Sale of goods		0,8	0,8	0,2	0,0
Sale of services		117,4	10,9	116,2	115,7
Purchase of goods		1,0	0,3	0,0	0,0
Purchase of services		105,3	0,1	0,2	0,7
Total		11,8	11,4	116,2	115,0
Calculated deferred tax assets and liabilities	2.25				
Calculated deferred tax assets from subsidiary losses		1,5	1,4		
from provisions		0,2	0,2		
Total		1,7	1,6		
Self-financed investments	2.26	Investment plan	Actual	Investment plan	Actual
Land, water and gravel areas		7,6	5,3	7,6	5,3
Roads, road projects, plot processing works		10,4	11,0	0,2	0,2
Machinery and equipment, wind power projects		0,9	0,3	0,4	0,3
Buildings and structures		0,4	0,4	0,4	0,4
Other, including IT systems		2,0	2,1	1,5	2,1
Total		21,3	19,1	10,1	8,2

*Internal Group transactions are market-based.

PUBLIC ADMINISTRATION SERVICE

Profit and loss account

EUR	Public Administration Services 1 Jan–31 Dec 2020	Public Administration Services 1 Jan–31 Dec 2020
TURNOVER	12 535 156,52	13 219 918,18
Other operating income	7 165 012,99	6 294 693,57
Financing for other operations from the State budget	55 448 329,52	42 978 162,63
Raw materials and services		
Raw materials and consumables		
Purchases during the financial year	1 082 374,33	3 413 728,32
Variation in inventories	210 165,42	143 520,24
External services	6 550 159,94	6 058 740,79
Raw materials and services, total	7 842 699,69	9 615 989,35
Staff expenses		
Wages and salaries	23 244 055,27	22 227 678,91
Social security expenses		
Pension expenses	4 563 320,55	4 427 260,22
Other social security expenses	771 208,64	583 844,53
Staff expenses, total	28 578 584,46	27 238 783,66
Depreciation, amortisation and impairment		
Depreciation according to plan	1 465 272,72	1 608 030,35
Other operating costs	36 170 776,96	25 637 078,96
OPERATING PROFIT	1 091 165,20	-1 607 107,94
Financial income and expenses		
Other interest and financial income	397,64	14,00
Interest and other financial expenses	278,55	4 363,23
Reductions in value of investments held as non-current assets	30 988,86	8 278,87
Financial income and expenses in total	-30 312,67	-3 901,64
PROFIT BEFORE FINANCIAL STATEMENT TRANSFERS AND TAXES	1 060 852,53	-1 611 009,58
Transfer of the profits of the financial year to Equity	-1 060 852,53	1 611 009,58
PROFIT/LOSS FOR FINANCIAL PERIOD	0,00	0,00

Balance sheet

EUR	Public Administration Services 31.12.2020	Public Administration Services 31.12.2019
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Intangible rights	0,00	0,00
Other intangible assets	10 381,56	17 235,51
Advance payments and work in progress	431 407,83	394 581,49
Intangible assets in total	441 789,39	411 817,00
Tangible assets		
Land and water areas	1 008 015 973,08	999 965 496,21
Roads	103 755,96	117 974,67
Buildings and structures	15 711 427,96	16 716 745,45
Machinery and equipment	159 773,21	212 096,89
Advance payments and work in progress	36 782,63	118 000,06
Tangible assets in total	1 024 027 712,84	1 017 130 313,28
Investments		
Shares in Group's subsidiaries	12 200 000,00	12 200 000,00
Other shares and holdings	737 704,68	737 704,68
Other receivables	1 800,00	1 800,00
Investments in total	12 939 504,68	12 939 504,68
NON-CURRENT ASSETS IN TOTAL	1 037 409 006,91	1 030 481 634,96

EUR	Public Administration Services 31.12.2020	Public Administration Services 31.12.2019
CURRENT ASSETS		
Inventories		
Finished products	1 077 184,45	1 287 349,87
Inventories in total	1 077 184,45	1 287 349,87
Receivables		
Current receivables		
Accounts receivable	1 065 768,07	1 441 687,35
Receivables from enterprise's business operations	3 339,45	384 677,34
Receivables from the enterprise's subsidiaries	658 213,30	0,00
Other receivables	110 359,96	113 781,58
Prepayments and accrued income	4 133 070,91	4 554 782,12
Current receivables in total	5 970 751,69	6 494 928,39
Cash in hand and at banks	46 633 659,36	11 016 018,75
CURRENT ASSETS IN TOTAL	53 681 595,50	18 798 297,01
ASSETS IN TOTAL	1 091 090 602,41	1 049 279 931,97

Balance sheet

EUR	Public Administration Services 31.12.2020	Public Administration Services 31.12.2019
EQUITY AND LIABILITIES		
EQUITY		
Other equity	1 039 385 483,92	1 030 224 375,46
Retained earnings	0,00	0,00
Profit/loss for financial period	0,00	0,00
EQUITY IN TOTAL	1 039 385 483,92	1 030 224 375,46
LIABILITIES		
Other liabilities, non-interest-bearing	0,00	250,00
Current		
Advances received	40 624 210,63	9 569 986,95
Accounts payable	2 130 342,83	1 179 952,31
Debts to enterprise's business operations	2 248 289,34	1 200 272,08
Debts to the enterprise's subsidiaries	374 177,69	35,00
Other liabilities	970 083,97	969 184,74
Accruals and deferred income	5 358 014,03	6 135 875,43
LIABILITIES IN TOTAL	51 705 118,49	19 055 556,51
EQUITY AND LIABILITIES IN TOTAL	1 091 090 602,41	1 049 279 931,97

Cash flow statement

EUR	Public Administration Services 1.1.-31.12.2020	Public Administration Services 1.1.-31.12.2019
CASH FLOW FROM BUSINESS OPERATIONS		
Payments from sales	12 634 200,39	14 171 685,45
Payments from other operating income	7 070 721,29	4 901 045,67
Payments from operating charges	-39 537 342,02	-61 354 744,66
Cash flow from business operations, before financial items and taxes	-19 832 420,34	-42 282 013,54
Interest paid and other financial expenses	-30 988,86	-8 278,87
Interest income from business operations	278,55	4 363,23
Dividends received	397,64	14,00
State's budget funding for other operations	55 448 329,52	42 978 162,63
Cash flow from operations	35 585 596,51	692 247,45
INVESTMENTS		
Purchase of environmental protection areas, shares	9 913,06	5 413,26
Purchase of fixed assets, funding by Ministries	-5 250 236,98	-2 368 045,63
Purchase of fixed assets, other funding	-673 187,45	-15 920,09
Investments in tangible and intangible assets	-469 599,58	-656 999,04
Profits for the sale of tangible and intangible assets	1 263 813,73	641 510,80
Shareholder investment in purchase of environmental protection areas and shares	-9 913,06	-5 413,26
Funding received for the construction of nature centres etc.	5 161 504,38	2 314 864,92
Cash flows from investing activities	32 294,10	-84 589,04
FINANCING		
Change in other non-current, non-interest-bearing loans	-250,00	-6 500,00
Cash flows from financing activities	-250,00	-6 500,00
CHANGE IN LIQUID FUNDS	35 617 640,61	601 158,41
Liquid funds on 1 Jan	11 016 018,75	10 414 860,34
Liquid funds on 31 Dec	46 633 659,36	11 016 018,75
Change	35 617 640,61	601 158,41

SIGNATURE OF THE FINANCIAL STATEMENTS AND ANNUAL REPORT

METSÄHALLITUS **0116726-7**

Signature of the Financial Statements and Annual Report 1 January–31 December 2020

Vantaa, 23 February 2021

Timo Laitinen
Chair

Sanna Paanukoski
Vice Chair

Pekka Hautala
Board member

Johanna Ikäheimo
Board member

Simo Rundgren
Board member

Jussi Saukkonen
Board member

Ismo Tiainen
Board member

Liisa Tyrväinen
Board member

Juha S. Niemelä
Director General

Auditor's note

A report on the performed audit has been issued today.

Helsinki, on . February 2021

KPMG Oy Ab

KPMG Oy Ab

Jorma Nurkkala
Authorised Public Accountant,
Chartered Public Finance Auditor

Outi Koskinen
Authorised Public Accountant,
Chartered Public Finance Auditor

Public Administration Services of Metsähallitus – Separate annual report and financial statements 1 January 2020 to 31 December 2020

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1. ANNUAL REPORT

1.1 Management review

Main observations

The Parks & Wildlife Finland (National Parks Finland and Wildlife Service Finland) had a successful year in terms of public administration services, even though it was also an exceptional year due to the COVID-19 pandemic. As a result of the COVID-19 pandemic, many cultural services and restaurants were only open on a limited basis, which caused large numbers of people to spend time in nature. Customer numbers increased significantly.

An improved appropriations situation had a major impact on National Parks Finland's operations. An increase of EUR 7.5 million in basic funding was received in Ministry of the Environment financing as well as, for example, EUR 19.2 million in future investment funding and EUR 10 million from Supplementary state budget IV for stimulation projects. Ministry of Agriculture and Forestry financing also increased by EUR 1 million for future investments, as well as EUR 3.1 million in stimulation funding from Supplementary state budget IV. This additional funding made it possible to renovate and extensively develop hiking infrastructure in national parks, state-owned hiking areas and many other destinations.

Some urgent repairs were also carried out at cultural heritage sites. As a result of the additional appropriations, the surface area of nature management and restoration work nearly quadrupled. In particular,

the measures were related to implementation of the Ministry of the Environment's Helmi habitat programme and EU LIFE projects.

The rapid and strong increase in the level of appropriations was a real test for the implementation capacity of National Parks Finland. As a whole, the challenge was met well although not all the targets were fully achieved. Several measures were also taken during the year to further improve the implementation capacity. The forest tree seed year was fairly good in Northern Finland, and the autumn cone collection made it possible to supplement the seed security stock well.

The Wildlife Service Finland online shop had nearly 70 per cent more customers and demand increased for nearly all permit products. The accumulation of fisheries management fees increased to a record level, and demand for Metsähallitus' hunting permits was also the highest ever in the history of operations. In many areas permit quotas slowed growth, which ensured the sustainability of operations. The growth naturally reflected on the impact of operations, since the exceptional demand for permits also strengthened the regional economy. The increase in wilderness activities and hiking also increased the need for supervision and some disturbances occurred, especially in Southern Finland's national parks. In addition, the restoration of selected drainage basins and flowing waters began as sepa-

rate projects, with the work in these projects starting very well.

Due to the COVID-19 pandemic, employees worked remotely and stakeholder meetings were cancelled or very few of them were held. The employees reacted to the changed working conditions in different ways, but the personnel handled this challenging year well.

Conclusions

Demand for services is very strong, which provides an excellent starting point for further developing operations in a customer-oriented manner. The increase in customer numbers is partly due to the COVID-19 pandemic but, on the other hand, the same trend has been visible for a longer period.

A significant increase in the appropriation for National Parks Finland will make it possible to raise the quality of management in the environmental protection area network to a top international level and improve hiking services at all destinations. Success in these objectives will require continuous development of the implementation capacity. Maintaining personnel skills, a functional procurement process in outsourced services, efficient work organisation and the utilisation of information systems and their development are key factors in this area. Maintaining the improved level of appropriations in

the coming years will also be essential in order to ensure continuity.

The overall financial situation of Wildlife Service Finland improved momentarily due to exceptional demand for permits, but this did not correct the structural skewing of the income base or eliminate uncertainty regarding the financial resource in the future. The increase in new customers was delightful, but the challenge is to ensure that the interest in wilderness activities is permanent. This interest must be further reinforced through services and communication.

The total use of funds for the financial year 2020 was EUR 78,373,454. The profit before financial statement transfers showed a surplus of EUR 1,060,852.53. The balance sheet total was EUR 1,091,090,602.41. The transfer of the profit/loss for the financial period to Other equity is based on Article 5 of Government Decree 1368/2016. The operating result for the financial period showed a surplus of EUR 2.8 million. The surplus for the financial period is mainly due to the surplus in paid activities and profit from the sale of fixed assets.

Funds are also used for investments during the financial period, and these are entered in the balance sheet as fixed assets at the time of acquisition. This prevents them from having an impact on the result. Expense entries from the investments are added

to the profit and loss account after the time of acquisition and use of the funds. This means that the acquisition cost is entered as an expense over several years, as depreciations according to plan. The result for the financial period is adjusted as a loss equivalent to the depreciations, because the use of funds and depreciation entries for investments take place at different times and there are no revenue entries corresponding to the depreciations. In other use of funds, the expenses corresponding to revenue are entered in the profit and loss account.

1.2 A Social impact

The following is an evaluation of how the performance targets set by impact objective for 2020 have been achieved. The Finnish state's performance information system (Netra) grading scale and the

colour codes presented below were used in the evaluation.

- 1** = The objective has been abandoned
- 2** = The objective was not achieved
- 3** = The objective was achieved in part
- 4** = The objective was achieved
- 5** = The objective was exceeded

The indicator descriptions are available in Metsähallitus' Intranet: metsahallitus.sharepoint.com/:f:/t/jht-toiminnan-suunnittelu-ja-seuranta/Em14PoKb-vfhKgg_iwxefy6MBuBJMiBjvjG3GkQUhygtDgw?e=N-9WUFB

1.2.1 According to recent information, the conservation status for species and habitats is improving with prioritised measures

Indicator	Implementation 2017	Implementation 2018	Implementation 2019	Objective 2020	Implementation 2020	Netra 1–5 2020
Restoration of mires and semi-natural habitats included in the Helmi programme, percentage of target for the government term (total 14,000 ha), %	*	*	*	15	14	4
Quality of natural habitat and species information, up-to-date information, %	*	*	*	62	61	4
Species occurrence checks	6 409	14 349	9 000	18 000	5 942 **	3

*A new indicator in the performance agreement that was not in use during 2017-2019.

**A lot of the species inventory information for 2020 has not been saved yet. The group of species to be checked changed when the list of species needing urgent protection was updated.

Strengths

An significant increase in the volume of activities was achieved in different areas of the Helmi programme, and species monitoring and species mapping were also successful. This success was made possible by a diverse and experienced group of experts from the areas of land, inland water and sea habitats, species, inventories, and restoration and nature management. In the Helmi programme, restoration of semi-natural habitats exceeded the target of 360 hectares (target 300 hectares). A total of 1,563 hectares of mires were restored, which was only some 100 hectares less than the target. Effective cooperation with Metsähallitus Forestry Ltd produces significant added value in terms of biodiversity, for example, during planning at the drainage basin level and when returning

water to dry protected mires. Cooperation with ELY Centres also works well. Use of outsourcing was increased quickly. In addition, procurement process competence increased and expanded significantly. Competitive tendering of a four-year framework agreement for excavator and logger work was particularly important in terms of achieving the targets for mire restoration. Strengthening of the operating method based on information systems (SAKTI, LajiGIS) was a prerequisite for furthering and managing this large entity. SAKTI and LajiGIS were developed flexibly according to needs, and personnel from both Metsähallitus and the ELY Centres received training in their versatile use throughout the year. Existing large data sets that have been waiting for storage for years were saved in LajiGIS.

Increased funding made it possible to begin development and implementation of habitat inventory methods based on the latest remote sensing methods, for example, In the inventory started in Northern Lapland. There was a clear increase in stream inventories in both National Parks Finland and Wildlife Service Finland In 2020. A total of 274 km of streams were inventoried, which is more than 10 per cent of the total during 20 inventory years.

Weaknesses

The absence of an action planning and work site reserve slowed the start of activities. Despite additional resources and recruitments, the rapidly increased volume of operations and targets placed a burden on the personnel. It was not possible to fill all the open positions or it was necessary to recruit

persons who had no previous experience of inventories and planning. Finland has a very limited number of experts in many key types of work,, which has an impact on both outsourcing and recruitment. There is also a shortage of experts on certain groups of organisms (such as lichens and molluscs). The work to save habitat and species data in information systems (SAKTI, LajiGIS) is still in progress. In addition, fewer marine inventories were performed than planned. One reason for this was the COVID-19 pandemic.

Conclusions

As the objectives for the activities continue to rise, it is essential to ensure adequate human resources as well as efficient and smooth outsourcing. Implementation of the objectives for the year in question, accumulation of a planning reserve for future years and frontloading of procurement schedules must be taken into account simultaneously in the operations and their dimensioning. A prerequisite for managing the entity is using the information systems in the agreed manner and addressing the development needs identified in them. Continued attention should be paid to saving data in the information systems, and this applies to both habitat data and species.

1.2.2 Improvement in the status and nature values in the network of Natura 2000 and nature reserves

Indicator	Implementation 2017	Implementation 2018	Implementation 2019	Objective 2020	Implementation 2020	Netra 1–5 2020
Improving, restoring and managing the status of habitats (excluding continuous management of semi-natural habitats), surface area, ha	1 152	1 360	1 243	4 500	4 568	4
Number of updated NATA status assessments (total 1,121) in Natura areas	*	*	*	150	110	3

*A new indicator in the performance agreement that was not in use during 2017-2019.

Strengths

A competent and committed personnel made it possible to nearly quadruple the implementation volume of restoration and nature management work in comparison to the previous year. The majority of the increase in volume is due to a significant increase in the restoration area of mires in accordance with the objectives of the Helmi programme. The status of forest, inland water and marine habitats was also improved through diverse management and restoration. The total area semi-natural habitats under continuous management is 5,406 hectares. Restoration measures also began in valuable bird wetlands. Restockings of young farmed mussels provided new hope for improving the status of the endangered

freshwater pearl mussel populations in Southern Finland. Competence related to NATA assessments of Natura areas has improved in recent years, and there is a better understanding of the significance of these assessments. The management and use planning (MUP) development project was completed in the spring, and the majority of the SASS system development work proposed in it was carried out. An expert group was appointed to implement the project results and to further promote development work. As a whole, work related to property formation and boundary marking progressed as planned. Cooperation with the National Land Survey continued smoothly and productively.

Weaknesses

The NATA assessment targets, which were identified as challenged in advance, were not achieved in all respects (Coastal, Lake Region). The main reason for this was the fact that, due to the ambitious performance objectives of the Helmi programme, the nature conservation experts did not have enough working time for these assessments. The progress of legislative preparation related to nature reserves was slower than expected. Advocacy work related to wind power projects and ore exploration and mining required a lot of resources, which made it difficult to, for example, compile management and use plans and rules.

Conclusions

Adequate human resources must be ensured in order to achieve the objectives set for restoration and nature management that will continue to increase in the future. More attention should be

paid to scheduling and resourcing of NATA assessments in the future. In the next few years, the NATA targets will be considerably smaller than in the past, which will hopefully provide opportunities to increase the volume of MUP planning, which has

already been at a very low level for several years, because a conscious decision was made to focus on the NATA assessments. Obtaining the results of the MUP development project has also improved the possibilities for furthering MUP planning. However,

good management of NATA and MUP work and the steadily increasing, varied and more demanding advocacy tasks will, above all, require a sufficient number of personnel who also possess an adequate level of competence.

1.2.3 The value of cultural and historic real property assets is preserved

Indicator	Implementation 2017	Implementation 2018	Implementation 2019	Objective 2020	Implementation 2020	Netra 1–5 2020
Percentage of valuable sites in good and average condition	80	80	80	80	78	3
Percentage of up-to-date cultural heritage information	*	*	*	85,0	77,0	3

*A new indicator in the performance agreement that was not in use during 2017-2019.

Strengths

Discretionary funding was used to carry out urgent repair work. Another major effort was a tendering process for the planning and implementation of

restorations made possible by discretionary funding. Cultural heritage sites managed as destinations are important tourist attraction factors in many localities, with a total of 846,800 visitors. Cooperation with regional cultural heritage actors is close.

Weaknesses

In 2018, the renovation backlog at cultural historical sites was estimated at EUR 70.3 million. The discretionary funding could only be used to repair

designated sites, but the lack of sufficient and continuous funding allocated to cultural heritage is an obstacle to systematic and long-term restoration work. Valuable cultural heritage sites that are not a focus of tourism do not attract funding providers. There was little existing restoration construction and procurement competence required to implement the discretionary funding, and becoming familiar with this area took a lot of working time on the part of cultural heritage experts. The objectives for the

indicators were not achieved because discretionary funding tied the work of a small number of experts to the required tasks.

Conclusions

A small group of experts is a risk to operational continuity and service capacity. In terms of the management of cultural heritage sites, the new procurement organisation of National Parks Finland, which also has restoration expertise, has an

important role. Resources should be reserved for maintaining and developing the PAVE information system. The preservation of cultural heritage values in protected areas requires sufficient and continuous funding. A solution for this should be sought in follow-up work related to updating the Government's real estate strategy.

1.2.4 Hunting and fishing are sustainable, ethical and responsible

Indicator	Implementation 2017	Implementation 2018	Implementation 2019	Objective 2020	Implementation 2020	Netra 1–5 2020
Percentage of hunting and fishing supervision events in which no offence is discovered	*	*	*	77,5	86	5
Catch feedback and bag reports as a percentage of the number of permits sold	*	*	*	18	**	**

*A new indicator in the performance agreement that was not in use during 2017-2019.

**Fishing catch feedback data is not currently available to the required accuracy.

Strengths

The process of establishing regional wilderness supervision cooperation groups was completed. The beginning of the hunting season was effectively supervised through cooperation between authorities. Despite the increased number of enthusiasts, hunting and fishing in particular reported fewer offences than in the previous year. The decline was especially evident in legal offences, with hunting offences decreasing by 1.3 per cent and fishing offences by 5%. Demand for hunting permits reached a record level, and there were also a lot of customers in areas that had previously been less popular. Permit quota planning successfully steered hunting pressure to areas with strong game populations. Sustainable planning of hunting was successful

with an updated system. The number of catch bag reports submitted by small game hunting permit holders increased significantly from the previous year due to successful development measures, and it was possible to put more effort into managing game and fish habitats. During the year, projects were launched to restore selected drainage basin habitats and restore spawning grounds in flowing waters. The use of plastic trap markers was discontinued and marker supervision now takes place electronically.

Weaknesses

Submission of fishing catch feedback was at a poor level. This was influenced by the usability of the Tuikki catch feedback system. The resources avail-

able for planning and dimensioning of fishing were insufficient in relation to the workload. Performance of public law fishing duties, which includes commercial fishing background work, takes up an increasing amount of working time because it requires in-depth stakeholder cooperation. Despite the increased number of hunting and fishing enthusiasts, the number of customer contacts remained at the previous level in wilderness supervision. Supervision resources have not increased, and more customers cannot be reached with the current resources. The use of the permit verification tool was challenging at times because some permit products did not allow reliable supervision (for example, some trap permits and commercial fishing permits). The COVID-19 pandemic and its restrictions on gatherings also

weakened cooperation between authorities related to wilderness supervision.

Conclusions

A more detailed analysis of the fishing duties entity is needed, and the fishing development plan will have to be updated so that it corresponds to the requirements of current tasks and also the existing resources. The insufficiency of overall resources for management of fishing in state-owned waters has been recognised. There is also a lot of room for development in the collection of fishing catch feedback. Cooperation in this area is being done with Natural Resources Institute Finland. The relative amount of wilderness supervision remains at the same level from year to year, which in practice is determined by the resources available for monitoring. The relative percentage of offences in relation to the total number of inspections also corresponds to the long-term average. Developing the permit products in the sales system would make the permit verification tool for game and fisheries wardens work more reliably in the future.

1.2.5 Versatile and customer-oriented wilderness services increase wellbeing and create the prerequisites for wilderness business

Indicator	Implementation 2017	Implementation 2018	Implementation 2019	Objective 2020	Implementation 2020	Netra 1–5 2020
Customer satisfaction among hunters and fishers, on a scale of 1–5	*	*	*	3,80	3,76	4
National fisheries management fee, number of individuals paying the annual fee	192 360	174 342	180 486	180 000	215 983	5

*A new indicator in the performance agreement that was not in use during 2017-2019.

Strengths

As a result of the COVID-19 pandemic, sales of wilderness permits grew considerably and the number of new customers was significant. Customer services and counselling were very successful despite the strong increase in demand. The feedback received was mostly good. The number of persons paying the fisheries management fee annual permit exceeded the target set for it. Marketing and sales of the fisheries management fee continued

actively with, among other things, the “intangible gift” idea. The higher number of customers also significantly increased the impact of the wilderness industry in regional economies. During the year, the Eräluvat application was released, which facilitated and accelerated the purchase of fishing permits. The number of people using the application increased rapidly. A renewal of the Eräluvat system was launched that will determine the future directions of Parks & Wildlife Finland’s sales, reservation and

payment system. The renewal will also improve and enhance operating methods, usability and work productivity in a customer-oriented manner.

Weaknesses

The outsourcing of services means that partner companies are increasingly responsible for customer counselling and sales of permit products, and these partner companies do not always have sufficient knowledge of the products being sold. The fisher

population continues to age, and this reduces the number of persons who are required to pay the fisheries management fee. There is no permanent tool for monitoring customer satisfaction at this time. Development of the existing sales system has proved challenging when trying to develop functions in a manner that serves rapidly increasing customer numbers. The problem in terms of developing wilderness tourism is the current legislation and initiatives to improve it have already been proposed.

Conclusions

As demand grows and services are outsourced, it is necessary to specify the right channels to serve customers and also create the preconditions for companies to be part of Metsähallitus’ sales channels. The higher number of fishing and

hunting permit customers enhanced wellbeing in the regions and also for people. In some parts of the country, wilderness tourism companies also had more customers, and they were able to utilise the opportunities for wilderness activities offered by state-owned land and waters. Marketing and

communication related to the fisheries management fee must continue actively in order to keep new customers engaged in the activity. There is also a need to initiate continuous monitoring of customer satisfaction. In the future, good and professional customer service must also be ensured through

adequate resourcing and training and up-to-date, functional systems. The Eräluvat system renewal will ensure smooth customer service.

1.2.6 Refreshing oneself in nature promotes wellbeing and the appreciation of nature, which is supported by means of active communication

Indicator	Implementation 2017	Implementation 2018	Implementation 2019	Objective 2020	Implementation 2020	Netra 1–5 2020
Total number of visits: National parks and other visitor sites	8 024 770	8 041 019	8 180 000	8 300 000	9 179 000	5
Local economic impact of visitor spending, EUR million	258	290	305	314	*	*
Customer satisfaction among users of visitor centres and off-road services, on a scale of 1–5	4,3	4,4	4,4	4,4	4,4	4

*Due to the COVID-19 pandemic, accurate region-specific estimates could not be made in 2020. However, since there was a large increase in the number of visitors, it is likely that the target for local economy impacts in 2020 was also achieved and probably exceeded on the national level.

Strengths

Refreshing oneself in nature and domestic tourism grew strongly, resulting in an overall increase of 12.2 per cent in the total number of visitors over the previous year, the health and wellbeing impacts of nature were further emphasised. Investments

in service development were made at the right time. Maintenance was also able to respond to the increased number of visits, even though the load was exceptional. Services provided by entrepreneurs around the sites were in good condition. The companies reacted quickly and flexibly to changing demand, which contributed to strong growth in domestic tourism. Communication about outdoor etiquette began successfully at the same time as large numbers of new visitors began arriving at the nature sites. The sustainability and responsibility of hiking was very visible in the media and social media. Significant changes were made to the Nationalparks.fi online service, and the number of individual users rose by 49 per cent for the year, to a total of 3.2 million. The Excursionmap.fi service was also renewed and a 44 per cent increase in visits was achieved. The number of users was more than 1.3 million, or almost one third more than in the previous year. The effectiveness of nature conser-

vation communications was improved, both in the media and in social media.

Weaknesses

It was not possible to fully respond to the negative impacts caused by new groups of visitors and increased use, which included unauthorised campfires and behaviour that disturbed other visitors. In some areas, the limits of carrying capacity were reached and this was evident in the form of congestion. In some places, the large increase in demand also occurred at sites where services were designed for a smaller number of visitors. These areas were not completely able to produce off-road services that corresponded to demand. The sudden changes in demand and the restrictions made necessary by the COVID-19 pandemic were a burden on the personnel. The COVID-19 pandemic restrictions had a negative impact on the business opportunities of rental companies operating at visitor centres. The centres had to be completely closed and operations

were restricted, which decreased the impact of guidance and environmental education. The COVID-19 pandemic meant that visitor surveys could only be safely carried out in two areas. Due to the exceptional situation caused by the pandemic, changes in visitor profiles were so large that the research results from previous years do not provide a reliable assessment of the local economic impacts of visitors' spending by region. Visitor surveys that provide information on money use could not be carried out. For the above reasons, the outcome value could not be calculated for the indicator.

Conclusions

The growth trend in demand was stronger than anticipated. The increase in the number of first-time visitors requires a greater amount of hiking information both at customer service points and online. Online services should be developed continuously and in a customer-oriented manner. Face-to-face customer counselling is still necessary and effective,

even though customer information and communication are increasingly moving to digital channels. Changes in demand volume, regional distribution and visitor profiles require the development of services both in Metsähallitus and partner companies. As the COVID-19 pandemic continues, the services offered by tourism cooperation entrepreneurs will focus more on domestic customers. Close cooperation with the tourism sector is important to avoid "surprises" and to develop cooperation in the right direction. Over the longer term, customer satisfaction has increased. Regional demand is also focused in a new way on sites that were previously less popular. This increases the need for new customer satisfaction monitoring methods, such as a terrain feedback system. Greater and more diversified use has increased the need for Metsähallitus visibility in the areas. Communicating about nature conservation work is even more important in electronic distribution channels.

1.3 B Operative efficiency

1.3.1 The operations are customer-oriented and inclusive

Strengths

Identifying strategic key partners and creating a partnership programme for them marked the start of a conscious change journey towards a customer-oriented operating culture. Forms of cooperation were also developed with business partners. A national discussion event was organised for representatives of owners, partners and stakeholders regarding how National Parks Finland should develop its work in a way that benefits nature conservation, nature tourism and recreational use of nature. Despite the COVID-19 pandemic, some new openings were made with local decision-makers and municipalities in National Parks Finland areas. For example, a regional Metsäpeuranmaa advisory council was established in cooperation with the region of Central Ostrobothnia and its municipalities. Annual stakeholder meetings on fishing, wilderness supervision and communications

were organised. In addition, we participated in the drafting of management and use plans for fisheries areas and attended nearly all fisheries areas meetings where Metsähallitus has the right to vote (90/118). The Angling Day event was postponed from summer to autumn due to the COVID-19 pandemic, and the event was a success despite the exceptional arrangements. Customer feedback was utilised in the continuous development of operations. We were well able to respond well to the increase in customer contacts and the need for counselling. Customer feedback collected at visitor centres, visitor feedback collected in the terrain and annual feedback from partner companies were used in operational development, service design and planning processes. There was a very strong and sudden increase in demand in certain places. The response to this was quick by means of communications and stakeholder cooperation. For example,

in the Helsinki region a communication campaign regarding 100 quieter nature sites was conceptualised in cooperation with other service providers. The possibility to provide on-site and up-to-date terrain feedback was built into the Excursionmap.fi application. A new type of visitor profiling based on the hiking community and interviews aimed at supporting service design was implemented in the Helsinki region.

Weaknesses

The COVID-19 pandemic had a negative impact on partner cooperation, both quantitatively and qualitatively, as some stakeholder events had to be cancelled. The pandemic also made it impossible to carry out standardised visitor surveys according to plan. Although changes in visitor profiles were monitored in other ways, for example, the change related to spending could not be sufficiently verified.

Conclusions

The challenges caused by the COVID-19 pandemic have in part been handled via flexibility, hard work and persistence. National Parks Finland and Wildlife Service Finland are very attractive partners for which there is increasingly high demand. Active cooperation will continue as permitted by the COVID-19 pandemic situation, and strategically important new partnerships will also be created where possible. A good on-site feedback system is needed to support interaction with customers and partners. Development of this system has begun and the digital customer experience project scheduled for completion in early 2021 will provide reference points for further development work. Participatory planning and cooperation tools work well in tourism-oriented areas. Good experiences of cooperation and participation have also been obtained in cities and towns.

1.3.2 Digital solutions improve work productivity, quality and customer service

Strengths

Development work prioritised the continuous development of operating processes and solutions, reducing technical backlog and ensuring support for customer service, which included version updates in Excursionmap.fi, Nationalparks.fi and the Uljas system entity, thus enabling smooth continuity of operations and a strong increase in user numbers in the current services. The productivity and quality of

work were developed by improving the usability of the Uljas entity, introducing new features in different services, and developing data reception and transfer. A data transfer process involving species data was carried out to the Finnish Biodiversity Information Centre, features related to establishing protected areas and compiling management and use plans were improved, and Natura 2000 data templates were developed. In terms of species (LajiGIS) and

built property (PAVE), new development areas included the implementation of a mobile application for collecting topographic data. The ASTA 3.0 project was also launched to update National Parks Finland's customer data collection, analysis and reporting. Conceptualisation and development work related to the digital customer experience at National Parks Finland began and the foundation for increasing data capability was created. The

Eräluvut application that was released has facilitated and accelerated the purchase of fishing permits, especially with regard to fisheries management fees. A renewal of the Eräluvut system was launched that will determine the future directions for the sales, reservation and payment system of National Parks Finland and Wildlife Service Finland. The renewal will also improve and enhance operating methods, usability and work productivity in a customer-ori-

ented manner. The reorganisation of digital development at National Parks Finland, introduction of a common operating model and the strengthening of competence will provide the foundation for developing future digital and data solutions.

Weaknesses

A lot of basic work is needed in the digital and data area, and this is the prerequisite for developing services and content in accordance with the digital agenda. The fragmented nature of the digital customer experience, lack of customer understanding and the structure as well as the scattered nature and quality of data are slowing knowledge-based management, real-time decision-making and the development of interactive and dynamic services based on smart data. Development of the existing sales system has proved challenging when trying to develop functions in a manner that serves rapidly increasing customer numbers. The role of Metsähallitus' geographic information systems has

grown in terms of responsibility for the joint services of the nature conservation administration, but the Uljas system entity is simultaneously reaching the end of its life cycle. There will be no further product development and support will end in about five years, the technology architecture does not meet today's requirements, and the current implementation solution does not provide the opportunity to make the necessary improvements in usability.

Conclusions

The prepared digital agenda work provides guidelines for development and the required capabilities. In order to succeed, competence and understanding are needed at all levels. Success in the tasks requires

sufficient resources, operational development and a change in the current operating culture. Parks & Wildlife Finland's statutory tasks must be taken into account when planning, implementing and prioritising development work. In terms of digital and data development, cooperation between National Parks Finland and Wildlife Service Finland will be further improved and efforts made to find more joint development targets. Along with new development, it is important to ensure that the amount of technical backlog does not increase any further. At best, digital services will reduce the workload and allow the use of automation in certain service solutions.

1.3.3 Steering and management processes for planning will be clarified

Strengths

The 2021 performance agreement, which was based on the agreement's target map, was finalised and it provided the basis for implementing preparation of the 2021 action plans. This ensures that implementation of the 2021 action plans will have an optimal focus on the most important actions in terms of the performance agreement objectives. Indicator development work also continued. The new indicators were added to the 2021 performance agreement, and the construction of information system-based (Power BI) situational reports was initiated in order to monitor those indicators. Real-time situational reports will enable better knowledge-based management in the future. In addition, solutions to support implementation of the performance agreement objectives were promoted in National Parks

Finland. In addition to anticipation, quick response and solution-oriented actions were needed in the support measures. The key actions were:

1. Introducing principles for the use of temporary agency labour, which provided flexibility with regard to handling tasks
2. The work management burden in nature conservation tasks was relieved by adding a temporary supervisory level.
3. Procurement was developed in two different phases. At the beginning of the year, procurements exceeding the threshold value were transferred to Group business units for competitive tendering. The procurement roles in National Parks Finland were described at the same time. During the second phase, procurements were compiled into a

separate unit within National Parks Finland, and the entity was strengthened as part of Metsähallitus' co-determination procedure.

4. Preparations for future digitalisation challenges were made by combining information management functions, which were previously in different parts of National Parks Finland, into a separate unit.

Weaknesses

In addition to operational and financial change, adopting a new operating method in the organisation was a challenge. The small amount of planning stock also slowed the implementation capacity.

Conclusions

Despite the COVID-19 pandemic, we were able to progress at an increasing pace with regard to

implementing the targets and carry out significant changes in the way we operate. We simultaneously gained valuable experience as the basis for developing activities. Planning, steering and management were performed using updated tools. The process was labour-intensive and took time, but things got done. The planning process identified themes and objectives that link National Parks Finland and Wildlife Service Finland. The situational reports represent a certain type of end point for the development of operational planning and knowledge-based management that was carried out in 2019-2020. For example, the situational reports utilise up-to-date information on geographic information systems, which makes real-time monitoring of operations possible all the way to the ministries responsible for steering performance..

1.4 C Resources

1.4.1 Activities will be adapted to the budget framework, the use of outsourcing will increased and EU funding will be actively utilised

Strengths

Personnel plans were updated as part of operational planning. The objective of the plans is to manage the dimensioning of personnel in relation to the amount of basic funding in the short and long term. The strength of this approach is its focus on sustainable activities. The Our Saimaa Seal LIFE project led by Metsähallitus was a new EU-funded project. During the LIFE funding application round 2020, the organisation was responsible for preparing two applications and participated in seven applications as a partner..

Weaknesses

The weakness of a dimensioning personnel plan is that this method does not address qualitative factors in the long term. Competence development tools are being prepared in Metsähallitus Group as a whole, and this work continues. There were plans to participate in a study of the possibilities to use new innovative funding methods to finance nature conservation as part of projects launched by the Ministry of the Environment. However, the projects did not begin in 2020 and the establishment of a foundation presented in an internal report did not progress in accordance with the wishes of the Ministry of the Environment.

Conclusions

Both a dimensioning and a qualitative plan and the related tools are required for short-term and long-term personnel planning. In long-term planning, it is also necessary to ensure that the share of fixed costs does not increase if the financial situation changes in the future. A study on the possibilities of establishing a foundation should be promoted in the upcoming years, because private parties have shown a lot of interest in funding the management of protected areas. The short-listed LIFE applications would be an excellent addition, for example, to implementation of the Helmi programme if they receive funding. The preparation and implementation of large LIFE projects will be extremely challenging in future years as, for example, implementation of the Helmi programme competes for the same personnel resources. This is the reason why no LIFE preparation led by National Parks Finland will be launched in 2021. Instead, investments will be focused on finalising and possibly launching applications for projects that were short-listed in the 2020 application period.

1.4.1.1 Financial efficiency

The three-year transfer appropriation granted to Parks & Wildlife Finland through steering ministries, article 35.10.52 of the Ministry of the Environment and article 30.64.50 of the Ministry of Agriculture and Forestry, from the State budget based on the

strategic performance agreement and its annual annex, totalled EUR 85.6 million (EUR 42.9 million in 2019).

A total of EUR 57.7 million (EUR 40.3 million in 2019) of the operating expenses appropriation from the Ministry of the Environment and the Ministry of Agriculture and Forestry was used during the operating year. According to the matching principle, the appropriation covered 74 per cent of the total expenses of the operating year (64% in 2019). The

cumulative unused percentage of the transfer appropriations will be recorded in the balance sheet as advances received. A more detailed breakdown of items transferred to the following year is available in the calculation notes complementary to the profit and loss account in section 2.2.5. The achievement of objectives recorded in performance agreements requires that financing is also actively acquired from other financing channels.

Targets of the three-year transfer appropriation received from Ministry of the Environment article 35.10.52 in 2020

Ministry of the Environment Article 35.10.52, 1,000e	2020
Basic calculation	27 999
Restoration and management of nature reserve areas	500
Property formation and boundary marking in nature reserve areas	500
Reducing the renovation backlog in nature reserve areas	1 000
Increasing funding for nature conservation (Government Programme 2019 one-off)	19 200
Funding for nature conservation (Government Programme 2019)	7 500
Expansion and new permanent exhibition at Sámi Museum and Northern Lapland Nature Centre Siida	1 145
Change in pension payment structure	78
Parliament's margin of distribution	3 400
	61 322
Supplementary State budget IV Several targets	10 000
Supplementary State budget VII Adjustments in pay	140
ME art. 35.10.52 total in 2019	71 462

Targets of the three-year transfer appropriation received from Ministry of the Environment article 30.64.50 in 2020

Ministry of Agriculture and Forestry Article 30.64.50, EUR 1,000	2020
Basic calculation	5 731
Increasing funding for nature conservation (Government Programme 2019 one-off)	1 000
Management system for land and water asset agreements (transfer from article 30.01.23)	535
Change in pension payment structure	16
Parliament's margin of distribution	310
	7 592
Seed management in northern Finland, seed collection	1 100
Supplementary State budget IV Measures to support nature tourism	3 100
Supplementary State budget VII Several targets	2 426
MAF art. 30.64.50 total in 2020	14 218

The tables indicating the total costs in the separate accounting of the Metsähallitus Parks & Wildlife Finland unit are based on the use of funds, including the increases and decreases of non-current assets without depreciations and transfers of possession and without the changes in stock for current assets. The entry practice was altered in part at the beginning of 2020 in conjunction with a change of accounting system. The figures for the reference year 2019 have not been made comparable.

Total expenditure in 2020 was EUR 78.3 million (EUR 65.2 million in 2019).

The total use of funds grew by EUR 13.1 million or by 20 per cent compared to the previous year. The costs in total use of funds increase as the financing obtained in return for them rises. Total use of funds grew strongly by EUR 16.2 million in activities of the administrative branch of the Ministry of the Environment. This represented an increase of 42 per cent.

The largest increase by expense type was a total of EUR 6.1 million in materials and supplies and in rent and other expenses for premises as well as EUR 3.2 million in investments. During the operating year, investments totalling EUR 6.3 million were made in buildings, structures, bridges, piers in nature tourism use, road projects and information systems, which was mainly covered by appropriations from the administrative branch of the Ministry of the Environment.

The percentage of expenses covered by project financing was 13 per cent of total expenses, thus remaining at the 2019 level. Measured in euros, project financing expenses were EUR 10.0 million (EUR 9.6 million in 2019) The project financing is largely based on international partnerships, county-level partnerships and local partnerships. The projects integrate in their Parks & Wildlife Finland operating environment, and they also have a

significant effect on job creation and the activation of local economies.

During the operating year, person-years were 526, while there were 506 corresponding person-years in

2019 (see Section 1.4.2.1, Development of the number of employees, and 2.2.7, Notes).

The use of appropriations is addressed in more detail in sections 2.1.1.1 and 2.1.1.2.

Total expenditure of Parks & Wildlife Finland operations distributed by financial resource 2019-2020

Total expenditure by financial resource, EUR 1,000	2020 Total	2019 Total	Change eur	Change %
Expenses for paid activities	10 011	13 127	-3 115	-24 %
MAF art. 30.64.50	8 003	7 741	262	3 %
ME art. 35.10.52	49 761	33 518	16 243	48 %
ME, protection of maritime areas art. 35.10.22	484	841	-358	-43 %
ME, acquisition of nature reserves art. 35.10.63	90	355	-264	-75 %
EU funding	5 866	5 539	327	6 %
MJ, day-release work	1 307	986	321	33 %
MEAE, employment, educational and specialised measures	235	355	-119	-34 %
Other external funding	2 616	2 752	-135	-5 %
Total	78 373	65 213	13 160	20 %
Expenses excl. Land acquisition investments	78 283	64 858	13 425	21 %

Expenditure of Parks & Wildlife Finland operations distributed by expenditure type 2019-2020

Total expenditure by expenditure type, EUR 1,000	2020 Total	2019 Total	Change eur	Change %
Materials and supplies	1 082	3 414	-2 332	-68 %
External services (production)	6 550	6 059	491	8 %
Pay expenditure	28 580	27 239	1 341	5 %
Travels and other staff expenses	2 915	3 173	-258	-8 %
ICT hardware and software expenses	2 621	2 371	250	11 %
Rent and other expenses for business premises	11 818	3 343	8 475	254 %
Vehicle expenditure and other machinery and equipment expenditure	3 207	2 288	919	40 %
Other purchase of services	2 186	1 804	382	21 %
Other marketing, administration and business expenses	13 087	12 203	884	7 %
Investments	6 256	2 988	3 268	109 %
Land acquisition investments	71	332	-261	-79 %
Total	78 373	65 213	13 160	20 %
Expenses excl. land acquisition investments	78 303	64 882	13 421	21 %

The table below describes the distribution of expenditure for the administrative branch of the steering ministries by type of expenditure. The

distribution has been drawn up by financial resource and by function, targeting the administrative branch of the ministry in question.

Expenditure of Parks & Wildlife Finland operations distributed by administrative branch 2019-2020

Total expenditure by administrative branch 2020, EUR 1,000	ME	MAF	Total
Raw materials and services	5 619	2 014	7 633
Staff expenses	22 632	6 031	28 663
Other operating costs	29 141	6 611	35 752
Investments	5 916	410	6 326
Total	63 307	15 067	78 374

The following table presents the distribution of financing based on the performance agreement and its annex, as well as their sources of financing, by task and financial resource. Expenses for National Parks Finland, such as those for administration services, communications, development and information management, have been included in the joint expenses. The reference years have not

been made comparable. The significant increase in joint expenses is mainly due to an internal organisational change in National Parks Finland in 2020 and the resulting change in the entry method, in which expenditure previously allocated to different tasks has been compiled as part of joint expenses, for example, information management. Financing and operating expenses for the entire Wildlife

Service Finland business unit are covered by game and fisheries affairs. The Other financial resources for Wildlife Service Finland mainly include revenue from paid activities totalling EUR 6.4 million (EUR 5.8 million in 2019). In National Parks Finland's Other financial resources, revenue

from paid activities accounts for 45 per cent or EUR 6.1 million (41% and EUR 6.6 million in 2019). Other financial resources mainly consist of expenditures related to EU project financing received from different sources.

Parks & Wildlife Finland's total expenses in 2019-2020 by task and financial resource

Financial resources and tasks EUR 1,000	2020 MAF art. 30.64.50	2019 MAF art. 30.64.50	2019 ME art. 35.10.52	Other financial resources 2020	Other financial resources 2019	Expenses in total 2020	Expenses in total 2019	Change eur	Change %
Joint expenses	606	454	2 634	284	997	6 767	4 086	2 681	66 %
Nature and cultural heritage conservation	0	106	8 001	4 562	5 192	18 274	13 299	4 975	37 %
Nature tourism and recreational use	4 010	4 671	19 856	8 415	9 477	38 742	34 004	4 738	14 %
Area management	108	202	3 021	297	451	4 213	3 674	539	15 %
Game and fisheries affairs	2 111	1 983	6	7 063	7 836	9 208	9 825	-617	-6 %
Seed management	1 169	325	0	0	0	1 169	325	844	259 %
Expenses in total 2020	8 003	7 741	33 518	20 622	23 954	78 374	65 213	13 161	20 %
Expenses in total 2019	7 741			23 954		65 213			
Change EUR	262			-3 332		13 161			
Change %	3 %			-14 %		20 %			

The table below contains calculations on the cumulative use of Parks & Wildlife Finland's three-year

transfer appropriation (article 30.64.50) from the Ministry of Agriculture and Forestry.

Parks and Wildlife Finland's use of the Ministry of Agriculture and Forestry appropriation (article 30.64.50) by task 2020

Use of MAF appropriation (art. 30.64.50) by task EUR 1,000	Appropriation 2020	Authorisation 2020	SSB IV + SSB VII 2020	Transferred from 2019	Gross income 2020	Available in 2020	Forecast 2020	Gross expenses 2020	Transferred to 2021
1. Joint expenses							696	606	
2. State hiking areas, wilderness areas, recreational forests, recreational areas, other trail network					1		4 608	4 117	
3. Game and fisheries supervision					3		1 773	1 751	
4. Hunting projects							27	30	
5. Fishery projects							1	3	
6. Iijoki river log floating obligation and management of fishing waters in Northern Lapland							316	327	
7. Seed management in northern Finland		992			770		1 201	1 169	
Total	7 592	992	5 526	266	774	15 150	8 622	8 003	7 147

1.4.1.2 Productivity

The ownership policy guidelines for Metsähallitus approved by the Government on 28 April 2020 include an objective for Parks & Wildlife Finland to develop measurement of the productivity and impact of its activities.

The development targets for total productivity have been included in the performance agreement. On the whole, the performance agreement and the annual performance guidance indirectly set objectives promoting cost-effectiveness, which outlines impact objectives, objectives for deliverables and for quality, and specifies the resources that must be used to achieve the objectives are determined (National Audit Office of Finland 1/2018)

Productivity is assessed by means of the total productivity contribution and output method developed by Statistics Finland. In the method, the productivity is calculated with an output and cost index using the two-year calculation model. A ratio of 100 indicates that the contributions, outputs and productivity are on the same level as in the previous year.

The output index is calculated using the number of deliverables and changes in cost shares. The

deliverables used in operational productivity, which means the productivity of work, are grouped by core process and the deliverables are clarified within the groups. Function-specific cost shares are calculated using internal expense calculation.

In cost index calculation, the costs are divided into pay, depreciation and other expenses. The expenses for the operating year were not deflated due to the absence of the expenditure index published by Statistics Finland on its date of publication 11 February 2021.

The National Audit Office of Finland carried out a review on Metsähallitus' operations in the management of state-owned land and water assets 1/2018, (www.vtv.fi/files/5982/1_2018_Metsahallituksen_toiminta_valtion_maa-ja_vesiomaisuuden_hallinnassa.pdf pages 9, 41-44). Based on the review, Metsähallitus' Parks & Wildlife Finland has good prerequisites for the cost-effective management of public administration services. An attempt has been made to promote the cost-effectiveness of public administration services in many ways. One of the objectives increasing productivity has also included the application of project financing to supplement budget financing. The external financing volumes, which vary each year, will affect the objectives,

deliverables and resources. Cost-effectiveness is managed, and its development is monitored. In its report, the National Audit Office of Finland states that conclusions on the development of cost-effectiveness cannot be made by assessing the total productivity index, since the operating years differ significantly from one another in the field of public administration services. The cost-effectiveness of quantitative deliverables is also dependent on external factors. In this case, cost-effectiveness changes without changes to contributions. In this case, attention should be paid to the impact of the operations.

In 2021, actions to develop the measurement of productivity and impact in accordance with the ownership policy guidelines will continue as part of the broader indicator development work carried out with the Ministry of the Environment and the

Ministry of Agriculture and Forestry. Observations made in the National Audit Office of Finland's report (2017) will be taken into account in the development work.

The value of total productivity in the two-year comparison was well over 100, with an index figure of 113. Productivity increased in all areas of the calculation model. Calculation model outputs grew by 17 per cent. The labour input required to produce the outputs increased by nearly 5 per cent. The outputs increased more than the labour input needed to produce them, resulting in an 11 per cent increase in labour productivity. At the same time, the total input, which means the expenses needed to produce the outputs, increased by only 3 per cent. Total productivity in the two-year comparison calculation model, which means the ratio between output and total input, improved by 13 per cent.

Parks & Wildlife Finland's output and contribution outcome indices, work productivity and undeflated total productivity 2019-2020 and corresponding outcomes for 2018-2019 and 2017-2018

Index, undeflated	2019-2020	2018-2019	2017-2018
Output, realised deliverables	117,03	78,53	104,54
Labour input, effective person-years	104,95	96,43	98,69
Total input, profit and loss account expenses	103,30	100,80	105,02
Labour productivity, output/work input	111,51	81,44	105,93
Total productivity, output/total input	113,29	77,91	99,55

Deliverables describing productivity in the Parks & Wildlife Finland total productivity calculations 2019–2020**Final deliverables used for the calculation of the productivity index 2020**

Final deliverables by process	Indicator
AREA MANAGEMENT	
Management and use plan in Natura areas	Number of Natura areas with a completed management and use plan (MUP)
Establishment of nature reserves	Number of completed conservation properties
Exerting an influence on land use	Number of statements (no neighbour consultations included)
Paid rights of use	Number of new/updated contracts in the VuokraGis application
Off-road traffic permits	Number of track permits and track-external permits
Number of NATA assessments	Number of Natura areas with a completed NATA assessment
NATURE CONSERVATION	
Habitat inventories, hectares	Inventoried hectares in land areas
Rewilding and management, hectare	Rewilded and managed hectares
Species occurrence checks	Number of inspected occurrences
Maintenance books for strategic cultural and historic real property asset sites	Number of completed maintenance books
RECREATIONAL USE OF NATURE	
Guidance free of charge	Number of visits to visitor centres and other customer service points
Maintenance of service structures and facilities	Number of buildings and structures administered by Parks & Wildlife Finland in the PAVE information system. The figure of the latter year will be extracted directly from the application. The number of sites constructed during the year and the number of sites transferred to Parks & Wildlife Finland for management will be deducted from the figure.
Paid guidance (number of individuals using guidance services)	Number of individuals using guidance services
Paid rental of business premises	Rental income for business premises, EUR 1,000
GAME AND FISHERIES AFFAIRS	
Game and fisheries supervision	Number of customer contacts
Fisheries management fee	Fisheries management fees: number of annual fishing permit holders
Hunting and fishing (number of fishing permits)	Number of fishing permits
OTHER DUTIES	
Seed management in Northern Finland (kilograms sold)	Kilograms of seeds sold

Deliverables outcome for Parks & Wildlife Finland's total productivity calculation and the related percentage of costs as a share of total expenditures 2019–2020

Final deliverables 2018–2019	Outcome Amount 2019	Percentage of all expenditures 2019	Outcome Amount 2020	Percentage of all expenditures 2020
Management and use plan in Natura areas	2	0,8	1	0,8
Establishment of nature reserves	0	1,1	130	1,2
Exerting an influence on land use	179	2,4	220	2,2
Number of NATA assessments	52	0,6	110	1,1
Habitat inventories in land areas, hectares	24 339	3,4	44 210	7,0
Rewilding and management, hectare	6 341	10,2	9 637	10,7
Species occurrence checks	6 046	7,6	5 942	7,0
Maintenance books for strategic cultural and historic real property asset sites	14	0,9	29	1,7
Guidance free of charge	1 152 100	17,3	890 000	24,7
Maintenance of service structures and facilities	35 075	33,2	35 273	28,2
Off-road traffic permits	6 721	0,5	12 836	0,4
National fisheries management fee (number of individuals paying for the annual permit)	180 486	0,8	215 983	0,5
Game and fisheries supervision	9 861	3,9	9 559	3,3
Paid activities, the indicator is sales income unless otherwise reported				
Paid rights of use	408	0,8	691	0,5
Paid guidance (number of individuals using guidance services)	46 490	4,8	7 529	0,1
Paid rental of business premises	1 700	0,0	1 602	0,0
Hunting and fishing (number of fishing permits)	94 121	11,3	117 687	9,2
Seed management (kilograms sold)	1 614	0,5	1 365	1,5
Output index 2019–2020				117,03

1.4.1.3 Profitability

The profitability of the paid activities for the Parks & Wildlife Finland and the outcome of cost relatedness 2020

Paid activities	2020 outcome
Public law deliverables	
Cost relatedness of the public law deliverables under the MAF fees regulation 888/2017 (%)	71 %
Cost relatedness of the public law deliverables under the ME fees regulation 1029/2017 (%)	28 %
Business operations deliverables	
Cost relatedness of the deliverables priced based on business operations under the MAF fees regulation 888/2017 (%)	124 %
Cost relatedness of the deliverables priced based on business operations under the ME fees regulation 1029/2017 (%)	164 %
Deliverables based on individual legislation	
Cost relatedness of the deliverables based on individual MAF legislation (%)	108 %
Cost relatedness of the deliverables based on individual ME legislation %	88 %

The entry practice was altered in part at the beginning of 2020 in conjunction with a change of accounting system. The figures for the reference year 2019 have not been made comparable.

The cost relatedness of the paid activities in Parks & Wildlife Finland, based on internal financing, will be calculated using the State Treasury regulation VK/54895/00.00.01.06.00/2020 issued on 17 December 2020. The total cost relatedness for all deliverables of the 2020 paid activities was 102 per cent. Total turnover for the operating year decreased by EUR 0.7 million (5%). The decrease in turnover was partly due to reductions in rent of EUR 0.4 million granted due to the COVID-19 pandemic and the closure of visitor centres and reservable and rental huts. The largest single cost item is personnel

expenses of EUR 3.9 million, which is equivalent to 32%.

The pricing of the paid deliverables for Parks & Wildlife Finland is provided for in the Act on Criteria for Charges Payable to the State and in acts specifically provided for Metsähallitus, the Ministry of the Environment decree on payments for certain public administration services (1029/2017) and the Ministry of Agriculture and Forestry decree on payments for certain Metsähallitus public administration services (888/2017). According to the provisions in these decrees, the pricing of the deliverables is distributed into deliverables with a pricing according to absorption cost, with pricing lower than the absorption cost, public law deliverables free of charge, deliverables priced based on business operations and other

paid deliverables. The revenue and cost information is based on business accounting. In accordance with the matching principle, the cost relatedness calculations were compiled in a manner that targeted the actual working hours in use. The working hours distribution was also used in the allocation of depreciations, interests and social expenses.

The cost relatedness of Ministry of Agriculture and Forestry public law deliverables was EUR -1.6 million in 2020. Turnover for public law deliverables increased by EUR 0.4 million. The growth in turnover came from higher sales of hunting permits (13%). Trap fishing remained at the same level as in the previous year. The largest part of the costs involved the purchase of services and personnel costs, which accounted for 73 per cent of all costs. The cost relatedness of public law deliverables in the field of the Ministry of the Environment was 28 per cent in 2020. Turnover increased by EUR 0.04 million, or 21 per cent.

The cost relatedness of deliverables based on business operations in the Ministry of Agriculture and Forestry was 124 per cent, or EUR 0.5 million, in 2020 prior to the price subsidy received for the Northern Finland cone collection. In accordance with authorisation granted by Parliament, State budget funding of EUR 0.9 million was obtained from Ministry of Agriculture and Forestry article 30.64.50 to cover the costs of the northern Finland seed management cone collection. Turnover for deliverables based on business operations increased by EUR 0.1 million, or 5 per cent. The popularity of angling and active forms of fishing continued to grow. Turnover

for fishing permits increased by EUR 0.2 million and sales of seeds fell by EUR 0.09 million, while turnover for other deliverables remained at nearly the same level. Annual variation in the sales of seeds is normal. The largest part of the costs consisted of rents and personnel expenses totalling EUR 1.6 million, which represented 68% of all the costs of the Ministry of Agriculture and Forestry's deliverables based on business operations.

The cost relatedness of deliverables based on business operations in the Ministry of the Environment was 164 per cent, or EUR 1.9 million. Turnover decreased by EUR 1.2 million, which was mostly due to the direct or indirect effects of the COVID-19 pandemic. The visitor centres as well as the rental huts were closed for part of the year, which caused a decline in sales. Rents were reduced for long-term tenants. More people were active in nature, but customer behaviour was different than in previous years and turnover did not grow despite the larger number of visits. The ongoing large LIFE project focusing on restoration of mires enables the restoration of many large wooded mires. This requires the removal of trees in order to achieve an end result corresponding to the natural state. However, timber sales in 2020 were EUR 0.2 million lower than in the previous year. The largest part of the costs consisted of depreciation and personnel expenses totalling 67%, or EUR 2.0 million. The turnover for the paid deliverables of Parks & Wildlife Finland are presented by business unit in section 2.2.5, and the principles of cost calculations and cost relatedness calculations are presented numerically in section 2.2.10.

1.4.2 The personnel's motivation and competence development will be ensured and the quality of supervisory work improved

Strengths

Based on the 2019 personnel survey, three development targets were set for National Parks Finland as a whole: Making the performance agreement tangible in practice, clarifying management roles, as well as information management leadership and increasing organisational certainty. Stronger reconciliation of the performance agreement and operational planning clarified the role and objectives of the performance agreement for the entire personnel. At the same time, this interactive process increased cooperation internally and with the steering ministries. The management group of National Parks Finland focused on ensuing wellbeing at work and coping in cooperation with Terveystalo. Within the limits of the COVID-19 pandemic, team coaching sessions were organised in National Parks Finland areas. These focused on, for example, promoting wellbeing at work and coping at the workplace, clarifying the common operating method, demonstrating appreciation and improving community spirit. Tools for developing competence needs were tested as a pilot project. The information management renewal was carried out as planned and it is described in more detail in sections 1.3.2 and 1.3.3 above.

The unconditional strength of Wildlife Service Finland has been the good atmosphere and status of the work community, which is linked to the personnel's confidence in terms of receiving help and support from colleagues. Supervisory work has also been perceived as good and fair. Based on the

2019 personnel survey, three development targets were set for Wildlife Service Finland as a whole: Encouragement, competence development, and utilising the opportunities provided by digitalisation. These objectives were set in order to ensure success in demanding customer work. The number of customers is growing rapidly, and customer work is also becoming more demanding. The renewal of different service systems required training and competence development, and that work will continue.

The COVID-19 pandemic changed working methods and mutual interaction moved almost entirely to the electronic world. Due to the pandemic, the personnel did a lot of remote work that mainly resulted in positive experiences. The transition was successful and the personnel began organising, for example, virtual coffee breaks and informal meetings that also ensured the wellbeing of the work community. It was even possible to hold a virtual Christmas party. In addition, the personnel received induction into the LEAN management model, which aims at efficient and smooth work and promoting wellbeing at work.

Weaknesses

The specification of work and roles at National Parks Finland did not progress and it will continue under the leadership of the new Director of Parks & Wildlife Finland. In terms of competence development, the organisation waited for the competence

development process to start in the Group. The risks associated with the personnel's wellbeing and coping of the personnel are associated with the amount of work, sense of urgency and the resulting stress. In terms of Wildlife Service Finland, the rapidly growing customer interface and demanding needs for review related to the financial situation caused uncertainty, which was also reflected in the results of the personnel survey.

Conclusions

Competence development has become a key objective in Metsähallitus as a whole, and we will proceed according to a common timetable throughout the Group. Customer numbers and demand for services also increased strongly. However, the personnel managed well this year and the impact of activities increased significantly. Based on the clear benefits achieved with the LEAN operating model, construction of a culture of continuous improvement will continue in the future.

Development of key figures for personnel 2017–2020	2017	2018	2019	2020
Person-years (Absences have not been deducted)				
Permanent	395	386	379	360
Fixed-term	135	136	127	166
Total	530	522	506	526
Number of employees on 31 Dec				
Permanent	398	389	388	381
Fixed-term	103	111	167	213
Total	501	500	555	594
Payroll without social security expenses, EUR million	20,9	23,5	22,2	23,3
Personnel mean age				
Permanent	49,0	49,7	50,5	50,1
Fixed-term	37,0	38,9	40,0	40,9
Turnover and average of permanent employees				
Employment relationships started	8	20	7	21
Employment relationships ended	22	20	13	23
Employees on average	403	392	391	381
Total turnover	-3,5	0	-1,2	-0,5

1.4.2.2 Wellbeing at work

Development of workspace wellbeing 2017–2020	2017	2018	2019	2020
Job satisfaction and development of human capital (personnel survey)				
Supervisory work (scale 1–5)	3,9	3,9	4,1	3,9
Development and invigoration of skills (scale 1–5)	3,7	3,7	3,6	3,7
Motivation (scale 1–5)	3,9	3,8	4,0	3,9
Absences due to accidents at work (working days per person-years)	0,1	0,5	0,4	0,4

1.4.3 The cost-effectiveness of the activities will be improved

Strengths

The Zonation software is a tool based to support decision-making that is based on ecological data and can be used to improve the cost-effectiveness of restoration and nature management. The cost-effectiveness of nature management and restoration in the Helmi programme has been improved by utilising the results of a Zonation analysis when targeting measures. This analysis prioritised Natura 2000 areas with regard to restoration and nature management potential as well as the irreplaceability of nature values. Structures in recreational and tourism use and the management of cultural heritage sites were the target of renewal and restoration measures in more than 100 areas in different parts of the country where the number of visitors and demand was highest. Health and wellbeing

impacts remained at a high level. The first overall national assessment of sustainability of use was produced based on the results of the LAC assessment of sustainability of use at the seven national parks and three other areas monitored in 2019.

The status of sustainability in the areas within the scope of monitoring is mainly good. Sustainability monitoring was expanded and carried out in 12 sites and launched in 11 new sites. Discretionary funding was used to launch a drainage basin project led by Wildlife Service Finland. Experts from Metsähallitus Forestry Ltd and National Parks Finland were also involved in implementation. Cooperation between different business units ensured a good start to the project in 10 different pilot areas throughout the country.

Weaknesses

Development of the indicator measuring the cost-effectiveness of restoration and nature management measures has proven more challenging than

1.4.2.3 Bonuses

All of Metsähallitus' employees are included in a profit-sharing system. The bonus criteria are linked to objectives set for the financial result and the quality and impacts of operations. The maximum bonus is 10 per cent of the total payroll. Achievement of the financial result set for Metsähallitus'

anticipated, and the indicator has not yet been completed. However, the problems have mainly been technical and related to extracting information from the geographic information system. Zonation analyses are always based on existing geographic information, which means that not all sites that require measures are included in the analysis due to inventory shortcomings. In addition, Zonation does not recognise sites where, for example, restoration of a mire is not possible due to waterlogging problems caused to neighbouring land owners. Monitoring the direct impacts of recreational use on biodiversity, species and habitats is challenging. In general, these are greatly influenced by other factors and the method is currently being developed in this respect. Visitor surveys are not always optimally sensitive for producing LAC indicators for sustainability of use, especially if the updating interval is more than five years. Selection of the pilot areas for the drainage basin project was quite challenging. There has previously been very little

business functions triggers payment of the bonus. The financial statements do not include a provision for bonuses, as the actual result did not achieve the performance target. The Metsähallitus Board of Directors decides on the payment of bonuses.

cooperation between different actors, which has made it necessary to coordinate the harmonisation of operating methods.

Conclusions

When targeting restoration and nature management measures, the best practical results are produced when a Zonation analysis is used in combination with an expert assessment and local knowledge. Expansion and development of sustainability of use monitoring (LAC) will continue in the spirit of continuous improvement. Utilisation of the terrain feedback system currently under development is a potential partial solution for monitoring sustainability. In order to improve the quality of geographic information related to service structures, internal training will continue to be organised for those responsible for the task area. Despite the challenges, the planning of drainage basin pilot sites has progressed well and their implementation continues.

2. FINANCIAL STATEMENTS

2.1 Financial Statement Analysis

2.1.1 Profit and Loss Account

The entry practice was altered in part at the beginning of 2020 in conjunction with a change of accounting system. The figures for the reference year 2019 have not been made comparable.

In addition to funding granted in the State budget, income obtained with project financing and other grants and donations accumulated by the Parks & Wildlife Finland unit are used for public administration services.

The 2020 separate accounting and the separate financial statements for the Parks & Wildlife Finland unit were made according to the Act on Metsähallitus (234/2016) and the Government Decree (1368/2016). The business accounting profit and loss account, balance sheets and the notes for Parks & Wildlife Finland, as well as the financial statement analysis describing them have primarily been compiled on an accrued basis according to the enterprise's financial statements model for the entire 2020 operating year. Depreciations and the change in the northern Finland seed management stock are not covered by the annual financing from the State budget. Instead, they have already been covered at the time of the acquisition by using the budget funding. The profit and loss account presents

the transfer of the financial period profits to Other equity as a separate item. This transfer is based on the provision in Section 5 of the decree 1368/2016. The objective of Parks & Wildlife Finland is not to produce profits. Instead, the value of the profits is measured by the social impact of the operations.

The surplus in the business accounting profit and loss account before transfers within the financial statements totalled EUR 1.0 million (deficit of EUR 1.6 million in 2019). The surplus was mainly due to a surplus of EUR 1.8 million in paid activities and EUR 0.9 million in corrections and profits from the sales of fixed assets. At the same time, depreciation totalled EUR 1.4 million and the change in the Northern Finland seed security stock was EUR 0.2 million.

The investments of EUR 5.9 million (EUR 2.3 million in 2019) made in buildings and structures in nature tourism use, road projects, machinery and equipment, and information systems during the financial period and covered by grants have been recorded as acquisition cost deductions (Accounting Board 2003/1701). The business accounting profit and loss account for Parks & Wildlife Finland presents the financing received from the State budget and the

other business observations profits as income on an accrued basis, so that they correspond to the expenses recorded for the financial period (excl. depreciations and change in stock, the profit or loss of paid activities), expense adjustments and the acquisition costs of fixed assets subject to partial wear and tear. With such presentation, the continuity of Other equity is identical to the enterprise's financial statements.

Income from paid activities, which means turnover, and other operating income totalled EUR 19.7 million, which was an increase of EUR 0.1 million (1%) in comparison to the previous year. Other operating income mainly consists of project funding from sources other than the State budget as well as insurance payments and profits from the sale of assets. The turnover for the financial period by business unit and other business operations profits are presented in the notes section 2.2.5, Complementary Notes to the Profit and Loss Account.

Funding from the State budget (EUR 55.8 million) entered in the business accounting profit and loss account has been broken down in section 2.2.5, Complementary Notes to the Profit and Loss account.

The business accounting costs for the 2020 financial period were EUR 74.0 million, representing an increase of EUR 9.9 million (16%) compared to the previous year. The growth in costs was caused by reducing the renovation backlog in accordance with the increased financing. In terms of individual items, the most significant cost increases occurred in service, maintenance and repair measures related to properties in nature tourism use, and in road projects. Total personnel costs were EUR 1.3 million higher than in the previous year, and person-years increased from 506 to 526. Other costs increased by EUR 10.5 million, which was partly due to a change in the entry method and an increase in, for example, the repair costs related to structures and routes that was implemented with future investment funding in accordance with the financing received.

The warehouse value of the northern Finland seed stock dropped by EUR 0.2 million, compared to the corresponding figure of EUR 0.1 million for the previous year. The change for 2020 included a deduction of non-vital seeds, a total of EUR 0.05 million. Seed production from the cone collection carried out in 2020 will be added to the warehouse value at the end of 2021.

2.1.1.1 Use of appropriations from the State budget

The financing for other operations from the State budget before acquisition cost deduction or correction was EUR 61.05 million, representing an increase of EUR 15.9 million (35%) in comparison to the previous year. The most significant increase in funding was in financing received from the administrative branch of the Ministry of the Environment. Financing for other operations from the State budget is described in section 2.2.5 Complementary Notes to the Profit and Loss Account.

The funding was spent on performing the duties agreed with the steering ministries in the performance agreement and on the expenses incurred by these duties. From the State budget, project financing and other complementary financing was received in addition to basic appropriations (articles 30.64.50 MAF and 35.10.52 ME).

The most significant separately targeted expenses agreed on with the Ministry of the Environment in the performance agreement, transferred to the 2019 appropriations

under article 35.10.52, were measures carried out with future investment financing, including EUR 11.5 million to improve the status of habitats, of which EUR 1.9 million were recorded as acquisition cost deductions. The most significant measures related to improving the status of habitats were restoration of mires (EUR 1.1 million), management of forest habitats (EUR 0.8 million), nature type inventories (EUR 1.1 million), and the conservation of species (EUR 0.6

million). The largest measures related to reducing the renovation backlog were carried out in Fell Lapland (EUR 1.1 million) and the coastal area (EUR 1.8 million). A total of EUR 0.7 million in future investment funding was invested in property formation.

The project financing and other complementary financing (EUR 0.9 million) from the administrative branch of the Ministry of the Environment was mainly targeted at conservation of marine environments (EUR 0.4 million), national funding for LIFE projects, and the MetZo III (ecological decision analyses to support social decision-making) project. In addition, the financing was used to promote international cooperation with for example, Estonia and Latvia.

The most significant separately targeted expenses agreed on under Ministry of Agriculture and Forestry steering in the performance agreement, transferred to the 2020 appropriations under article 35.10.52, were EUR 1.9 million, a large part of which (EUR 0.5 million) was spent on reducing the renovation backlog in, for example, in Eastern Finland, Perä-Pohjola, Fell Lapland, Northern Lapland and the Gulf of Bothnia.

The project financing and other complementary financing from the administrative branch of the Ministry was targeted at the costs incurred by the collection of fisheries management fees (EUR 0.6 million), the forest reindeer breeding purity project (EUR 0.1 million), renovation of drainage basins (EUR 0.1 million), and wilderness and fisheries projects (EUR 0.1 million).

The EUR 1.3 million of financing received from the Ministry of Justice main title was used to pay for expenses incurred by the labour input of prisoners from open penal institutions, especially in the Nuukio, Sipoonkorpi, Liesjärvi and Salamajärvi National Parks and in Evo Hiking Area.

Funding received from the administrative branch of the Ministry of Economic Affairs and Employment amounted to EUR 0.2 million. The financing mainly consisted of discretionary employment appropriations and was particularly targeted at Uusimaa, Kainuu, Koillismaa and Lapland.

2.1.1.2 Paid activities and other use of funding

Funding other than that received from the State budget consists of the internal financing of paid activities, project funding – mainly from the EU – and other complementary funding, including the sale of fixed assets.

The internal financing of paid activities is used to cover expenses incurred by deliverables for paid activities and, according to a decision made by the Parliament, other expenses related to the field of the Ministry of the Environment and the Ministry of Agriculture and Forestry within Parks & Wildlife Finland (Section 1.4.1.3 Profitability and 2.2.10 Cost relatedness calculations).

The internal financing received from the sale of seeds for seed management in northern Finland (EUR 0.77 million) will be spent not only on the expenses incurred by seed management but also to

manage other duties agreed on with the Ministry of Agriculture and Forestry. This has been taken into account in the extent of the article in question.

Turnover from the income for paid activities accumulated on the basis of the Act on Criteria for Charges Payable to the State (150/1992) and fees regulations specified for Metsähallitus in the field of the Ministry of Agriculture and Forestry and the field of the Ministry of the Environment totalled EUR 12.5 million. Turnover decreased by EUR 0.7 million (5%) in comparison to the previous year. Turnover in the field of the Ministry of the Environment decreased by EUR 1.2 million, mainly due to the COVID-19 pandemic, because visitor centres were closed and accommodation and other short-term rental activities were interrupted. Correspondingly, turnover in the field of the Ministry of Agriculture and Forestry increased by EUR 0.5 million. This growth mostly came from an increase in sales of public law hunting permits and fishing permits priced based on business operations.

As in earlier years, the majority of total turnover came from hunting and fishing permit income, long-term rentals and transfer of user rights related to areas, and wood sales. For a total of EUR 8.6 million. The change in the turnover and profitability have been analysed in section 1.4.1.3, which deals with income from paid activities and profitability.

Other operating income of EUR 7.1 million mainly accumulated from project financing from external funding sources (EUR 6.3 million), of which the largest single item was LIFE funding of EUR 2.5

million. External project funding before acquisition cost deduction or correction was EUR 7.0 million. Other operating income by funding source is presented in sections 1.4.1.1 Financial efficiency and 2.2.9 Financing external to the State budget.

The EUR 1.1 million received from the sale of non-certified fibre and energy wood in the conservation area rewilding sites was mostly spent on features self-financing for the EU Life projects.

2.1.2 Balance sheet

The entry practice was altered in part at the beginning of 2020 in conjunction with a change of accounting system. The figures for the reference year 2019 have not been made comparable.

The balance sheet total for Parks & Wildlife Finland is EUR 1,091,090,602.41, which is an increase of EUR 41.8 million (4%) in comparison to the previous year.

2.1.2.1 Assets

The investments made in unfinished buildings, other buildings and structures, machinery and equipment, road project and information systems during the financial period and covered by grants and the related depreciations (EUR 5.9 million in total) have been recorded as acquisition cost deductions or corrections. A more detailed specification of the balance sheet items and changes is presented in section 2.2.6 Complementary Notes to the Balance Sheet.

EUR 7.0 million of funding other than that received from the State budget was spent on the implementation of projects, including EUR 0.6 million as an acquisition cost deduction and correction. This funding mainly consists of funding received via the regional councils and ELY Centres and directly from the EU as well as municipal and corporate percentages for project self-financing. LIFE projects were the most significant in terms of sums and extent. The aim of the LIFE projects now in progress are

The value of non-current assets, which means tangible and intangible assets and other long-term investments, after acquisition cost deduction and correction increased by EUR 6.9 million, from EUR 1,030.4 million to EUR 1,037.4 million.

The value of intangible assets increased by EUR 0.03 million, mainly due to an entry of EUR 0.4 million as information system investments in progress made with income from paid activities, and was EUR 0.4 million at the end of the financial period.

The value of tangible assets increased by EUR 6.9 million and was EUR 1,024.0 million at the end of the financial period (EUR 1,017.1 million in 2019). The change in value was primarily caused by increases in land and water areas received through transfer of possession totalling EUR 8.1 million and a decrease of EUR 0.9 million occurring as sales as well as depreciations of EUR 1.4 million related to buildings and structures. An acquisition cost deduction of

to restore mires, forests and small bodies of water, restore traditional rural biotopes, manage the forest reindeer population, and broad-based cooperation to improve conservation of the flying squirrel and Saimaa ringed seal. Interreg projects are developing existing small boat harbours in coastal island national parks in Finland and nature reserve areas in Sweden, improving the protection situation for the Arctic fox, raising awareness of the marine nature in the Bothnian Bay as cooperation between Finland

EUR 4.9 million was made in the acquisition costs of tangible assets.

There were no changes in long-term investments during the financial period.

The value of inventories decreased by EUR 0.2 million as the value of the northern Finland seed stock fell to EUR 1.0 million. Seed production from the cone collection that began in 2020 will be added to the warehouse value at the end of 2021 after the production process has ended.

The value of current receivables decreased by EUR 0.5 million to EUR 5.9 million (EUR 6.4 million). The change was mainly due to a reduction of EUR 0.4 million in total project funding receivables from different EU funding programmes, which was recorded in prepayments and accrued income.

The value of cash in hand and at banks was EUR 46.6 million, representing an increase of EUR 35.6

and Sweden, increasing recognition of the Kvarken World Heritage site and the number of visitors while simultaneously improving opportunities for business activities. (Section 2.2.9 Financing external to the State budget).

over the previous year. The change was caused by a significant increase in the three-year transfer appropriations received from the State budget in 2020, especially the appropriations of the Ministry of the Environment, and the emphasis on implementing this funding in 2021-2022.

2.1.2.2 Equity and Liabilities

Equity increased by EUR 9.1 million to EUR 1,039.38 (EUR 1,030.22 million), primarily because of the entry of property received as transfer of possession and changes in land use as an increase of EUR 8.0 million in Other equity and the entry of the profits for the financial year (EUR 1.0 million) as an Other equity correction. A more detailed specification of the changes in Equity is presented in section 2.4.3 Complementary notes to the Balance Sheet.

Current liabilities totalled EUR 51.7 million (EUR 19.0 million in 2019), representing an overall increase of EUR 32.6 million. The growth in advances received (EUR 31.0 million) was mainly due to the partial

change to moving the use of three-year transfer appropriations from the Ministry of the Environment and the Ministry of Agriculture and Forestry to 2021 and a decrease in advance payments received for EU project financing. Accounts payable and accruals and deferred income inside Metsähallitus Group increased by EUR 1.4 million, totalling EUR 2.6 million at the end of the year. The change was mainly due to a change in the invoicing rhythm. The EUR 0.7 million decrease in accruals and deferred income was primarily caused by a reduction in deferrable bonus liabilities and VaEl debt.

2.2 Financial Statement Calculations and Notes

2.2.1 Profit and Loss Account

EUR	Public administration services 1 Jan–31 Dec 2020	Public administration services 1 Jan–31 Dec 2019
TURNOVER	12 535 156,52	13 219 918,18
Other operating income	7 165 012,99	6 294 693,57
Financing for other operations from the State budget	55 448 329,52	42 978 162,63
Raw materials and services		
Raw materials and consumables		
Purchases during the financial year	1 082 374,33	3 413 728,32
Variation in inventories	210 165,42	143 520,24
External services	6 550 159,94	6 058 740,79
Raw materials and services, total	7 842 699,69	9 615 989,35
Staff expenses		
Wages and salaries	23 244 055,27	22 227 678,91
Social security expenses		
		Pension expenses
		4 427 260,22
		Other social security expenses
		583 844,53
Staff expenses, total	28 578 584,46	27 238 783,66
Depreciation, amortisation and impairment		
Depreciation according to plan	1 465 272,72	1 608 030,35
Other operating costs	36 170 776,96	25 637 078,96
OPERATING PROFIT	1 091 165,20	-1 607 107,94
Financial income and expenses		
Income from other investments under non-current assets	397,64	14,00
Other interest and financial income	278,55	4 363,23
Interest and other financial expenses	30 988,86	8 278,87
Financial income and expenses in total	-30 312,67	-3 901,64
PROFIT BEFORE FINANCIAL STATEMENT TRANSFERS AND TAXES	1 060 852,53	-1 611 009,58
Transfer of the profits of the financial year to Other Equity	-1 060 852,53	1 611 009,58
PROFIT/LOSS FOR FINANCIAL PERIOD	0,00	0,00

2.2.2 Balance sheet

EUR	Public administration services 1 Jan–31 Dec 2020	Public administration services 1 Jan–31 Dec 2019
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	10 381,56	17 235,51
Other intangible assets	431 407,83	394 581,49
Advance payments and work in progress	441 789,39	411 817,00
Intangible assets in total	411 817,00	124 032,40
Tangible assets		
Land and water areas	1 008 015 973,08	999 965 496,21
Roads	103 755,96	117 974,67
Buildings and structures	15 711 427,96	16 716 745,45
Machinery and equipment	159 773,21	212 096,89
Advance payments and work in progress	36 782,63	118 000,06
Tangible assets in total	1 024 027 712,84	1 017 130 313,28
Investments		
Shares in Group's subsidiaries	12 200 000,00	12 200 000,00
Other shares and holdings	737 704,68	737 704,68
Other receivables	1 800,00	1 800,00
Investments in total	12 939 504,68	12 939 504,68
NON-CURRENT ASSETS IN TOTAL	1 037 409 006,91	1 030 481 634,96

EUR	Public administration services 1 Jan–31 Dec 2020	Public administration services 1 Jan–31 Dec 2019
CURRENT ASSETS		
Inventories		
Finished products	1 077 184,45	1 287 349,87
Inventories in total	1 077 184,45	1 287 349,87
Receivables		
Current receivables		
Accounts receivable	1 065 768,07	1 304 857,97
Receivables from enterprise's business operations	3 339,45	424 539,46
Receivables from the enterprise's subsidiaries	658 213,30	96 967,26
Other receivables	110 359,96	113 781,58
Prepayments and accrued income	4 133 070,91	4 554 782,12
Current receivables in total	5 970 751,69	6 494 928,39
Cash in hand and at banks	46 633 659,36	11 016 018,75
CURRENT ASSETS IN TOTAL	53 681 595,50	18 798 297,01
ASSETS IN TOTAL	1 091 090 602,41	1 049 279 931,97

BALANCE SHEET, PARKS & WILDLIFE FINLAND

EUR	Public administration services 1 Jan–31 Dec 2020	Public administration services 1 Jan–31 Dec 2019
EQUITY AND LIABILITIES		
EQUITY	1 039 385 483,92	1 030 224 375,46
Other equity	0,00	0,00
Retained earnings	0,00	0,00
Profit/loss for financial period	1 039 385 483,92	1 030 224 375,46
LIABILITIES		
Other liabilities, non-interest-bearing	0,00	250,00
Current		
Advances received	40 624 210,63	9 569 986,95
Accounts payable	2 130 342,83	1 179 952,31
Debts to enterprise's business operations	2 248 289,34	1 200 272,08
Debts to the enterprise's subsidiaries	374 177,69	35,00
Other liabilities	970 083,97	969 184,74
Accruals and deferred income	5 358 014,03	6 135 875,43
LIABILITIES IN TOTAL	51 705 118,49	19 055 556,51
EQUITY AND LIABILITIES IN TOTAL	1 091 090 602,41	1 049 279 931,97

2.2.3 Cash Flow Statement

EUR	Public administration services 1 Jan–31 Dec 2020	Public administration services 1 Jan–31 Dec 2019
CASH FLOW FROM BUSINESS OPERATIONS		
Payments from sales	12 634 200,39	14 171 685,45
Payments from other operating income	7 070 721,29	4 901 045,67
Payments from operating charges	-39 537 342,02	-61 354 744,66
Cash flow from business operations, before financial items and taxes	-19 832 420,34	-42 282 013,54
Interest paid and other financial expenses	-30 988,86	-8 278,87
Interest income from business operations	278,55	4 363,23
Dividends received	397,64	14,00
State's budget funding for other operations	55 448 329,52	42 978 162,63
Cash flow from operations	35 585 596,51	692 247,45
INVESTMENTS		
Purchase of environmental protection areas, shares	9 913,06	5 413,26
Purchase of fixed assets, funding by Ministries	-5 250 236,98	-2 368 045,63
Purchase of fixed assets, other funding	-673 187,45	-15 920,09
Investments in tangible and intangible assets	-469 599,58	-656 999,04
Profits for the sale of tangible and intangible assets	1 263 813,73	641 510,80
Shareholder investment in purchase of environmental protection areas and shares	-9 913,06	-5 413,26
Funding received for the construction of nature centres etc.	5 161 504,38	2 314 864,92
Cash flows from investing activities	32 294,10	-84 589,04
FINANCING		
Change in other non-current, non-interest-bearing loans	-250,00	-6 500,00
Cash flows from financing activities	-250,00	-6 500,00
CHANGE IN LIQUID FUNDS	35 617 640,61	601 158,41
Liquid funds on 1 Jan	11 016 018,75	10 414 860,34
Liquid funds on 1 Jan	46 633 659,36	11 016 018,75
Change	35 617 640,61	601 158,41

2.2.4 Notes to the financial statements

The 2020 separate accounting and the separate financial statements for the Parks & Wildlife Finland unit were made according to the Act on Metsähallitus (234/2016) and the Government Decree (1368/2016). The financial statements cover the period from 1 January to 31 December 2020, and the comparative information dates from the previous financial year, 1 January to 31 December 2019. The entry practice was altered in part at the beginning of 2020 in conjunction with a change of accounting system. The figures for the reference year 2019 have not been made comparable.

The business accounting profit and loss account, balance sheets and the notes for Parks & Wildlife Finland, as well as the financial statement analysis describing them have primarily been compiled on an accrued basis according to the enterprise's financial statements model for the entire 2020 operating year. The profit and loss account profit or loss before transfers within the financial statements will show a

surplus resulting from a surplus in paid activities and sales of fixed assets. Depreciations and the change in the Northern Finland seed management stock are not covered by the annual financing from the State budget. Instead, they have already been covered at the time of the acquisition by using the budget funding. Financing received during the financial period for incomplete buildings and other fixed assets is entered as acquisition cost deductions.

The profit and loss account presents the transfer of the financial period profits to Other equity as a separate item. The transfer is based on the provision in Section 5 of Government Decree 1368/2016. The notes on Parks & Wildlife Finland present the financing received from the State budget. The objective of Parks & Wildlife Finland is not to produce profits. Instead, the value of the profits is measured by the social impact of the operations.

VALUATION AND ALLOCATION PRINCIPLES

Non-current assets

By a Government decision (27 October 2016), the assets related to Metsähallitus public administration services were transferred to the Parks & Wildlife Finland unit at book value on 15 April 2016, as defined in the new Act. Simultaneously, the losses associated with public administration services from the previous financial year, and the loss for the first part of the year 2016, were transferred as a reduction in other equity related to Parks & Wildlife Finland. In addition, the so-called other land and water assets, areas dedicated to traditional sources of livelihood and most public water areas were transferred from public administration services to Business Operations on the accounts.

Assets transferred into or out of public administration services without consideration were measured

at the book value of the releasing party. The transfer of assets is recorded on the basis of the received decision on transfer into or out of the asset account of the balance sheets. The counter item is Other equity of Parks & Wildlife Finland.

Other non-current assets that can be depreciated are recorded in the acquisition cost, from which depreciations are deducted according to plan. Asset items are depreciated using the straight-line method, over their estimated useful life.

VALUATION OF CURRENT ASSETS

Inventories

The immediate acquisition cost of inventories remaining at the end of the accounting period has been activated. If the probable acquisition cost or net realisable value of the inventories is less than the acquisition cost during the accounting period, the difference is recorded as an expense.

2.2.5 Complementary notes to the Profit and Loss Account

Turnover by business unit	2020	2019
Turnover related to the field of the Ministry of Agriculture and Forestry		
Public law deliverables:		
hunting permits	3 877 080,69	3 428 168,75
fishing permits	235 170,24	235 580,44
Pricing based on business operations:		
hunting area rentals	603 728,06	590 186,20
fishing area rentals	123 729,70	118 957,25
fishing permits	1 413 150,85	1 157 443,18
Sale of seeds and analyses	770 472,01	859 973,15
long-term area rentals and transfer of user rights	-	3 228,31
provision of accommodation and other rentals of business premises	9 292,46	6 239,32
other deliverables priced based on business operations	21 813,44	56 286,89
Deliverables based on individual legislation:		
compensation for (fishing-related) water areas	171 365,07	203 983,49
Total	7 225 802,52	6 660 046,98
Turnover related to the field of the Ministry of the Environment		
Public law deliverables:		
track permits	203 001,50	185 389,86
decisions and permits	23 554,38	1 590,32
Pricing based on business operations:		
long-term area rentals and transfer of user rights	1 401 998,17	566 842,66
provision of accommodation and other rentals of business premises	742 957,83	2 054 126,05
sale of wood (from rewilding areas etc.)	1 199 771,99	1 440 228,04
nature guidance and counselling products	924 230,76	1 027 534,71
books and series of nature conservation publications	134 346,22	155 846,19
other business operations deliverables	492 752,67	879 795,28
Deliverables based on individual legislation:		
compensations for gold prospecting and claims	36 761,70	48 170,21
mining concession fees, compensations for mineral prospecting	149 978,78	200 347,88
Total	5 309 354,00	6 559 871,20
TURNOVER IN TOTAL	12 535 156,52	13 219 918,18

Other operating income	2020	2019
Gains on the sale of fixed assets	519 424,53	567 138,79
Insurance payments	69 697,00	31 717,54
Subsidies	17 406,00	8 000,00
Other income	6 543 971,22	5 668 620,94
Other income, internal	14 514,24	19 216,30
Total	7 165 012,99	6 294 693,57

COMPLEMENTARY NOTES TO THE PROFIT AND LOSS ACCOUNT

Staff expense breakdown	1 Jan–31 Dec 2020	1 Jan–31 Dec 2019
Wages and salaries	24 251 174,98	21 495 474,18
Salaries, for external parties	87 586,74	78 128,55
Change of holiday pay provision	-1 062 382,45	-160 251,66
Profit sharing, incentive remuneration, change	-32 324,00	814 327,84
VaEL and TyEL contributions	4 563 320,55	4 427 260,22
Social security contributions	771 208,64	583 844,53
Total	28 578 584,46	27 238 783,66

Depreciation according to plan	2020	2019
Depreciation of intangible rights	6 853,95	50 749,03
Depreciation of roads and other land structures	14 218,71	25 995,24
Depreciation of buildings and structures	1 375 630,61	1 467 743,23
Depreciation of machinery, devices and equipment	68 569,45	63 542,85
Tota	1 465 272,72	1 608 030,35

Depreciation according to plan, depreciation periods	starting from 1 January 2020	before 1 January 2020
Intangible rights, other long-term expenditure	4-5 years	4-5 years
	Depreciation for decrease of substance	Depreciation for decrease of substance
Gravel areas	10 years	primarily 25 years
Roads	15 years	primarily 10 years
Fish structures	15 years	25 years
Log floating structures	20 years	20-40 years
Buildings	8 years	4-10 years
Structures and facilities	4-5 years	4-8 years
Machinery and equipment		

Financial income and expenses	2020	2019
Interest income	676,19	4 377,23
Interest expenses	-30 988,86	-8 278,87
Total	-30 312,67	-3 901,64

Use of financing received for other operations in the State budget	2020	2019
Ministry of Agriculture and Forestry main title		
30.64.50 Certain Public Administrative Duties of Metsähallitus	8 003 364,08	6 859 599,24
Ministry of the Environment main title		
35.10.52 Public Administrative Duties of Metsähallitus	49 760 694,03	33 497 745,15
35.10.63 Acquisition of nature reserves (share of expenses)	16 784,79	23 271,32
Financing for other operations from the State budget, total	57 780 842,90	40 380 615,71
Other financing from the State budget		
Administrative branch of the Ministry of Justice	1 306 798,12	985 538,78
Administrative branch of the Ministry of Education and Culture	1 645,10	20 000,00
Administrative branch of the Ministry of Economic Affairs and Employment	235 329,59	1 425 094,29
Administrative branch of the Ministry of Agriculture and Forestry	1 041 826,55	890 713,63
Administrative branch of the Ministry of the Environment	684 484,90	1 367 349,74
Other financing from the State budget	-	12 216,75
Other financing from the State budget, total	3 270 084,26	4 700 913,19
Investment subsidies as acquisition cost deductions	-5 250 236,98	-2 149 115,46
Financing for other operations from the State budget	55 800 690,18	42 932 413,44

Transfer of profits to the change of Other equity	2020	2019
Government Decree 1368/2016, Section 5		
The profit of the financial period for public administration services will be recorded as a change in Other equity of Metsähallitus Parks & Wildlife Finland in connection with the preparation of the financial statements		
Metsähallituksen julkisten hallintotehtävien muun oman pääoman muutokseksi		
Profits before transfers within the financial statements	1 060 852,53	-1 611 009,58
Transfer of the profits to Other equity	-1 060 852,53	1 611 009,58
Profit/loss for financial period	-	-

2.2.6 Complementary notes to the balance sheet

Asset items 2020, EUR 1,000	Intangible assets	Land and water areas	Roads, land and water structures	Buildings and structures	Machinery, equipment and other tangible assets	Unfinished tangible projects	Shares and holdings	Total
1 Jan Acquisition cost before entering subsidies as acquisition cost deductions	1 089	999 966	3 129	60 778	993	1 629	12 940	1 080 524
1 Jan Subsidies received	-267	0	-1 637	-13 125	-615	-1 497	0	-17 141
1 Jan Acquisition cost	823	999 965	1 492	47 653	377	132	12 940	1 063 382
Acquisition cost increases	1 965	8 148	79	2 832	309	1 137	0	14 470
Subsidies received during the financial period	-1 928	0	-79	-2 124	-289	-1 232	0	-5 653
Decreases	0	-97	0	-935	0	0	0	-1 032
31 Dec Acquisition cost	860	1 008 016	1 492	47 426	398	37	12 940	1 071 168
1 Jan Accumulated depreciation before the depreciation of subsidies	449	0	1 779	33 767	440	0	0	36 435
1 Jan Depreciation of received subsidies	-38	0	-405	-2 821	-271	0	0	-3 535
1 Jan Accumulated depreciation	411	0	1 374	30 946	169	0	0	32 901
Accumulated depreciation relating to decreases and transfers	0	0	0	-607	0	0	0	-607
Financial period depreciation before the depreciation of subsidies	164	0	131	2 195	216	0	0	2 706
Financial period depreciation from the subsidies received	-157	0	-116	-819	-148	0	0	-1 241
Depreciations during the financial year	7	0	14	769	69	0	0	858
31 Dec Accumulated depreciation	7	0	1 388	31 715	238	0	0	33 759
1 Jan Book value	412	999 965	118	16 707	208	132	12 940	1 030 482
31 Dec Book value	442	1 008 016	104	15 711	160	37	12 940	1 037 409

Shares and holdings, book value (EUR)	31 December 2020	31 December 2019
Shares in subsidiaries	12 200 000,00	12 200 000,00
Other shares	737 704,68	737 704,68
Interfaces	1 800,00	1 800,00
	12 939 504,68	12 939 504,68

Shares in subsidiaries (EUR)	31 December 2020	31 December 2020
Nuuksiokeskus Oy		
holding %	68,1	12 200 000,00
Shares in subsidiaries, total		12 200 000,00

COMPLEMENTARY NOTES TO THE BALANCE SHEET

Receivables from enterprise's business operations and enterprise's subsidiaries, EUR	Subsidiaries 31.12.2020	Subsidiaries 31.12.2019	Business opera- tion 31.12.2020	Business opera- tions 31.12.2019	Total 31.12.2020	Total 31.12.2019
Accounts receivable	658 213,30	0,00	3 102,30	0,00	661 315,60	0,00
Prepayments and accrued income	0,00	0,00	237,15	384 677,34	237,15	384 677,34
Group internal receivables in total	658 213,30	0,00	3 339,45	384 677,34	661 552,75	384 677,34

Prepayments and accrued income, EUR	31 January 2020	31 December 2019
LIFE PROJECTS, ACCRUED INCOME	404 772,08	903 599,54
EU Structural Fund projects, accrued income	3 032 532,84	2 848 961,41
Employment promotion programme projects, accrued income	27 646,19	0,00
Other accrued income	591 903,51	775 634,81
Other prepaid expenses, purchase invoices and others	76 216,29	26 586,36
External prepayments and accrued income, total	4 133 070,91	4 554 782,12

Advances received, EUR	31.1.2020	31.12.2019
Funded by the EU	3 492 510,17	988 642,28
From the Ministry of the Environment	29 724 010,20	7 363 707,11
From the Ministry of Agriculture and Forestry	6 996 696,14	265 653,50
Other	410 994,12	951 984,06
Total	40 624 210,63	9 569 986,95

Other liabilities (EUR)	31.1.2020	31.12.2019
Deposits received	0,00	250,00
Total	0,00	250,00

Equity for Parks & Wildlife Finland on 31 December 2020, EUR	31 1 2020	31 12 2019
1 01 2020	1 030 224 375,46	1 019 457 176,93
Transfers of possession, increases	8 077 897,87	12 281 066,67
Transfers of possession, decreases	0,00	0,00
Inheritance by the State, donation	3 000,00	0,00
Changes in land use, decreases	-2 765,00	-12 143,48
Changes in land use, increases	12 000,00	49 074,00
Owner's investment / return (land areas, shares)	9 913,06	5 413,26
Correction of errors, other, increases	210,00	54 797,66
Correction of errors, other, decreases	0,00	0,00
Transfer of the profits of the previous financial period to Equity	0,00	0,00
Transfer of the profits of the financial year to Equity	1 060 852,53	-1 611 009,58
31 12 2020	1 039 385 483,92	1 030 224 375,46
Retained earnings		
1 01 2020	0,00	0,00
Increases	0,00	0,00
Decreases	0,00	0,00
31 12 2020	0,00	0,00
Profit/loss for financial period		
1 Jan–31 Dec 2020	0,00	0,00
Equity in total on 31 Dec 2017	1 039 385 483,92	1 030 224 375,46

COMPLEMENTARY NOTES TO THE BALANCE SHEET

Debts to enterprise's business operations and enterprise's subsidiaries	Subsidiaries 31.12.2020	Subsidiaries 31.12.2019	Business opera- tion 31.12.2020	Business opera- tions 31.12.2019	Total 31.12.2020	Total 31.12.2019
Accounts payable	374 117,69	0,00	365 995,73	0,00	740 113,42	0,00
Other liabilities	0,00	-	504 045,37	-	504 045,37	0,00
Accruals and deferred income	60,00	35,00	1 378 248,24	1 200 272,08	1 378 308,24	1 200 307,08
Group internal debts in total	374 177,69	35,00	2 248 289,34	1 200 272,08	2 622 467,03	1 200 307,08

Other liabilities	31.12.2020	31.12.2019
Withholding tax debt	446 129,73	489 393,12
Social security contribution debt	24 557,34	12 473,30
Membership fee debt	0,00	7 050,38
Value-added tax debt	479 884,10	441 294,85
Other	19 512,80	18 973,09
Total	970 083,97	969 184,74

Accruals and deferred income (EUR)	31.12.2020	31.12.2019
Amount of debt not paid to the State	124 422,12	480 879,85
Holiday pay liabilities, including social security expenses	4 917 536,97	4 771 363,00
Bonus liabilities, including social security expenses	0,00	647 562,54
Other accruals and deferred income	316 054,94	236 070,04
External accruals and deferred income, total	5 358 014,03	6 135 875,43

Amount of debt not paid to the State	31.12.2020	31.12.2019
VaEl debt	0,00	438 281,23
Unemployment insurance contributions	124 422,12	42 598,62
Total	124 422,12	480 879,85

2.2.7 Contingent liabilities, personnel and changes to fixed assets

Contingent liabilities (MEUR)	Public Administration Service 2020	Public Administration Service 2019
Leasing liabilities		
to be paid during the following year	0,8	0,8
to be paid at a later date	1,5	1,5
The leasing contracts include a redemption clause after the residual value reaches the agreed level. The contracts can be terminated with 3 months' notice.		
Number of employees, person-years	2020	2019
Supervisors	526	506

Changes to fixed assets	NUMBER	P&WF LAND AREA	P&WF WATER AREA	BALANCE
Increases in balance sheet value				
115 Other acquisition (acquisition explanation)	0			
120 Error correction (in book value)	3	0	0	210,00
3010 Asset transfer tax	2	0	0	1 336,00
3021 Commercial transaction	0			
3022 Redemption	0			
3026 Commercial transaction for nature conservation purposes	1	5	0	22 000,00
3027 Land consolidation	1	1,21	0	3 800,00
3034 Exchange for nature conservation purposes	2	84,7	0	43 400,00
3035 Land exchange for nature conservation purposes	0			
3036 Exchange of areas	0			
3041 Transfer of possession	2	1,9	0	1 046,31
3042 Transfer of possession for nature conservation purposes	125	1 884,61	1,71	8 020 409,56
3056 Inheritance by the State	1	5	0	3 000,00
3060 Change in land use (business operations to P&WF)	33	120,87	0	52 642,00
3070 Change in land use (P&WF to business operations)	0			
3090 Internal commercial transaction (Forestry to National Parks Finland)	0			
	170	2 103,29	1,71	8 147 843,87
Decreases in balance sheet value				
3021 Commercial transaction	0			
3022 Redemption	1	-0,07	0	-48,00
3026 Commercial transaction for nature conservation purposes	9	-14,34	-2	-94 554,00
3027 Land consolidation	0			
3033 Exchange	0			
3036 Exchange of areas	0			
3041 Transfer of possession	0			
3060 Change in land use (business operations to P&WF)	0			
3070 Change in land use (P&WF to business operations)	2	-3,33	0	-2 765,00
3090 Internal commercial transaction (Forestry to National Parks Finland)	0			
	12	-17,74	-2	-97 367,00

2.2.8 Financing allocated from the State budget to Parks & Wildlife Finland

Budget account (EUR)	State budget 2020	Supplementary state budget IV 2020	Supplementary state budget	State budgets	Use of authorisation 2020	Budget + authorisation 2020	Transferred from 2019	Available in 2020	Net use 2020	Transferred to 2021
30.64.50 Certain public administration services of Metsähallitus (MAF)	7 592 000	3 100 000	2 426 000	13 118 000	991 602	14 109 602	265 653	14 375 255	7 228 311	7 146 945 ¹
35.10.52 Public administration services of Metsähallitus (ME)	61 322 000	10 000 000	140 000	71 462 000	-	71 462 000	6 677 531	78 139 531	49 748 029	28 391 502 ²
35.10.63 Acquisition of nature reserves (ME)	0	-	-	0	-	0	533 032	533 032	16 785	516 247
Financing allocated in the budget, total									56 993 124	
Investment funding entered in Equity is added directly									9 913	
Financing received from the above-mentioned articles and recorded as an acquisition cost deduction is added									5 161 504	
Other financing from the State budget									3 049 022	
Financing from the State budget, total									65 213 564	

¹ The appropriation allocated for 2021 from Ministry of Agriculture and Forestry article 30.64.50 is primarily committed to reducing the renovation backlog in accordance with Supplementary state budget IV/2020 and Supplementary state budget VII/2020 and for implementing the information system project in accordance with the State budget 2020 decision.

² The appropriation allocated for 2020 from Ministry of the Environment article 35.10.52 is primarily committed to various projects, such as reducing the renovation backlog for service structures, implementation of a habitat status improvement programme and digital projects, in accordance with decision made in the State budget 2020 and Supplementary state budget IV/2020.

Ministry of Agriculture and Forestry Article 30.64.50	Outcome 2020	Outcome 2019
Pay expenditure	2 818 890,19	3 361 776,99
Other consumption expenditure	4 815 997,96	4 261 628,08
Investments	368 475,93	117 464,14
Income (mainly sale of seeds)	-770 472,01	-859 973,15
Other invoiced funding	-4 581,31	-21 296,82
Net use	7 228 310,76	6 859 599,24

Ministry of the Environment Article 35.10.52	Outcome 2020	Outcome 2019
Pay expenditure	18 364 520,60	14 482 865,82
Other consumption expenditure	26 603 144,98	17 012 099,52
Investments	4 786 114,85	2 023 058,72
Income	-456,76	0,00
Other invoiced funding	-5 294,92	-15 725,00
Net use	49 748 028,75	33 502 299,06

Ministry of the Environment Article 35.10.63	Outcome 2020	Outcome 2019
Pay expenditure	0,00	-
Other consumption expenditure	19 803,32	115 255,32
Other investments	70 536,00	339 533,94
Income	-7 235,73	-16 074,20
Land acquisition expenses, total	83 103,59	438 715,06
Land acquisition investments and sales	-66 318,80	-420 857,00
Net use	16 784,79	17 858,06

2.2.9 Financing external to the State budget

The specification includes financial items entered in Other operating income (no internal enterprise transfers).

Income by funding source	Outcome 2020	Outcome 2019
European Structural Fund	501 650,18	75 769,72
European Environmental Fund (Life)	2 511 104,19	2 253 985,12
European Agricultural Fund for Rural Development	1 004 560,03	62 080,76
European Maritime and Fisheries Fund	160 062,99	0,00
INTERREG	822 480,67	1 248 158,85
ENI, EU cross-border cooperation	865 903,33	540 391,61
Other EU funding	3 303,25	146 372,42
Other providers of funds	1 196 286,54	1 507 611,92
Elimination of investment subsidies	-673 187,45	-165 749,46
Total	6 392 163,73	5 668 620,94

2.2.10 Cost relatedness calculations

Principles of cost relatedness calculations

Cost relatedness calculations are based on the provision in Section 8 of Government Decree 1368/2016.

The cost calculation model is based on the general principles to follow in cost relatedness calculations

published in the State accounting handbook VK/54895/00.00.01.06.00/2020. When assessing the correctness and adequacy of information, the principle of materiality and the economic generation of information is followed.

The revenue and cost information is based on business accounting. In accordance with the matching principle, the cost relatedness calculations were compiled in a manner that targeted the actual working hours in use. In accordance with the regulation, the calculations in the financial statements for 2020 can comply with the transitional provision, in which case the calculations do not need to present information for the reference years 2019 and 2018.

In cost calculations, all pay expenditure is targeted to duties proportionately to the use of working hours. The immediate working hours for paid activities are targeted directly to groups of deliverables. Indirect working hours and other costs are targeted in proportion to direct working hours. Direct working hours used for paid activities were a total of 14.0 per cent (12% in 2019) of the entire labour input of Parks & Wildlife Finland.

In the calculation of the capital cost for paid activities, the proportion of working hours for groups of deliverables to total labour input was used. The interest rate determined by the State Treasury was used. For 2020, this was 0.0 per cent (0.3% in 2019).

A more detailed analysis of the profitability of paid activities is presented in section 1.4.1.3 Profitability. The turnover describing the profits is presented in section 2.2.5 Complementary Notes to the Profit and Loss Account, and its table, Turnover by business unit.

Cost relatedness calculations for paid activities 2020

Outcome 2020 (EUR 1,000)	Field of MAF	Field of MAF	Deliverables total
INCOME			
Sales income from paid activities	227	4 112	4 339
Total income	227	4 112	4 339
TOTAL EXPENSES			
Separate expenses			
Raw materials and consumables	13	427	440
Staff expenses	234	2 028	2 262
Rents	3	14	17
Purchase of services	181	2 167	2 348
Other separate expenses	5	32	37
Separate expenses, total	435	4 669	5 104
Share of joint expenses			
Support function expenses transfers	100	1067	1167
	271	33	304
Share of joint expenses, total	371	1 100	1 471
Total expenses	806	5 769	6 575
COST RELATEDNESS	-579	-1 657	-2 236
Price subsidy utilised in accordance with section 7.1 of the Act on Criteria for Charges Payable to the State	0	0	0
COST RELATEDNESS AFTER PRICE SUBSIDY	-579	-1657	-2 236

COST RELATEDNESS CALCULATIONS FOR PAID ACTIVITIES 2020

Outcome 2020 (EUR 1,000)		Deliverables	
Deliverables priced based on business operations	Field of MAF	Field of MAF	total
INCOME			
Sales income from paid activities	4 896	2 942	7 838
Total income	4 896	2 942	7 838
TOTAL EXPENSES			
Separate expenses			
Raw materials and consumables	51	358	409
Staff expenses	922	695	1 617
Rents	520	918	1 438
Purchase of services	11	5	16
Other separate expenses	19	11	29
Separate expenses, total	1 523	1 987	3 510
Share of joint expenses			
Support function expenses	394	365	759
transfers	1 070	21	1 091
Share of joint expenses, total	1 464	386	1 850
Total expenses	2 987	2 373	5 360
COST RELATEDNESS	1 909	569	2 479
KPrice subsidy utilised in accordance with section 7.1 of the Act on Criteria for Charges Payable to the State	0	992	0
COST RELATEDNESS AFTER PRICE SUBSIDY	1 909	1 561	2 479

Outcome 2020 (EUR 1,000)		Deliverables	
Deliverables based on individual legislation	Field of MAF	Field of MAF	total
INCOME			
Sales income from paid activities	187	171	358
Total income	187	171	358
TOTAL EXPENSES			
Separate expenses			
Raw materials and consumables	3	12	15
Staff expenses	61	56	117
Rents	47	59	107
Purchase of services	1	0	1
Other separate expenses	1	1	2
Separate expenses, total	114	128	242
Share of joint expenses			
Support function expenses	26	29	55
transfers	71	1	73
Share of joint expenses, total	97	31	128
Total expenses	212	159	370
COST RELATEDNESS	-25	13	-12
Price subsidy utilised in accordance with section 7.1 of the Act on Criteria for Charges Payable to the State	0	0	0
COST RELATEDNESS AFTER PRICE SUBSIDY	-25	13	-12

SIGNATURE OF SEPARATE FINANCIAL STATEMENTS AND AUDITOR'S NOTE

METSÄHALLITUS 0116726-7

Signature of the Financial Statements and Annual Report 1 January–31 December 2020

Vantaa, 23 February 2021

Timo Laitinen
Chair

Sanna Paanukoski
Vice Chair

Pekka Hautala
Board member

Johanna Ikäheimo
Board member

Simo Rundgren
Board member

Jussi Saukkonen
Board member

Ismo Tiainen
Board member

Liisa Tyrväinen
Board member

Henrik Jansson
Director, Parks & Wildlife Finland

Auditor's note

A report on the performed audit has been issued today.

Helsinki, on . February 2021

KPMG Oy Ab

KPMG Oy Ab

Jorma Nurkkala,
Authorised Public Accountant,
Chartered Public Finance Auditor

Outi Koskinen,
Authorised Public Accountant,
Chartered Public Finance Auditor

LIST OF ACCOUNTS AND MATERIAL

METSÄHALLITUS

0116726-7

LIST OF ACCOUNTS AND MATERIAL

Financial Statements

Financial Statements

Balance sheet breakdowns

List of accounts and account-specific reports

Account-specific profit and loss account

Account-specific balance sheet

List of accounts

Accounts

General ledgers

Lists of fixed assets

Invoicing system printouts

Sales ledger

Purchase ledger

Stock accounts

Source documents

Bank account statements Electronic

Sales invoices Electronic

Purchase invoices Electronic

Pay slips Electronic, paper statements

VAT statements Electronic

Memo statements Electronic

Note statements Electronic

SAP system reports have been extracted separately from the material:

Balance sheet and profit and loss account, main ledgers (accounting and internal calculations), journals (accounting and internal calculations) as well as event lists and open listings from the sales and purchase ledger, saved in a long-time archive in the MH network.