



METSÄHALLITUS
GROUP

BUSINESS OPERATIONS ENTITY
AND BUSINESS OPERATIONS

PUBLIC
ADMINISTRATION
SERVICE

SIGNATURE OF THE FINANCIAL
STATEMENTS AND AUDITOR'S MARKING

AUDITOR'S REPORT

PARKS & WILDLIFE FINLAND
– SEPARATE FINANCIAL
STATEMENTS

< ANNUAL REPORT 2019



METSÄHALLITUS

FINANCIAL
STATEMENTS

2019

1 JANUARY TO 31
DECEMBER 2019



TABLE OF CONTENTS

METSÄHALLITUS GROUP AND METSÄHALLITUS ENTERPRISE 3

Board Of Director's Report For The Financial Period 1 January–31 December 2019	3
Profit And Loss Account	11
Balance Sheet	12
Cash Flow Statement	14
Notes To Profit And Loss Account.....	15
Notes To Balance Sheet.....	17
Other Notes	21

BUSINESS OPERATIONS ENTITY AND BUSINESS OPERATIONS..... 22

Profit And Loss Account	22
Balance Sheet	23
Cash Flow Statement	26
Notes To Profit And Loss Account.....	27
Notes To Balance Sheet.....	29
Other Notes	33

PUBLIC ADMINISTRATION SERVICE.....34

Profit And Loss Account	34
Balance Sheet	35
Cash Flow Statement	37

SIGNATURE OF THE FINANCIAL STATEMENTS AND AUDITOR'S MARKING.....38

AUDITOR'S REPORT.....39

SEPARATE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR PARKS & WILDLIFE FINLAND 2019.....41

SIGNATURE OF THE SEPARATE FINANCIAL STATEMENTS AND AUDITOR'S MARKING.....73



METSÄHALLITUS GROUP AND METSÄHALLITUS ENTERPRISE

BOARD OF DIRECTOR'S REPORT FOR THE FINANCIAL PERIOD 1 JANUARY–31 DECEMBER 2019

Metsähallitus is a state-owned enterprise. The enterprise consists of Public Administration Service, property development and Group management. The Public Administration Service 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 economic 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.

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 592,500 hectares of Metsähallitus' multiple-use forests. Restrictions associated with the Nature Conservation Act, Forest Act and land use also limit the use of approximately 205,000 (100,000) hectares of land.

Property development operations include leasing, development, sales and purchases. The overall social benefit is even taken into account in Metsähallitus' property business, creating the preconditions for the related business activities.

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 hunting, fishing and off-road traffic and collecting fishing management fees for the state.

OPERATIONS DURING THE FINANCIAL PERIOD

The year 2019 was marked by lively discussion on topics such as responsible management and use of forests, climate change and its impacts, biodiversity and its preservation, as well as carbon storages and sinks. As the manager of state-owned land and water areas, Metsähallitus is a significant actor in these matters, meaning that operations during the financial period were in many ways characterised by activities related to these themes.

Parks & Wildlife Finland had a successful year in terms of public administration services, even though it faced challenges related to sufficiency of resources. As a result, the unit was not able to meet all of its profit targets. Wildlife Service Finland's accumulation of fisheries management fees did not quite reach its target, but permit sales went well and the number of permits purchased and days spent in the wilderness exceeded expectations. For National Parks Finland, the number of visits and impacts on local economies continued to increase, and customer satisfaction remained at a high level.

A significant increase in funding granted in the State budget to implement the government programme of Prime Minister Sanna Marin will have an important effect on the finances and operations of Metsähallitus Parks & Wildlife Finland. The annual basic funding was increased by EUR 7.5 million, and EUR 19.2 million was allocated for



future investments in 2020 and 2021. The additional funding can be used to promote nature conservation measures and also reduce the renovation backlog.

Due to the market situation, the year was variable in terms of forestry. The wood market was promising at the beginning of the year, but demand decreased towards the end of the year. A change in demand for forestry products occurred in the second quarter. Export was strong early in the year, but declined slightly towards the autumn. Due to the market situation, the prices of all timber grades increased during the early part of 2019 but then began to fall in the autumn.

Harvest volumes totalled 6.3 million cubic metres. This remained approximately 5.5 per cent below the sustainable amounts of felling approved in the natural resource plans.

Forestry founded three 5,000-hectare continuous cover silviculture observation areas at Rautavaara, Suomussalmi and Savukoski. Research cooperation will be conducted in the areas. The aim is to obtain more practical experiences of continuous cover forestry over wide areas.

In its sitting on 24 January 2019, the Government decided to increase the annual right

of use compensation paid to Metsähallitus Forestry Ltd business operations to EUR 95 million. This represents an increase of EUR 15 million.

In terms of property development, the wind power market developed positively and projects progressed at a faster than expected pace. The overall economic situation in property development is good. However, caution in the market reflected on the plans compiled with companies, which lengthened project times and slowed their progress. The increase in demand for ore exploration permits was a positive surprise. Positive development continued in the rock materials business.

At the end of the year, a Supreme Administrative Court decision was received in relation to land use planning for Murtomäki wind park. The decision was negative for Metsähallitus, which meant that sale of the park did not take place according to the planned schedule.

**METSÄHALLITUS GROUP'S
ECONOMIC DEVELOPMENT**

Metsähallitus Group's turnover was EUR 368.5 million (EUR 366.4 million in the previous financial period) and its profit EUR 129.2 million (124.8). Other operating income amounted to EUR 21.4 (15.8) million

and fixed asset transfer profits to EUR 14.7 (10.7) million. Funding received from the State budget presented for public administration services totalled EUR 43.0 (45.7) million.

Metsähallitus enterprise's turnover was EUR 126.2 (109.4) million and its profit EUR 149.4 (105.6) million. The growth in enterprise turnover was due to an increase in Metsähallitus Forestry Ltd's right of use compensation. Operating income amounted to EUR 30.0 (23.3) million and fixed asset transfer profits to EUR 14.6 (10.5) million. Funding from State budget funds for public administration services totalled EUR 43.0 (45.7) million. The funding was spent on performing the duties agreed on with the steering ministries and on the expenses incurred by these duties.

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 108,000 (136,000) and expenses of EUR 29,000 (23,000) 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 129.4 (125.0) million. Turnover totalled EUR 356.4 (355.2) million. It mainly consisted of timber sales and rental income from property. Turnover from forestry totalled EUR 334.5 (334.3) million, and the rest comprised rental income, sales of seeds, seedlings and soil and rock resources. Other operating income amounted to EUR 26.0 (21) million, of which revenue from the sale of assets accounted for EUR 14.2 (10.5) million. Asset sales revenue is mostly revenue from the sale of real property.

The other expenses for the reference period included expenses related to the cartel trial in a raw timber case that ended in 2019. Helsinki District Court issued its decision on the raw timber cartel case in June 2016. The District Court dismissed the claims for damages made by Metsähallitus and ordered Metsähallitus to pay the opposing party's legal costs. Metsähallitus appealed the decision, but both the Court of Appeal and

the Supreme Court ruled that there were no grounds to change the decision.

The turnover of Metsähallitus Forestry Ltd totalled EUR 335.1 (335.5) million and its profit totalled EUR 20.9 (39.0) million.

The profit of Siemen Forelia Oy totalled EUR 0.6 (0.8) million and its turnover totalled EUR 3.3 (2.9) million. For the financial period, the profit of MH-Kivi Oy, engaged in the rock material business, totalled EUR 1.2 (0.8) million and its turnover totalled EUR 1.5 (1.4) million.

The annulment proceedings concerning MH-Kivi Oy and Metsähallitus claims in which legally valid arbitration decisions were issued were still pending in Helsinki District Court. The dispute involved an earth materials business transaction. Morenia Oy, which took the legal action, was declared bankrupt in June 2019 by decision of Oulu District Court. This decision was upheld by Rovaniemi Court of Appeal (22 July 2019) and the Supreme Court (27 November 2019).

During the financial period, business operations received land areas from the State through transfer of possession and inheritance, at a total value of EUR 0.2 (5.5) million.

DEVELOPMENT OF



**METSÄHALLITUS BUSINESS
OPERATIONS**

Metsähallitus enterprise's business operations consist of property development and Group operations. The profit of the business operations totalled EUR 149.4 (105.6) million. Turnover totalled EUR 113.0 (97.2) million. The turnover mainly consisted of the Metsähallitus Forestry Ltd compensation for the right to use forests EUR 95.0 (80.0) million. and of property development sales revenue totalling EUR 17.6 (16.7 million). In its sitting on 24 January 2019, the Government decided to increase Metsähallitus Forestry Ltd's annual right of use compensation to EUR 95 million. This represents an increase of EUR 15 million. The increase has an effect on profit from the enterprise's business operations and correspondingly raises Metsähallitus Forestry Ltd's expenses.

Other operating income mainly consists of internal service production. Other operating income amounted to EUR 34.6 (28.4) million, of which revenue from the sale of assets accounted for EUR 14.0 (10.3) million.

**INVESTMENTS AND SALE OF
FIXED ASSETS**

Metsähallitus Group's investments for the financial period totalled EUR 22.3 million (23.8). A total of EUR 2.3 (0.6) million in

public funding was received for investments. Metsähallitus enterprise's investments amounted to EUR 10.8 (13.3) million.

The investments of Group business operations, totalling EUR 19.2 (22.5) 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 11.1 (10.0) million.

The investments of the enterprise's business operations, totalling EUR 7.7 (12.1) million, were covered by cash-flow financing. The largest investments were related to property development.

A breakdown of the sale of fixed assets is included below.

FINANCING

Metsähallitus Group has no long-term loans, with the exception of a line of credit that is available. At the end of the financial period, leasing liabilities totalled EUR 5.7 (4.2) million, mainly related to vehicles and ICT equipment.

The enterprise secures liquidity with a

committed credit of EUR 20 million, which was not in use at the turn of the year, and a commercial paper programme of EUR 50 million, of which EUR 14.0 million was in use at the turn of the year. Some of the subsidiaries have lines of credit.

Metsähallitus does not engage in investment activities. Its cash surplus is invested in accordance with the financial guidelines approved by the Board of Directors.

In the Metsähallitus Group cash flow statement, the cash flow from business operations totalled EUR 127.2 (133.0) million, and the cash flow for the enterprise totalled 146.7 (94.2) million. Cash flows from investing activities was EUR 0.7 million (6.5). The sale of assets amounted to EUR 19.3 (15.7) million.

During the financial period, EUR 102.9 million relating to the profit for 2018 was paid in dividends to the state. The cash flow from financing activities showed a deficit of EUR 104.1 (119.1) million.

Metsähallitus Group's liquid funds totalled EUR 46.5 (24.1) 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 14.1 (21.0) million.

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 2019 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 2019.

**1. Key service targets of business
operations and other operational goals**

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 77.6 million on the direct operating profit during the calendar year 2019 (EUR 63.2 million).

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.

2. Changes to basic equity

In 2019, the Metsähallitus basic equity has increased by EUR 0.5 million, which corresponded to the authorisation provided by the Parliament.

3. Maximum amount for business loans

The maximum amount for business loans set by Parliament was EUR 60 million. Metsähallitus has no long-term loans. Metsähallitus secures its liquidity with a committed loan agreement of EUR 20 million and a commercial paper programme of EUR 50 million. At the end of the financial period, Metsähallitus' business had EUR 14.0 million in short-term interest-bearing debt from parties outside the Group.

**4. Maximum amount for business
guarantees**

Metsähallitus provided EUR 0.5 million in collateral for its operations to parties outside the Group. The authorisation granted by Parliament was EUR 3.5 million.

**5. Number of investments and investment
commitments**

Realised investments totalled EUR 7.7 million, falling below the maximum sum of EUR 20 million defined by Parliament. Investment commitments given totalled EUR 4.1 million of the maximum sum of EUR 25 million defined by Parliament.



**THE GOALS SET BY THE
MINISTRY OF AGRICULTURE
AND FORESTRY AND THEIR
ATTAINMENT**

In addition to the aforementioned objectives, the Ministry of Agriculture and Forestry defined the following service and other objectives for Metsähallitus' business for the period 1 January–31 December 2019.

The objectives were based on the ownership policy guidelines relating to Metsähallitus, confirmed on 25 October 2016.

1. Service targets and other operational goals

The Natural Resource Plan for Lapland 2019–2024 was completed. The planning area comprised all parts of Lapland south of the Sámi Homeland. The previous plan was made separately for Eastern and Western Lapland. The vitality and wellbeing of Lapland as well as climate changes are visible as new main guidelines. Co-management was emphasised in the processes of the Natural Resource Plan for Lapland via the use of many new methods. In addition to cooperation group workshops, sector-specific theme group workshops were implemented in the areas of reindeer husbandry, forestry, municipalities and joint municipal authorities, recreational activities, nature conservation and tourism.

Planning began with an open internet-based map questionnaire for the public.

During the year, preparatory natural resource planning work was done in the Sámi Homeland. The objective is to begin preparing a new natural resource plan in 2020. Metsähallitus' Akwé: Kon guidelines, which are based on the UN Convention on Biological Diversity, were updated. These guidelines are used when compiling natural resource, management and use plans in the Sámi Homeland. The development process for reconciling Metsähallitus' business functions and the reindeer herding cooperatives operating in the Sámi Homeland was prepared in cooperation with the Sámi Parliament and the Skolt Village Meeting.

Monitoring of recreational and reindeer husbandry benefits was developed in conjunction with the Natural Resource Plan for Lapland. Utilisation of mobile phone network data to monitor recreational benefits was piloted to examine the number of visits to multiple-use forests in the Ylläs–Levi–Olos area and to Pallas-Yllästunturi National Park. This work continued by utilising mobile phone network data to estimate the number of visits to state-owned multiple-use forests throughout the country. Measurement of the benefits to reindeer husbandry was developed so that structures and grazing areas can be

better taken into account in various land use matters. Measures to take reindeer husbandry into consideration in Metsähallitus activities were also added to the action plan in the natural resource plan for Lapland. Different felling and forest management methods are diversely used to safeguard landscape sites that are valuable in terms of nature tourism and recreational use as well as the operating environments and valuable grazing areas for reindeer husbandry.

The Nature management needs analysis project was implemented during the financial period. This project assessed the ecological need for active nature management in the habitats described in Metsähallitus Forestry Ltd's Environmental Guidelines for Practical Forest Management in state-owned areas used for forestry purposes. In terms of surface area, restored mires have the greatest potential for ecological management. Implementation of active nature management work continued in an area of approximately 670 hectares.

There are about 100,000 nature sites and about 30,000 habitats where endangered species occur in the multiple-use forests of Metsähallitus. A review of the landscape ecological network in Southern Finland was performed to update species occurrence information. The review identified new

sites, particularly in old-growth forests in a natural state and barren mires. A total of more than 5,000 hectares of new nature sites were added. The updating process improved knowledge of the nature values in multiple-use forests. Similar work is in progress in Central Ostrobothnia, North Ostrobothnia and Kainuu.

A climate programme was launched as part of the responsibility programme. The climate programme has four main goals.

- To nurture and strengthen carbon sinks and stores
- To safeguard the functionality of ecosystem services and utilise the opportunities they offer in terms of mitigating climate change and adapting to it
- To produce renewable raw materials and provide opportunities to produce renewable energy in order to replace and save fossil raw materials and energy and reduce emissions in society's value chains
- To save and replace fossil raw materials and energy in Metsähallitus operations

Based on a request from Metsähallitus, Natural Resources Institute Finland (Luke) calculated the amount of carbon sinks and stores on state-owned land in 2019. The calculation showed that carbon storage in

Metsähallitus forests is increasing and forests are a significant carbon sink, accounting for up to 33–50 per cent of the carbon sink capacity in Finnish forests. Metsähallitus and Natural Resources Institute Finland cooperated in a Climate Smart Forestry project that developed a way to identify sources of emissions in North Karelia. Development of the method will continue and utilisation of the results will begin in 2020.

As part of the climate programme, Metsähallitus also established three continuous cover silviculture observation areas to increase information and practical experiences of continuous cover forestry over wide areas. The areas will provide information on topics such as taking biodiversity into consideration, climate change, damage resistance and profitability of forestry.

In October 2019, Google announced that it would purchase 60 per cent of the electricity produced by the Piiparinmäki wind park, which has been property development site. A deal concerning the Korkeakangas wind park in Karstula was completed in 2019. Demand for energy wood supplied by Metsähallitus has been good. Approximately 250–300 Gwh of energy wood was delivered to customers during the year. Utilisation of peat production areas is progressing in accordance with the government programme.



Metsähallitus wants to reduce the ecological footprint of its premises by focusing on energy consumption, recycling and sorting and providing more detailed procurement guidelines. In 2019, Metsähallitus' Tikkurila service point received a WWF Green Office environmental certificate, which aims at reducing the environmental load and carbon dioxide and greenhouse gas emissions. Metsähallitus also has a stronger responsibility aspect in its new guidelines for meeting refreshments, which focus on organic and fair trade products and local food.

The calculated decrease in operating profit corresponding to the benefits created based on Metsähallitus' general social obligations was an estimated EUR 77.6 (63.2) million. The rise is due to an increase in the amount of area in limited use in conjunction with the Natural Resources Plan for Lapland, forest growth and higher timber prices.

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, restrictions were placed on 593,000 (16.5%) hectares of forested land (566,000 hectares and 15.8%). A total of 338,000 hectares (9.4%) were fully excluded from

commercial use and 255,000 hectares (7.1%) were in limited use. These factors reduced Metsähallitus' calculated operating profit by EUR 71.6 million. In addition, an increase in planning costs and the limitations of property development decreased the operating profit by EUR 6.0 million in total.

In 2019, Metsähallitus signed new teaching forest agreements with five training organisers. The agreements comply with the new teaching forest model that involves a consideration and marked the transition to operating in accordance with the new model. Negotiations have begun to renew the next six teaching forest agreements that are due to expire.

Full use of sustainable felling opportunities has been made while taking the market situation into account. Full investments in forest management and road construction have been made.

2. Operating profit and dividend payment goal for the financial period 1 January to 31 December 2019

The profit of the enterprise totalled EUR 149.4 million (105.6). The result slightly exceeded the target, which was EUR 148.9 million. The profit target is higher than the

preliminary target of EUR 110.1 million set in the Budget for 2019. One of the reasons for the higher target is the Government's decision to increase Metsähallitus Forestry Ltd's annual right of use compensation by EUR 15 million, to EUR 95 million. The profit target is also affected by the dividend received from Metsähallitus Forestry Ltd, which was some EUR 20 million higher than the previous year. This is because the company's result was significantly better than expected. The primary factor affecting the result was a favourable timber market situation.

The return on investment for the basic equity of the enterprise was 5.6 per cent, which was equal to the target figure of 5.6 per cent.

The Ministry set EUR 138.9 million as the target for dividend paid to the state on the profit and retained earnings for the period 2019, to be paid during the year 2020. 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 152.1 million at the end of the financial period, of which profit for the period was EUR 149.4 million.

The long-term objective set by the Ministry is to improve the profitability of the businesses. Metsähallitus Forestry Ltd, Siemen Forelia Oy and MH-Kivi Oy made a profit during the financial period. The profitability of Metsähallitus' business for 2019 improved clearly over the previous year and profitability of the business operations entity improved slightly.

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 43.0 million.

The value of land and water areas used for public administration services was EUR 1,000,00 (987.7) million. The value of built property was EUR 16.7 (18.3) 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 12.3 (22.5) million to the balance sheet.

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 0.7 million (surplus of EUR 2.8 million). Liquid funds at the end of the financial period totalled EUR 11.0 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 319,000 for the financial period 1 January–31 December 2019.



METSÄHALLITUS GROUP
PERSONNEL

Employees on 31 December 2019

NUMBER OF EMPLOYEES 2019 2018

Number of employees	1,130	1,159
of whom fixed-term	142	135
Employees by business unit and subsidiary		
Forestry Ltd	447	499
Parks & Wildlife Finland and the public administration services it handles	504	500
Group business units	123	104
Metsähallitus Property Development	41	42
Siemen Forelia Oy	14	13
MH-Kivi Oy	1	1
Number of employees at the head office	156	147
Number of employees outside the head office	974	1,012

Person-years

Person-years by business unit and subsidiary	1,153	1,191
Forestry Ltd	476	525
Parks & Wildlife Finland and the public administration services it handles	506	522
Group business units	118	90
Metsähallitus Property Development	41	40
Siemen Forelia Oy	11	13
MH-Kivi Oy	1	1

Age of employees

Average age of employees (all permanent)	52	50
--	----	----

Gender distribution

Women, %		
Permanent and fixed-term, total	34	32
Men, %		
Permanent and fixed-term, total	66	68

Wages and salaries paid by the Metsähallitus Group totalled EUR 51.5 (54.2) million. The enterprise's share of this was EUR 32.1 (32.0) 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. It has been estimated that around EUR 1.9 million in bonuses was accrued for the year under review. This is taken into account in the profit of the financial period.

Implementation of Metsähallitus' updated personnel policy continued. Key observations from the comprehensive equality and non-discrimination plan included in the responsibility programme were taken into account when, for example, updating the benefits for fixed-term personnel to the same level as permanent personnel. The possibility to use anonymous recruiting was launched to promote equal treatment.

A project was established in order to update the pay system. The members of this project are representatives of all the business units and all the chief shop stewards for employees. Approximately 30 supervisors and all the chief shop stewards for employees are participating in specification of demand levels for jobs. This work will

continue in 2020 with evaluation of the task difficulty levels. The trade unions are also involved because the pay system is linked to Metsähallitus' four different collective agreements for employees.

The annual personnel survey was administered in the autumn. The result was at a fairly good level. Supervisory work and perceived non-discrimination received the best scores in the survey, while upper management work was assessed as unenthusiastic. The spontaneous employer image was described with the words "Reliable, Large, Nature, Forest, State".

The development of supervisory work was supported by making it possible for selected Metsähallitus supervisors to participate in Metsäalan Johtamisakatemia (Forest Industry Management Academy) courses as well as HR's own information bulletins regarding development discussions and various special employment relationship situations. The comprehensive e-oppiva online training platform was implemented for the entire personnel, and the online learning was used to supplement other training.

ADMINISTRATION AND
MANAGEMENT

In the Board of Directors that was appointed for Metsähallitus for the period 1 June 2016 to 31 March 2019 by the Government on 26 May 2015, Timo Laitinen was the Chairman

of the Board and Kai Kaatra the Vice Chairman. The Board members were Johanna Ikäheimo, Simo Rundgren, Tuija Soanjärvi, Helena Säteri and Liisa Tyrväinen, and Pertti Itkonen as the employee representative. All of these people served until 31 March 2019.

In its decision on 19 December 2019, the Government appointed the following people to the Metsähallitus Board of Directors: Chairman of the Board Timo Laitinen, Vice Chairman Kai Kaatra, and Board members Johanna Ikäheimo, Simo Rundgren, Jussi Saukkonen, Helena Säteri and Liisa Tyrväinen as well as employee representative Pekka Hautala.

Until 31 March 2019, Tuija Soanjärvi was the Chair of the Audit Committee and the members were Kai Kaatra and Simo Rundgren. On 25 April 2019, the Board of Directors selected Jussi Saukkonen as Chair of the Audit Committee and Kai Kaatra, Simo Rundgren and Helena Säteri as the members.

Until 31 March 2019, Timo Laitinen was the Chair of the Nomination and Remuneration Committee and the members were Johanna Ikäheimo, Helena Säteri and Liisa Tyrväinen. On 25 April 2019, the Board of Directors appointed Timo Laitinen as Chair of the Nomination and Remuneration Committee and Johanna Ikäheimo and Liisa Tyrväinen as the members.

Pentti Hyttinen served as Metsähallitus'

Director General until 25 September 2019. Tuomas Hallenberg was Acting Director General from 26 September to 31 December 2019. In its decision on 19 December 2019, the Government appointed Juha Niemelä was appointed Director General of Metsähallitus for the period 1 January 2020–31 December 2024.

Metsähallitus' Management Group members were Jukka Bisi, Director, Wildlife Service Finland; Thomas Hallenberg, Property Development Director 1 January–26 September 2019; Tauno Kandelin, Acting Property Development Director 26 September–31 December 2019; 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.

The wages and salaries paid to the Board and Managing Director totalled EUR 502,892 (431,271) during the financial period.

The auditor of the enterprise is Jorma Nurkkala, Authorised Public Accountant, Chartered Public Finance Auditor and Heikki Ruosteenoja, Authorised Public Accountant, Chartered Public Finance 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

During 2019, the responsibility programme was implemented in all four focus areas: management, environment, people and society.

Metsähallitus implemented a Code of Conduct and the related training for employees has increased their awareness of the principles of responsible and ethical operations. The Supplier Code of Conduct published at the end of the financial period contains the minimum requirements of responsible and ethical operation for our suppliers of goods and services. The Supplier Code of Conduct will be a permanent appendix to all procurement agreements in the future.

Metsähallitus introduced an anonymous whistleblowing channel in March 2019. It allows any Metsähallitus employee or outside party to report suspected abuses related to Metsähallitus' operations or other problems associated with responsible activities. Cases reported via the channel are analysed quickly and any possible actions required by the report are determined. Investigations showed that the majority of cases reported during the year did not involve activities in violation of laws, good conduct or guidelines. However, the whistleblowing channel did reveal some cases of abuse related to, for example, inappropriate behaviour and misuse of the employer's funds. The abuses have been dealt with.

Responsibility risks were evaluated and integrated into the risk management system. Responsibility was included in the profit-sharing system as an indicator.

Metsähallitus launched a climate programme and joined the Sustainable Mining Network. During the financial period, Metsähallitus joined the Baltic Sea Challenge network initiative and published its own Baltic Sea Action Plan.

An Equality and Non-Discrimination Plan 2019–2022 that complies with the UN

Guiding Principles and contains wide-ranging social responsibility elements was completed. The personnel received extensive training in environmental mediation and conflict management.

RISK MANAGEMENT AND KEY
RISKS

The goal of risk management is to ensure the achievement of set targets, the fulfilment of legal obligations and operational continuity. Risks are managed using a systematic risk management process. Metsähallitus takes a moderate stance on risk-taking. The significance of risks is assessed as a combination of the probability and impact of any given incident and managed at the source.

The Board of Directors oversees the functioning and comprehensiveness of Metsähallitus' risk management and approves the risk management policy. The audit committee assists the Board in monitoring risk management. The Managing Director bears overall responsibility for risk management and compliance. Risk management activities are part of the financial administration unit led by the Director of Finance, and the Head of Risk Management owns the risk management process. The Head of Risk Management 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 the risk management and its functionality in their respective areas and for ensuring that they are in compliance with Group guidelines and the risk management process.

Internal auditing is an important part of risk management in, for example, internal controls. Metsähallitus has outsourced its internal audit. Annual audit plans are compiled with the outsourcing partner and the annual plan is confirmed by the Board of Directors. Observations made during the internal audit are reported to the Audit Committee. The audits performed during the financial period focused on reviewing basic functionalities. The recommendations provided in the audit are taken into account in the activity and its development.

Annual risk management workshops were initiated at the management group level in 2019. They strive to identify and analyse key risk factors in different business units and at the Group level as well as management measures for those risks. The workshops have improved the risk situation status, and risk management has become a more concrete

part of the management group's work. The aim is to better integrate risk management with Metsähallitus' operational planning and include the responsibility perspective as a natural part of risk assessments.

Key risks

For 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.

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. Among other things, climate change increases the risk of insect and storm damage. Storm damage may present challenges for timber harvesting and



increase financial risk as costs rise. Changes in off-road conditions can also hamper the personnel's operative activities in the terrain and increase the risk of accidents.

No large forest fires occurred on state-owned land in 2019. There were several smaller fires, but these were all detected in time. Metsähallitus personnel assisted the fire authorities in addition to handling and organising post-fire monitoring at the sites. Forest fires and managing the risks associated with them was developed in 2019, for example, by clarifying the division of responsibilities between Metsähallitus' business units.

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.

Risks associated with information systems and data protection have become more common, and Metsähallitus has prepared for these as part of its risk management. More

attention was focused on managing and maintaining data security in order to reduce the risks. Metsähallitus has also trained its personnel for activities that comply with the EU's data protection directive.

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. Under the Consumer Safety Act, the Finnish Safety and Chemicals Agency (Tukes) reviewed the consumer services provided by National Parks Finland in 2019. The review revealed no deviations. The recommendations to maintain and improve customer safety included continuation of the risk assessment and safety document practices that are already in use, reporting serious customer accidents to Tukes, and development of customer safety indicators. Metsähallitus will continue its active cooperation with Tukes to develop customer safety.

Even though risk management was successful in 2019 in terms of operational performance, there were also areas where improvements are needed. These were related to data security and customer safety.

KEY EVENTS AFTER THE FINANCIAL PERIOD

The operations of Metsähallitus and the Group ran according to plan in the first part of 2020, and the observations have not involved events with substantial impact on the Group's profit or balance position.

Strikes in the paper industry and mechanical forest industry will significantly reduce timber use among customers. The industrial action will have a particular impact on deliveries in the spring and, in combination with demanding harvesting conditions, this will weaken the timber sales prospects for the entire year.

OUTLOOK AND GOALS SET BY THE OWNER FOR 2020

Metsähallitus' new ownership policy guidelines will likely be confirmed in 2020.

The national economic outlook influences the operations of Metsähallitus Group in various ways.

During 2020, Metsähallitus will assess whether there is reason to update the balance sheet value of multiple-use forests. This assessment work will begin in early 2020 with the objective of completing the estimate by autumn 2020.

The service and operational targets set by the owner for Metsähallitus' business in 2020 will guide activities during the coming year.

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, which may delay projects.

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 2020, which will emphasise the importance of operational planning to allocate the appropriations.

BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF RETAINED EARNINGS

Metsähallitus enterprise's retained earnings total EUR 152,111,535.52, of which the profit for the financial period is EUR 149,388,768.19.

The enterprise's retained earnings total EUR 152,111,535.52, of which the profit for the financial period is EUR 149,388,768.19.

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 138,900,000.00 of the operating profit be paid in dividends to the state.

The Board of Directors proposes 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 2019	METSÄHALLITUS GROUP 1 JAN–31 DEC 2018	1 JAN–31 DEC 2019	ENTERPRISE 1 JAN–31 DEC 2018
TURNOVER	1.1	368,486,947.64	366,353,035.88	126,173,975.68	109,352,823.32
Other operating income	1.2	21,355,402.14	15,774,867.32	30,024,576.36	23,304,490.99
Financing for other operations from the State budget	1.3	42,978,162.63	45,653,024.87	42,978,162.63	45,653,024.87
Raw materials and services					
Raw materials and consumables					
Purchases during the financial year		8,530,724.19	8,539,085.95	3,539,683.37	3,947,127.88
Variation in inventories		-61,173.81	3,151,575.54	143,520.24	183,486.67
External services		171,131,130.39	161,319,043.69	6,259,377.82	5,487,508.64
Raw materials and services, total		179,600,680.77	173,009,705.18	9,942,581.43	9,618,123.19
Staff expenses					
Wages and salaries	1.4	51,489,285.13	54,177,874.57	32,061,640.07	32,034,791.04
Social security expenses					
Pension expenses		8,993,019.32	8,272,520.27	6,364,485.17	5,171,252.21
Other social security expenses		1,397,137.99	1,712,942.94	813,895.62	962,267.83
Staff expenses, total		61,879,442.44	64,163,337.78	39,240,020.86	38,168,311.08
Depreciation, amortisation and impairment					
Depreciation, amortisation and impairment in total	1.5	8,162,018.01	6,931,337.78	4,209,774.37	4,612,712.11
Other operating costs	1.6	43,310,688.57	45,600,894.61	33,636,868.53	37,815,141.84
OPERATING PROFIT		139,867,682.62	138,075,652.72	112,147,469.48	88,096,050.96
Financial income and expenses					
Income from other investments under non-current assets		36,501.46	40,113.00	40,208,138.89	21,140,113.00
Other interest and financial income		31,478.12	61,220.73	16,216.16	34,125.68
Interest and other financial expenses		116,548.93	89,119.17	68,884.13	84,763.93
Reversal of reductions in value of investments held as					
non-current assets		0.00	0.00	2,500,000.00	0.00
Financial income and expenses in total	1.7	-48,569.35	12,214.56	42,655,470.92	21,089,474.75
PROFIT BEFORE FINANCIAL STATEMENT TRANSFERS AND TAXES		139,819,113.27	138,087,867.28	154,802,940.40	109,185,525.71
Income taxes		12,325,366.93	14,777,017.38	7,025,181.79	4,951,180.63
Transfer of the profits of Public Administration Service to Equity		1,611,009.58	1,383,422.25	1,611,009.58	1,383,422.25
Minority share		101,670.84	98,575.28	0.00	0.00
PROFIT FOR THE FINANCIAL YEAR		129,206,426.76	124,792,847.43	149,388,768.19	105,617,767.33



BALANCE SHEET

EUR	NOTES	METSÄHALLITUS GROUP 31 DECEMBER 2019	31 DECEMBER 2018	31 DECEMBER 2019	ENTERPRISE 31 DECEMBER 2018
ASSETS					
NON-CURRENT ASSETS	1.8				
Intangible assets					
Intangible rights		13,732.03	83,991.97	8,575.97	72,648.35
Other intangible assets		33,354,829.35	21,442,553.37	488,745.47	925,586.44
Advance payments and work in progress		1,814,043.63	4,985,850.78	1,814,043.63	716,814.96
Intangible assets in total					
Tangible assets					
Land and water areas		3,892,642,404.77	3,876,827,911.22	3,890,759,286.35	3,874,915,030.78
Roads		24,630,248.25	26,041,707.21	24,627,405.48	26,038,339.80
Buildings and structures		39,689,606.68	41,637,860.83	26,923,725.01	28,658,617.72
Machinery and equipment		1,377,701.06	1,596,230.11	212,096.89	175,074.03
Other tangible assets		205,304.42	228,437.78	10,599.04	10,599.04
Advance payments and work in progress		7,700,293.71	9,075,048.98	7,700,293.71	9,075,048.98
Tangible assets in total		3,966,245,558.89	3,955,407,196.13	3,950,233,406.48	3,938,872,710.35
Investments					
Shares in Group's subsidiaries	1.9	0.00	0.00	48,325,635.81	45,825,635.81
Other shares and holdings	1.10	1,812,691.81	1,812,691.81	2,221,564.22	2,221,564.22
Other receivables		1,800.00	1,800.00	1,800.00	1,800.00
Investments in total		1,814,491.81	1,814,491.81	50,549,000.03	48,049,000.03
NON-CURRENT ASSETS IN TOTAL		4,003,242,655.71	3,983,734,084.06	4,003,093,771.58	3,988,636,760.13

EUR	NOTES	METSÄHALLITUS GROUP 31 DECEMBER 2019	31 DECEMBER 2018	31 DECEMBER 2019	ENTERPRISE 31 DECEMBER 2018
CURRENT ASSETS					
Inventories					
Finished products		12,162,539.62	12,412,436.81	1,287,349.87	1,430,870.11
Work in progress		666,861.10	355,790.10	0.00	0.00
Inventories in total		12,829,400.72	12,768,226.91	1,287,349.87	1,430,870.11
Receivables					
Non-current receivables					
Other receivables	1.11	2,175,015.72	2,205,015.72	0.00	24,000.00
Non-current receivables in total		2,175,015.72	2,205,015.72	0.00	24,000.00
Current receivables					
Accounts receivable		37,001,035.83	39,862,590.07	1,673,352.45	3,467,100.57
Receivables from Group's subsidiaries	1.12	0.00	0.00	9,992,788.09	9,691,555.49
Other receivables	1.13	1,886,067.58	1,390,803.81	125,417.06	301,886.38
Prepayments and accrued income	1.14	5,750,662.00	4,507,979.87	5,470,292.93	4,011,662.45
Current receivables in total		44,637,765.41	45,761,373.75	17,261,850.53	17,472,204.89
Cash in hand and at banks		46,513,460.98	24,088,158.17	45,822,200.24	13,614,137.38
CURRENT ASSETS IN TOTAL		106,155,642.83	84,822,774.55	64,371,400.64	32,541,212.38
ASSETS IN TOTAL		4,109,398,298.54	4,068,556,858.61	4,067,465,172.22	4,021,177,972.51



BALANCE SHEET

EUR	NOTES	METSÄHALLITUS GROUP 31 DECEMBER 2019	31 DECEMBER 2018	31 DECEMBER 2019	ENTERPRISE 31 DECEMBER 2018
EQUITY AND LIABILITIES					
EQUITY					
	1.15				
Basic equity		2,601,446,795.86	2,600,935,160.52	2,601,446,795.86	2,600,935,160.52
Other equity		224,811,647.00	224,811,647.00	224,811,647.00	224,811,647.00
Other equity of Public Administration Service		1,030,224,375.46	1,019,457,176.93	1,030,224,375.46	1,019,457,176.93
Retained earnings		43,021,494.22	21,123,646.79	2,722,767.33	0.00
Profit for the financial year		129,206,426.76	124,792,847.43	149,388,768.19	105,617,767.33
EQUITY IN TOTAL		4,028,710,739.30	3,991,120,478.67	4,008,594,353.84	3,950,821,751.78
MINORITY HOLDINGS	1.16	4,844,316.71	4,945,987.55	0.00	0.00
PROVISIONS					
Other provisions	1.17	1,291,705.00	1,912,895.54	181,310.00	174,310.00
LIABILITIES					
Non-current liabilities					
	1.18				
Loans from financial institutions		7,122,385.77	0.00	0.00	0.00
Other liabilities		1,752,250.00	3,114,500.00	1,752,250.00	3,112,000.00
Non-current liabilities in total		8,874,635.77	3,114,500.00	1,752,250.00	3,112,000.00
Current liabilities					
	1.19				
Loans from financial institutions		13,995,836.24	20,995,538.85	13,995,836.24	20,995,538.85
Advances received		15,337,090.76	10,505,602.69	11,972,885.95	9,785,941.16
Accounts payable		12,553,547.35	11,609,138.44	2,967,516.41	3,114,605.34
Debts to Group's subsidiaries	1.20	0.00	0.00	12,110,287.69	18,037,456.74
Other liabilities	1.21	8,239,303.68	7,726,396.15	6,687,639.99	5,867,691.08
Accruals and deferred income	1.22	15,517,449.70	16,590,632.52	9,203,092.10	9,268,677.56
Deferred tax liabilities		33,674.03	35,688.20	0.00	0.00
Current liabilities in total		65,676,901.76	67,462,996.85	56,937,258.38	67,069,910.73
LIABILITIES IN TOTAL		74,551,537.53	70,577,496.85	58,689,508.38	70,181,910.73
EQUITY AND LIABILITIES IN TOTAL		4,109,398,298.54	4,068,556,858.61	4,067,465,172.22	4,021,177,972.51



CASH FLOW STATEMENT

EUR	METSÄHALLITUS GROUP 1 JAN–31 DEC 2019	METSÄHALLITUS GROUP 1 JAN–31 DEC 2018	1 JAN–31 DEC 2019	ENTERPRISE 1 JAN–31 DEC 2018
CASH FLOW FROM BUSINESS OPERATIONS				
Payments from sales	371,348,501.88	372,482,519.58	127,666,491.20	99,589,744.42
Payments from other operating income	4,918,579.99	5,852,028.59	14,169,990.86	13,688,076.65
Payments from operating charges	-279,349,829.91	-274,971,735.74	-79,783,073.18	-80,552,140.62
Cash flow from business operations, before financial items and taxes	96,917,251.96	103,362,812.43	62,053,408.88	32,725,680.45
Interest paid and other financial expenses	-116,548.93	-89,119.17	-68,884.13	-84,763.93
Interest income from business operations	31,478.12	61,220.73	16,216.16	34,125.68
Dividends received	36,501.46	40,113.00	40,208,138.89	21,140,113.00
Direct taxes	-12,616,166.32	-16,032,740.69	-7,023,922.63	-5,226,375.34
Cash flow before the State's budget funding	84,252,516.29	87,342,286.30	95,184,957.17	48,588,779.86
State's budget funding for other operations	42,978,162.63	45,653,024.87	42,978,162.63	45,653,024.87
Cash flows from operating activities	127,230,678.92	132,995,311.17	138,163,119.80	94,241,804.73
INVESTMENTS				
Purchase of environmental protection areas, shares	5,413.26	170,689.87	5,413.26	170,689.87
Purchase of fixed assets, funding by Ministry	-2,368,045.63	-351,428.09	-2,368,045.63	-351,428.09
Purchase of fixed assets, funding by the EU				
Purchase of fixed assets, other funding	-15,920.09	-279,851.04	-15,920.09	-279,851.04
Investments in tangible and intangible assets	-19,874,049.99	-23,148,681.42	-8,370,246.08	-12,675,199.86
Sales, shares in subsidiaries	0.00	1,012,737.85	0.00	67,500.00
Sale of tangible and intangible assets	19,272,341.52	15,669,372.99	19,139,889.61	15,389,558.16
Return of capital received from subsidiary	0.00	0.00	0.00	25,000,000.00
Shareholder investment in/return on environmental protection areas and shares	-5,413.26	-170,689.87	-5,413.26	-170,689.87
Funding received for the construction of nature centres etc.	2,314,864.92	599,387.79	2,314,864.92	599,387.79
Cash flows from investing activities	-670,809.27	-6,498,461.92	10,700,542.73	27,749,966.96
FINANCING				
Change in other non-current, interest-bearing loans	7,122,385.77	-2,284.33	0.00	0.00
Change in other non-current, non-interest-bearing loans	-1,362,250.00	2,639,400.00	-1,359,750.00	2,639,650.00
Change in current loans from financial institutions	-6,999,702.61	-28,994,247.31	-6,999,702.61	-28,994,247.31
Change in Group loans to subsidiaries	0.00	0.00	-5,401,146.96	-718,748.55
Contribution to State revenue	-102,895,000.00	-92,704,278.09	-102,895,000.00	-92,704,278.09
Cash flows from financing activities	-104,134,566.84	-119,061,409.73	-116,655,599.57	-119,777,623.95
CHANGE IN LIQUID FUNDS	22,425,302.81	7,435,439.52	32,208,062.96	2,214,147.74
Liquid funds on 1 Jan	24,088,158.17	16,652,718.65	13,614,137.38	11,399,989.64
Liquid funds on 31 Dec	46,513,460.98	24,088,158.17	45,822,200.24	13,614,137.38
Net change in cash and cash equivalents	22,425,302.81	7,435,439.52	32,208,062.86	2,214,147.74



NOTES TO PROFIT AND LOSS ACCOUNT

MEUR	NOTES	METSÄHALLITUS GROUP 1 JAN–31 DEC 2019	METSÄHALLITUS GROUP 1 JAN–31 DEC 2018	1 JAN–31 DEC 2019	ENTERPRISE 1 JAN–31 DEC 2018
Turnover by business unit	1.1				
Forestry Business		333.7	333.6	95.0	80.0
Metsähallitus Property Development		17.4	16.7	17.6	16.9
Sale of soil and rock resources		1.5	1.3	0.0	0.0
Seed and sapling production		2.6	2.5	0.0	0.0
Other		13.2	12.2	13.5	12.5
TOTAL		368.5	366.4	126.2	109.4
Other operating income	1.2				
Gains on the sale of fixed assets		14.7	10.7	14.6	10.5
Other income		6.6	5.1	15.4	12.8
TOTAL		21.4	15.8	30.0	23.3
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		43.0	45.7	43.0	45.7
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		988	901	503	431
Depreciation according to plan	1.5				
Intangible assets		3.9	2.5	0.5	0.7
Depreciation for decrease in substance		0.0	0.0	0.0	0.0
Roads		1.4	1.4	1.4	1.4
Buildings and structures		2.4	2.6	2.2	2.4
Machinery and equipment, other tangible assets		0.4	0.4	0.1	0.1
TOTAL		8.2	6.9	4.2	4.6

Depreciation according to plan, depreciation periods

Intangible rights, other long-term expenditure	4–5 years
Gravel areas	depreciation for decrease of substance
Roads	10–25 years
Fish structures	primarily 10 years
Log floating structures	25 years
Buildings	20–40 years, Nuuksiokeskus 90 years
Structures and facilities	4–10 years
Machinery and equipment	4–8 years, Nuuksiokeskus 15 years
Other tangible assets: asphaltting, planting beds	15–20 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		METSÄHALLITUS GROUP 1 JAN–31 DEC 2019	METSÄHALLITUS GROUP 1 JAN–31 DEC 2018	1 JAN–31 DEC 2019	ENTERPRISE 1 JAN–31 DEC 2018
	NOTES				
Other operating costs	1.6				
Facility expenses		10.3	11.1	9.3	10.0
ICT expenses		10.4	9.4	8.5	7.9
Travelling expenses		5.9	5.7	3.0	2.8
External services		6.0	4.4	3.6	3.8
Machinery and equipment expenses, vehicle expenses		3.1	3.1	2.7	2.7
Other social security expenses		2.6	2.4	1.6	1.3
Other expenses		5.0	9.4	4.4	8.2
Group internal expenses		0.0	0.0	0.6	1.2
TOTAL		43.3	45.6	33.6	37.8
Other interest and financial income	1.7				
Dividend income from external sources		0.0	0.0	0.0	0.0
Dividend income from subsidiaries		0.0	0.0	40.2	21.1
Interest income		0.0	0.1	0.0	0.0
TOTAL		0.1	0.1	40.2	21.2
Interest and other financial expenses					
Interest expenses		0.1	0.1	0.1	0.1
TOTAL		0.1	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	2.5	0.0
FINANCIAL INCOME AND EXPENSES IN TOTAL		0.0	0.0	42.7	21.1



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	SHARES AND HOLDINGS, OTHER RECEIVABLES	TOTAL
Non-current assets (MEUR)	1.8								
METSÄHALLITUS GROUP									
Acquisition cost on 1 Jan		36.0	3,885.8	97.3	106.5	29.0	9.1	1.8	4,167.8
Reduction in value on 1 Jan		0.0	-4.0	0.0	0.0	0.0	0.0	0.0	-4.0
Increases		18.0	17.9	0.0	2.9	0.3	6.6	0.0	45.8
Decreases		5.4	2.1	0.0	2.5	0.2	8.0	0.0	18.1
Reduction in value		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisition cost on 31 Dec		48.6	3,897.6	97.3	106.9	29.2	7.7	1.8	4,191.5
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		13.4	5.0	72.7	67.2	27.6	0.0	0.0	188.3
Book value on 1 Jan		26.5	3,876.8	26.0	41.6	1.8	9.1	1.8	3,983.7
Book value on 31 Dec		35.2	3,892.6	24.6	39.7	1.6	7.7	1.8	4,003.2
Production machinery and equipment, book value on 31 Dec						1.4			
ENTERPRISE									
Acquisition cost on 1 Jan		7.1	3,878.5	97.8	86.8	16.7	9.1	68.7	4,164.6
Reduction in value on 1 Jan		0.0	-1.8	0.0	0.0	0.0	0.0	-20.6	-22.4
Increases		1.9	17.9	0.0	2.9	0.3	6.6	0.0	29.7
Decreases		0.8	2.1	0.0	2.5	0.2	8.0	0.0	13.5
Reduction in value		0.0	0.0	0.0	0.0	0.0	0.0	2.5	2.5
Acquisition cost on 31 Dec		8.2	3,892.6	97.8	87.2	16.8	7.7	50.5	4,160.9
Accumulated depreciation and reduction in value 1 Jan		5.4	1.8	71.8	58.1	16.5	0.0	0.0	153.6
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		0.5	0.0	1.4	2.2	0.1	0.0	0.0	4.2
Accumulated depreciation on 31 Dec		5.9	1.8	73.2	60.3	16.6	0.0	0.0	157.8
Book value on 1 Jan		1.7	3,874.9	26.0	28.7	0.2	9.1	48.0	3,988.6
Book value on 31 Dec		2.3	3,890.8	24.6	26.9	0.2	7.7	50.5	4,003.1
Production machinery and equipment, book value on 31 Dec						0.01			



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	6,000,000.00
Siemen Forelia Oy, Jyväskylä		100	4,476,000.00
Nuuksiokeskus Oy, Espoo		68.1	12,200,000.00
TOTAL			48,325,635.81

	NOTES	METSÄHALLITUS GROUP 2019	2018	2019	ENTERPRISE 2018
Other shares and holdings	1.10				
Shares and holdings, book value (MEUR)					
Shares in subsidiaries		0.0	0.0	48.3	45.8
Shares in associated undertakings		0.0	0.0	0.0	0.0
Other shares and receivables		1.8	1.8	2.2	2.2
TOTAL		1.8	1.8	50.5	48.0
Non-current receivables	1.11				
Other receivables		0.0	0.0	0.0	0.0
Guaranteed deposits		2.2	2.2	0.0	0.0
TOTAL		2.2	2.2	0.0	0.0
Receivables from Group's subsidiaries (MEUR)	1.12				
Accounts receivable				9.9	9.6
Other receivables				0.0	0.0
Prepayments and accrued income				0.0	0.1
TOTAL				10.0	9.7



NOTES TO BALANCE SHEET

	NOTES	METSÄHALLITUS GROUP		ENTERPRISE	
		2019	2018	2019	2018
Other receivables, current (MEUR)	1.13				
Other prepayments, prepaid expenses		0.1	0.1	0.1	0.1
Deferred VAT and tax assets		1.8	1.3	0.0	0.2
TOTAL		1.9	1.4	0.1	0.3
Current prepayments and accrued income (MEUR)	1.14				
Life projects, accrued income		0.9	0.2	0.9	0.2
EU Structural Fund projects, accrued income		2.8	2.8	2.8	2.8
Project receivables, other accrued income		1.7	1.0	1.7	1.0
Other prepaid expenses, purchase invoices		0.3	0.6	0.0	0.1
TOTAL		5.8	4.5	5.5	4.0
Equity (MEUR)	1.15				
Basic equity on 1 Jan		2,600.9	2,596.6	2,600.9	2,596.6
Transfers of possession, inheritance by the State		0.3	6.3	0.3	6.3
Changes in land use		0.0	-1.9	0.0	-1.9
Other changes, including basic equity return and value adj.		0.2	0.0	0.2	0.0
Basic equity on 31 Dec		2,601.4	2,600.9	2,601.4	2,600.9
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		ENTERPRISE	
		2019	2018	2019	2018
Other equity from public administration services before transfer of profits on 1 Jan		1,023.9	999.3	1,023.9	999.3
Transfers of possession, inheritance by the State		12.3	22.5	12.3	22.5
Changes in land use, others		0.1	1.9	0.1	1.9
Shareholder investment in purchase of environmental conservation areas		0.0	0.2	0.0	0.2
Transfer of profits from public administration services in 2016 to Equity		-0.9	-0.9	-0.9	-0.9
Transfer of profits from public administrative services in 2017 to Equities		-2.1	-2.1	-2.1	-2.1
Transfer of profits from public administrative services in 2018 to Equities		-1.4	-1.4	-1.4	-1.4
Transfer of profits from public administration services in 2019 to Equity		-1.6		-1.6	0.0
Other equity on 31 Dec		1,030.2	1,019.5	1,030.2	1,019.5
Retained earnings on 1 Jan		145.9	112.9	105.6	91.8
Transfer of losses from public administration services in 2016 to Other equity		0.0	0.9	0.0	0.9
Contribution to State revenue		-102.9	-92.7	-102.9	-92.7
Retained earnings on 31 Dec		43.0	21.1	2.7	0.0
Profit for the financial year 1 Jan–31 Dec		129.2	124.8	149.4	105.6
Results for previous financial year and current financial year on 31 Dec		172.2	145.9	152.1	105.6
EQUITY IN TOTAL ON 31 DEC		4,028.7	3,991.1	4,008.6	3,950.8
Minority share	1.16				
Nuukiokeskus Oy		4.8	4.9		
MINORITY SHARE IN TOTAL		4.8	4.9		



NOTES TO BALANCE SHEET

	NOTES	METSÄHALLITUS GROUP		ENTERPRISE	
		2019	2018	2019	2018
Provisions (MEUR)	1.17				
Other provisions		1.3	1.9	0.2	0.2
PROVISIONS, TOTAL		1.3	1.9	0.2	0.2
Total of long-term loans due in a period exceeding 5 years	1.18				
TOTAL		7.1	0.0	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		2.5	1.6	1.6	1.2
Debts to Group's subsidiaries (MEUR)	1.20				
Accounts payable				0.1	0.1
Accruals and deferred income				0.4	0.9
Consolidated liabilities				11.6	17.0
TOTAL				12.1	18.0
Other liabilities, non-current and current (MEUR)	1.21				
Non-current, non-interest-bearing loans		1.8	3.1	1.8	3.1
VAT liabilities		5.3	4.9	4.3	3.4
Withholding taxes and social security contributions and other debts related to statutory personnel expenses (payment of salaries)		1.2	0.9	0.8	0.6
Equity reviews		0.3	0.5	0.3	0.5
Other		1.4	1.4	1.4	1.4
TOTAL		10.0	10.8	8.4	9.0
Accruals and deferred income (MEUR)	1.22				
Differentiated statutory personnel expenses		1.3	0.7	0.8	0.7
Holiday pay liabilities, including social security expenses		11.8	12.3	6.9	6.8
Tax averaging		0.1	2.0	0.0	1.0
Other		2.3	3.6	1.5	1.8
TOTAL		15.5	16.6	9.2	9.3



OTHER NOTES

	NOTES	METSÄHALLITUS GROUP		ENTERPRISE	
		2019	2018	2019	2018
Contingent liabilities (MEUR)	1.23				
Leasing liabilities					
to be paid during the following year		2.3	1.9	2.2	1.8
to be paid at a later date		3.3	2.4	3.1	2.4
Bank guarantee liabilities		1.9	2.0	0.5	0.6
Other banking liabilities		1.6	1.5	1.1	1.0
Deposited securities, guarantee deposits		0.8	0.8	0.0	0.0
Investment commitments		4.1	6.0	4.1	6.0

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.

Leasing liabilities (MEUR) (VAT 0)

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.

		4.4	4.8	4.4	4.8

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

1.24

Public Administration Service receives Budget funding for its operations. The item is reported in the enterprise's and group's profit and loss account 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 2018.

	NOTES	METSÄHALLITUS GROUP		ENTERPRISE	
		2019	2018	2019	2018
Internal Group transactions during the financial year					
Sale of goods				0.3	0.3
Sale of services				104.8	88.5
Purchase of goods				0.0	0.1
Purchase of services				1.9	1.2
TOTAL				103.2	87.5
Internal Group transactions are market-based.					
Number of employees during the period, person-years	1.25				
Employees		213	252	0	0
Supervisors		940	939	665	652
TOTAL		1,153	1,191	665	652
Calculated deferred tax assets and liabilities	1.26				
Calculated deferred tax assets					
from subsidiary losses		2.0	2.5		
from provisions		0.2	0.4		
TOTAL		2.2	2.8		
Auditors' fees (1000 EUR)	1.27				
KPMG Audit					
Audit, financial year and previous financial year		75.7	74.5	42.9	34.6
Services in accordance with section 1.1.2 of the Auditing Act		54.4	56.7	47.6	53.3
Tax consulting		0	18.2	0.0	12.6
Other services		458.3	368.0	458.3	368.1
TOTAL		588.5	517.4	548.8	468.6



BUSINESS OPERATIONS ENTITY AND BUSINESS OPERATIONS

PROFIT AND LOSS ACCOUNT

EUR	NOTE	BUSINESS OPERATIONS ENTITY 1 JAN–31 DEC 2019	1 JAN–31 DEC 2018	BUSINESS OPERATIONS 1 JAN–31 DEC 2019	1 JAN–31 DEC 2018
TURNOVER	2.1	356,431,062.65	355,181,219.38	112,964,874.25	97,225,167.55
Other operating income	2.2	26,012,671.01	20,994,651.04	34,590,309.30	28,401,299.61
Raw materials and services					
Raw materials and consumables					
Purchases during the financial year		5,460,587.80	5,381,120.89	125,955.05	453,548.70
Variation in inventories		-204,694.05	2,968,088.87	0.00	0.00
External services		166,356,550.05	157,271,721.73	215,744.83	335,560.49
Raw materials and services, total		171,612,443.80	165,620,931.49	341,699.88	789,109.19
Staff expenses					
Wages and salaries		29,259,006.22	30,686,379.79	9,833,961.16	8,546,596.26
Social security expenses					
Pension expenses		4,565,759.10	4,488,365.31	1,937,224.95	1,387,097.25
Other social security expenses		813,293.46	1,011,706.42	230,051.09	261,031.31
Staff expenses, total		34,638,058.78	36,186,451.52	12,001,237.20	10,194,724.82
Depreciation, amortisation and impairment in total	2.3	6,059,142.36	4,639,187.54	2,601,744.02	2,827,008.36
Other operating costs	2.4	28,341,270.64	29,961,592.50	18,855,925.03	22,335,584.59
OPERATING PROFIT		141,792,818.08	139,767,707.37	113,754,577.42	89,480,040.20
Financial income and expenses					
Income from other investments under non-current assets		36,487.46	40,099.00	40,208,124.89	21,140,099.00
Other interest and financial income		27,112.53	57,341.22	11,852.93	30,246.17
Interest and other financial expenses		107,477.91	84,747.73	60,605.26	81,437.41
Reversal of reductions in value of investments held as non-current assets		0.00	0.00	2,500,000.00	0.00
Financial income and expenses in total	2.5	-43,877.92	12,692.49	42,659,372.56	21,088,907.76
PROFIT BEFORE FINANCIAL STATEMENT TRANSFERS AND TAXES		141,748,940.16	139,780,399.86	156,413,949.98	110,568,947.96
Income taxes		12,325,366.93	14,777,017.38	7,025,181.79	4,951,180.63
PROFIT FOR THE FINANCIAL YEAR		129,423,573.23	125,003,382.48	149,388,768.19	105,617,767.33



BALANCE SHEET

EUR	NOTE	BUSINESS OPERATIONS ENTITY 31 DEC 2019	BUSINESS OPERATIONS 31 DEC 2018	BUSINESS OPERATIONS 31 DEC 2019	BUSINESS OPERATIONS 31 DEC 2018
ASSETS					
NON-CURRENT ASSETS	2.6				
Intangible assets					
Intangible rights		13,732.03	40,097.00	8,575.97	28,753.38
Other intangible assets		33,299,036.50	21,372,288.04	471,509.96	901,497.01
Advance payments and work in progress		1,419,462.14	4,929,802.78	1,419,462.14	660,766.96
Intangible assets in total		34,732,230.67	26,342,187.82	1,899,548.07	1,591,017.35
Tangible assets					
Land and water areas		2,892,019,502.84	2,888,446,311.82	2,890,793,790.14	2,887,190,837.10
Roads		24,512,273.58	25,897,737.30	24,509,430.81	25,894,369.89
Buildings and structures		10,235,742.34	10,470,735.63	10,206,979.56	10,435,347.89
Machinery and equipment		282,381.06	290,609.06	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		7,582,293.65	8,956,945.72	7,582,293.65	8,956,945.72
Tangible assets in total		2,934,642,792.51	2,934,072,938.57	2,933,103,093.20	2,932,488,099.64
Investments					
Shares in Group's subsidiaries	2.7	0.00	0.00	36,125,635.81	33,625,635.81
Other shares and holdings	2.9	1,074,987.13	1,074,987.13	1,483,859.54	1,483,859.54
Investments in total		1,074,987.13	1,074,987.13	37,609,495.35	35,109,495.35
NON-CURRENT ASSETS IN TOTAL		2,970,450,010.31	2,961,490,113.52	2,972,612,136.62	2,969,188,612.34



BALANCE SHEET

EUR	NOTE	BUSINESS OPERATIONS ENTITY 31 DEC 2019	BUSINESS OPERATIONS ENTITY 31 DEC 2018	BUSINESS OPERATIONS 31 DEC 2019	BUSINESS OPERATIONS 31 DEC 2018
CURRENT ASSETS					
Inventories					
Finished products		10,875,189.75	10,981,566.70	0.00	0.00
Work in progress		666,861.10	355,790.10	0.00	0.00
Inventories in total		11,542,050.85	11,337,356.80	0.00	0.00
Receivables					
Non-current receivables					
Other receivables		2,175,015.72	2,205,015.72	0.00	24,000.00
Non-current receivables in total		2,175,015.72	2,205,015.72	0.00	24,000.00
Current receivables					
Accounts receivable		35,696,177.86	37,827,062.06	368,494.48	1,431,572.56
Receivables from public administration services	2.11	1,185,517.98	1,510,132.98	1,106,334.25	1,331,224.94
Receivables from the enterprise's subsidiaries	2.12	0.00	2,698.24	9,895,820.83	9,440,208.18
Receivables from associated undertakings					
Other receivables	2.13	1,772,286.00	1,282,827.34	11,635.48	193,909.91
Prepayments and accrued income	2.14	1,195,879.88	773,901.75	915,510.81	277,584.33
Current receivables in total		39,849,861.72	41,396,622.37	12,297,795.85	12,674,499.92
Cash in hand and at banks		34,808,915.29	13,136,069.03	34,806,181.49	3,199,277.04
CURRENT ASSETS IN TOTAL		88,375,843.58	68,075,063.92	47,103,977.34	15,897,776.96
ASSETS IN TOTAL		3,058,825,853.89	3,029,565,177.44	3,019,716,113.96	2,985,086,389.30



BALANCE SHEET

EUR	NOTE	BUSINESS OPERATIONS ENTITY 31 DEC 2019	31 DEC 2018	BUSINESS OPERATIONS 31 DEC 2019	31 DEC 2018
EQUITY AND LIABILITIES					
EQUITY					
Basic equity		2,601,446,795.86	2,600,935,160.52	2,601,446,795.86	2,600,935,160.52
Other equity		224,811,647.00	224,811,647.00	224,811,647.00	224,811,647.00
Retained earnings		44,665,270.85	22,556,888.37	2,722,767.33	0.00
Profit for the financial year		129,423,573.23	125,003,382.48	149,388,768.19	105,617,767.33
EQUITY IN TOTAL	2.15	3,000,347,286.94	2,973,307,078.37	2,978,369,978.38	2,931,364,574.85
PROVISIONS					
Other provisions	2.16	1,291,705.00	1,912,895.54	181,310.00	174,310.00
LIABILITIES					
Non-current					
Loans from financial institutions	2.17	7,122,385.77	0.00	0.00	0.00
Other liabilities		1,752,000.00	3,107,750.00	1,752,000.00	3,105,250.00
Current					
Loans from financial institutions	2.18	13,995,836.24	20,995,538.85	13,995,836.24	20,995,538.85
Advances received		5,767,103.81	2,877,498.04	2,402,899.00	2,157,836.51
Accounts payable		11,350,918.26	9,642,451.07	1,772,518.88	1,167,863.77
Payables to Public Administration Service	2.19	521,762.84	742,603.95	424,795.58	491,256.64
Debts to Group's subsidiaries	2.20	0.00	1,651.68	12,031,103.96	17,858,548.70
Other liabilities	2.21	7,261,747.24	7,058,981.20	5,718,455.25	5,209,986.31
Accruals and deferred income	2.22	9,381,433.76	9,883,040.24	3,067,216.67	2,561,223.67
Deferred tax liabilities		33,674.03	35,688.50	0.00	0.00
LIABILITIES IN TOTAL		57,186,861.95	54,345,203.53	41,164,825.58	53,547,504.45
EQUITY AND LIABILITIES IN TOTAL		3,058,825,853.89	3,029,565,177.44	3,019,716,113.96	2,985,086,389.30



CASH FLOW STATEMENT

EUR	BUSINESS OPERATIONS ENTITY 1 JAN–31 DEC 2019	BUSINESS OPERATIONS ENTITY 1 JAN–31 DEC 2018	BUSINESS OPERATIONS 1 JAN–31 DEC 2019	BUSINESS OPERATIONS 1 JAN–31 DEC 2018
CASH FLOW FROM BUSINESS OPERATIONS				
Payments from sales	358,889,260.09	360,280,998.59	113,797,230.37	86,519,353.42
Payments from other operating income	10,969,496.76	10,589,110.75	20,129,371.70	18,326,836.70
Payments from operating charges	-230,821,612.24	-223,860,022.13	-29,591,179.65	-29,252,135.80
Cash flow from business operations, before financial items and taxes	139,037,144.61	147,010,087.21	104,335,422.42	75,594,054.32
Interest paid and other financial expenses	-107,477.91	-84,747.73	-60,605.26	-81,437.41
Interest income from business operations	27,112.53	57,341.22	11,852.93	30,246.17
Dividends received	36,487.46	40,099.00	40,208,124.89	21,140,099.00
Direct taxes	-12,616,166.32	-16,032,740.69	-7,023,922.63	-5,226,375.34
Cash flows from operating activities	126,377,100.37	130,990,039.01	137,470,872.35	91,456,586.74
INVESTMENTS				
Investments, sales, subsidiaries' shares	0.00	0.00	0.00	0.00
Investments in tangible and intangible assets	-19,207,017.89	-22,478,990.89	-7,713,247.04	-12,056,260.04
Sale of tangible and intangible assets	18,630,830.62	15,220,401.84	18,498,378.71	14,972,478.35
Sale of other investments	0.00	268,828.87	0.00	268,828.87
Return of capital from subsidiary	0.00	0.00	0.00	25,000,000.00
Cash flows from investing activities	-576,187.27	-6,989,760.18	10,785,131.67	28,185,047.18
FINANCING				
Change in other non-current, interest-bearing loans	7,122,385.77	-2,284.33	0.00	0.00
Change in other non-current, non-interest-bearing loans	-1,355,750.00	2,639,150.00	-1,353,250.00	2,639,400.00
Change in current loans from financial institutions	-6,999,702.61	-28,994,247.31	-6,999,702.61	-28,994,247.31
Change in Group loans to subsidiaries	0.00	0.00	-5,401,146.96	-718,748.55
Contribution to State revenue	-102,895,000.00	-92,704,278.09	-102,895,000.00	-92,704,278.09
Cash flows from financing activities	-104,128,066.84	-119,061,659.73	-116,649,099.57	-119,777,873.95
CHANGE IN LIQUID FUNDS	21,672,846.26	4,938,619.10	31,606,904.45	-136,240.03
Liquid funds on 1 Jan	13,136,069.03	8,197,449.93	3,199,277.04	3,335,517.07
Liquid funds on 31 Dec	34,808,915.29	13,136,069.03	34,806,181.49	3,199,277.04
Change	21,672,846.26	4,938,619.10	31,606,904.45	-136,240.03



NOTES TO PROFIT AND LOSS ACCOUNT

EUR	NOTE	BUSINESS OPERATIONS ENTITY 1 JAN–31 DEC 2019	BUSINESS OPERATIONS ENTITY 1 JAN–31 DEC 2018	BUSINESS OPERATIONS 1 JAN–31 DEC 2019	BUSINESS OPERATIONS 1 JAN–31 DEC 2018
Turnover by business unit					
	2.1				
Forestry Business		334,496,198.40	334,338,459.76	95,000,000.04	80,000,000.00
Metsähallitus Property Development		17,442,140.74	16,707,735.12	17,636,341.13	16,899,407.82
Sale of soil and rock resources		1,491,770.24	1,346,159.60	0.00	0.00
Seed and sapling production		2,672,420.19	2,463,105.21	0.00	0.00
Other		328,533.08	325,759.39	328,533.08	325,759.69
TOTAL		356,431,062.65	355,181,219.08	112,964,874.25	97,225,167.51
of which turnover for Public Administration Service		838,194.21	844,064.91	2,235.64	34,039.00
and its subsidiaries		0.00	0.00	0.00	0.00
and other subsidiaries		0.00	0.00	95,194,577.07	80,191,672.74
Other operating income					
	2.2				
Gains on the sale of fixed assets		14,161,737.46	10,526,052.25	14,029,285.55	10,344,894.66
Income from services to Public Administration Service		10,916,600.74	9,574,056.71	10,847,210.21	9,482,454.34
Income from services to subsidiaries		16,145.40	14,997.99	9,611,871.08	8,335,892.98
Other income		918,187.41	879,544.09	101,942.46	238,057.63
TOTAL		26,012,671.01	20,994,651.04	34,590,309.30	28,401,299.61
Depreciation according to plan					
	2.3				
Intangible assets		3,866,661.29	2,306,482.34	486,136.86	572,297.05
Depreciation for decrease in substance		49,860.72	47,412.02	20,098.67	14,356.62
Roads		1,385,463.72	1,385,371.52	1,384,939.08	1,384,846.88
Buildings and structures		717,194.37	863,182.58	710,569.41	855,507.81
Machinery and equipment, other tangible assets		39,962.26	36,739.08	0.00	0.00
TOTAL		6,059,142.36	4,639,187.54	2,601,744.02	2,827,008.36
Depreciation according to plan, depreciation periods					
Intangible rights, other long-term expenditure				4–5 years	
Gravel areas				Depreciation for decrease of substance	
Roads				10–25 years	
Fish structures				primarily 10 years	
Log floating structures				25 years	
Buildings				20–40 years	
Structures and facilities				4–10 years	
Machinery and equipment				4–8 years	
Other tangible assets: asphaltting, planting beds				15–20 years	

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



NOTES TO PROFIT AND LOSS ACCOUNT

EUR	NOTE	BUSINESS OPERATIONS ENTITY 1 JAN–31 DEC 2019	BUSINESS OPERATIONS ENTITY 1 JAN–31 DEC 2018	BUSINESS OPERATIONS 1 JAN–31 DEC 2019	BUSINESS OPERATIONS 1 JAN–31 DEC 2018
Other operating costs	2.4				
Facility expenses		6,797,851.75	6,422,556.71	5,947,368.97	5,414,078.78
ICT expenses		8,065,431.29	6,751,018.91	6,084,035.11	5,210,172.18
Travelling expenses		3,516,657.95	3,354,717.67	613,964.63	453,274.08
External services		4,148,290.44	2,817,727.09	1,830,072.76	2,262,988.24
Machinery and equipment expenses, vehicle expenses		775,753.77	737,124.36	424,866.25	301,938.23
Other social security expenses		1,860,666.51	1,649,900.98	785,057.03	500,660.92
Other expenses		3,153,638.44	8,220,415.16	2,562,476.11	6,981,752.10
Group internal expenses		22,980.49	8,131.62	608,084.17	1,210,720.06
TOTAL		28,341,270.64	29,961,592.50	18,855,925.03	22,335,584.59
Other interest and financial income	2.5				
Dividend income from external sources		36,487.46	40,099.00	36,487.46	40,099.00
Dividend income from subsidiaries		0.00	0.00	40,171,637.43	21,100,000.00
Interest income		27,112.53	57,341.22	11,852.93	30,246.17
TOTAL		63,599.99	97,440.22	40,219,977.82	21,170,345.17
Interest and other financial expenses					
Interest expenses		107,477.91	84,747.73	60,605.26	81,437.41
TOTAL		107,477.91	84,747.73	60,605.26	81,437.41
Reversal of reduction in value for investments under non-current assets					
Reversal of reduction in value of subsidiaries' shares		0.00	0.00	2,500,000.00	0.00
FINANCIAL INCOME AND EXPENSES IN TOTAL		-43,877.92	12,692.49	42,659,372.56	21,088,907.76



NOTES TO BALANCE SHEET

	NOTE	INTANGIBLE ASSETS	LAND AND WATER AREAS	ROADS, LAND AND WATER CONSTR.	BUILDINGS AND STRUCTURES	MACHINERY AND EQUIPMENT, OTHER TANGIBLE ASSETS	IN PROGRESS PROJECTS	SHARES AND HOLDINGS, OTHER RECEIVABLES	TOTAL
Non-current assets (MEUR)	2.6								
BUSINESS OPERATIONS ENTITY									
Acquisition cost on 1 Jan		34.9	2,897.4	95.5	44.9	19.4	9.0	1.1	3,102.1
Reduction in value on 1 Jan		0.0	-4.0	0.0	0.0	0.0	0.0	0.0	-4.0
Increases		17.5	5.2	0.0	0.6	0.0	2.5	0.0	25.8
Decreases		5.2	1.6	0.0	0.1	0.0	3.8	0.0	10.8
Increase in value									
Reduction in value		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisition cost on 31 Dec		47.2	2,897.0	95.5	45.4	19.4	7.6	1.1	3,113.2
Accumulated depreciation and reduction in value 1 Jan		8.6	4.9	69.6	34.5	19.1	0.0	0.0	136.7
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	0.7	0.0	0.0	0.0	6.1
Accumulated depreciation on 31 Dec		12.4	5.0	71.0	35.2	19.1	0.0	0.0	142.7
Book value on 1 Jan		26.3	2,888.4	25.9	10.5	0.3	9.0	1.1	2,961.5
Book value on 31 Dec		34.7	2,892.0	24.5	10.2	0.3	7.6	1.1	2,970.5
Production machinery and equipment, book value on 31 Dec						0.3			
BUSINESS OPERATIONS	2.6								
Acquisition cost on 1 Jan		6.0	2,890.8	95.9	38.3	9.7	9.0	55.7	3,105.4
Reduction in value on 1 Jan		0.0	-1.8	0.0	0.0	0.0	0.0	-20.6	-22.4
Increases		1.4	5.2	0.0	0.6	0.0	2.5	0.0	9.6
Decreases		0.6	1.6	0.0	0.1	0.0	3.8	0.0	6.1
Reduction in value		0.0	0.0	0.0	0.0	0.0	0.0	2.5	2.5
Acquisition cost on 31 Dec		6.8	2,892.6	95.9	38.7	9.7	7.6	37.6	3,089.0
Accumulated depreciation and reduction in value 1 Jan		4.4	1.8	70.0	27.8	9.7	0.0	0.0	113.8
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		0.5	0.0	1.4	0.7	0.0	0.0	0.0	2.6
Accumulated depreciation on 31 Dec		4.9	1.8	71.4	28.5	9.7	0.0	0.0	116.4
Book value on 1 Jan		1.6	2,887.2	25.9	10.4	0.0	9.0	35.1	2,969.2
Book value on 31 Dec		1.9	2,890.8	24.5	10.2	0.0	7.6	37.6	2,972.6
Production machinery and equipment, book value on 31 Dec						0.0			



NOTES TO BALANCE SHEET

	NOTE	HOLDINGS %	BOOK VALUE IN THE PARENT COMPANY, EUROS
Shares in subsidiaries	2.7		
METSÄHALLITUS			
Metsähallitus Forestry Ltd, Rovaniemi		100	25,649,635.81
MH-Kivi Oy, Oulu		100	6,000,000.00
Siemen Forelia Oy, Jyväskylä		100	4,476,000.00
TOTAL			36,125,635.81

	NOTE	BUSINESS OPERATIONS ENTITY 2019	BUSINESS OPERATIONS ENTITY 2018	BUSINESS OPERATIONS 2019	BUSINESS OPERATIONS 2018
Shares and holdings, book value (EUR)	2.9				
Shares in subsidiaries		0.00	0.00	36,125,635.81	33,625,635.81
Shares in associated undertakings		0.00	0.00	0.00	0.00
Holdings company shares		0.00	0.00	0.00	0.00
Other shares and holdings		712,048.86	712,048.86	1,120,921.27	1,120,921.27
Joint forest holdings		362,938.27	362,938.27	362,938.27	362,938.27
TOTAL		1,074,987.13	1,074,987.13	37,609,495.35	35,109,495.35
Receivables from Public Administration Service (EUR)	2.11				
Accounts receivable		-15,046.00	1,031,787.88	-94,193.95	906,387.55
Prepayments and accrued income		1,200,563.20	478,345.10	1,200,528.20	424,837.39
TOTAL		1,185,517.20	1,510,132.98	1,106,334.25	1,331,224.94
Receivables from subsidiaries (EUR)	2.12				
Accounts receivable		0.00	2,698.24	9,849,724.47	9,302,715.22
Other receivables		0.00	0.00	0.00	0.00
Prepayments and accrued income		0.00	0.00	46,096.36	137,492.96
TOTAL		0.00	2,698.24	9,895,820.83	9,440,208.18



NOTES TO BALANCE SHEET

	NOTE	BUSINESS OPERATIONS ENTITY		BUSINESS OPERATIONS	
		2019	2018	2019	2018
Other receivables, current (EUR)	2.13				
Other prepayments, prepaid expenses		18,631.36	15,908.64	11,635.48	8,494.79
VAT receivables		1,376,491.19	908,767.76	0.00	0.00
Deferred tax assets		377,163.45	358,150.94	0.00	185,415.12
TOTAL		1,772,286.00	1,282,827.34	11,635.48	193,909.91
Current external prepayments and accrued income (EUR)	2.14				
Accrued interest		0.00	0.00	0.00	0.00
Deferred tax assets		0.00	0.00	0.00	0.00
Other prepaid expenses/purchase invoices		253,062.98	528,117.42	14,646.54	43,800.00
Other accrued income		942,816.90	245,784.33	900,864.27	233,784.33
TOTAL		1,195,879.88	773,901.75	915,510.81	277,584.33
Equity (EUR)	2.15				
Basic equity on 1 Jan		2,600,935,160.52	2,596,551,464.52	2,600,935,160.52	2,596,551,464.52
Transfers of possession		7,810.00	6,166,062.00	7,810.00	6,166,062.00
Inheritance by the State		319,503.00	113,120.00	319,503.00	113,120.00
Changes in land use		-29,241.00	-1,889,797.00	-29,241.00	-1,889,797.00
Other		213,563.34	-5,689.00	213,563.34	-5,689.00
Basic equity on 31 Dec		2,601,446,795.86	2,600,935,160.52	2,601,446,795.86	2,600,935,160.52
Other equity on 1 Jan		224,811,647.00	224,811,820.00	224,811,647.00	224,811,820.00
Increase, decrease		0.00	-173.00	0.00	-173.00
Other equity on 31 Dec		224,811,647.00	224,811,647.00	224,811,647.00	224,811,647.00
Retained earnings on 1 Jan		147,560,270.85	115,261,166.46	105,617,767.33	92,704,278.09
Contribution to State revenue		-102,895,000.00	-92,704,278.09	-102,895,000.00	-92,704,278.09
Retained earnings on 31 Dec		44,665,270.85	22,556,888.37	2,722,767.33	0.00
Profit for the financial year		129,423,573.23	125,003,382.48	149,388,768.19	105,617,767.33
Equity in total on 31 Dec		3,000,347,286.94	2,973,307,078.37	2,978,369,978.38	2,931,364,574.85
Provisions (EUR)	2.16				
Other provisions (EUR)		1,291,705.00	1,912,895.54	181,310.00	174,310.00
Total of long-term loans due in a period exceeding 5 years, EUR	2.17				
TOTAL		7,122,385.77	0.00		



NOTES TO BALANCE SHEET

	NOTE	BUSINESS OPERATIONS ENTITY 2019	BUSINESS OPERATIONS ENTITY 2018	BUSINESS OPERATIONS 2019	BUSINESS OPERATIONS 2018
Amount of debt not paid to the State (EUR)	2.18				
Debt to the State, withholding tax liabilities, social security contribution liabilities, VaEL, TyEL		1,563,465.26	686,804.27	607,075.53	354,572.89
Payables to Public Administration Service (EUR)	2.19				
Accounts payable		136,829.38	252,763.32	39,862.12	1,758.77
Accruals and deferred income		384,933.46	489,840.63	384,933.46	489,497.87
TOTAL		521,762.84	742,603.95	424,795.58	491,256.64
Payables to subsidiaries (EUR)	2.20				
Accounts payable		0.00	0.00	24,102.29	6,312.79
Other liabilities		0.00	0.00	0.00	0.00
Accruals and deferred income		0.00	1651.68	418,231.79	862,319.07
Consolidated liabilities		0.00	0.00	11,588,769.88	16,989,916.84
TOTAL		0.00	1,651.68	12,031,103.96	17,858,548.70
Other external liabilities (EUR)	2.21				
VAT liabilities		4,894,143.51	4,675,175.12	3,821,417.59	3,191,176.10
Withholding taxes and social security contributions and other debts related to statutory personnel expenses (payment of salaries)		725,934.76	522,084.79	260,382.20	189,853.41
Equity reviews		275,493.90	468,177.90	275,493.90	468,177.90
Other		1,366,175.07	1,393,543.39	1,361,161.56	1,360,778.90
TOTAL		7,261,747.24	7,058,981.20	5,718,455.25	5,209,986.31
External accruals and deferred income (EUR)	2.22				
Differentiated statutory personnel expenses		837,530.50	164,719.48	346,693.33	164,719.48
Holiday pay liabilities, including social security expenses		7,048,284.92	7,430,928.59	2,142,446.26	1,935,251.55
Tax averaging		0.00	0.00	0.00	0.00
Other		1,495,618.35	2,287,392.17	578,077.08	461,252.64
TOTAL		9,381,433.77	9,883,040.24	3,067,216.67	2,561,223.67



OTHER NOTES

	NOTE	BUSINESS OPERATIONS ENTITY		BUSINESS OPERATIONS	
		2019	2018	2019	2018
Contingent liabilities (MEUR)	2.23				
Leasing liabilities					
to be paid during the following year		1.5	1.4	1.4	1.4
to be paid at a later date		1.9	1.5	1.7	1.5
Bank guarantee liabilities		1.9	2.0	0.5	0.6
Other banking liabilities		1.6	1.5	1.1	1.0
Investment commitments		4.1	6.0	4.1	6.0
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 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.					
Related-party transactions	2.24				
A contribution to State revenue was paid.		102.9	92.7	102.9	92.7
Internal Group transactions during the financial year					
Sale of goods		0.8	0.7	0.0	0.0
Sale of services		10.9	9.6	115.7	98.0
Purchase of goods		0.3	0.2	0.0	0.0
Purchase of services		0.1	0.0	0.7	1.2
TOTAL		11.4	10.1	115.0	96.8

Internal Group transactions are market-based.

	NOTE	BUSINESS OPERATIONS ENTITY		BUSINESS OPERATIONS	
		2019	2018	2019	2018
Calculated deferred tax assets and liabilities	2.25				
Calculated deferred tax assets					
from subsidiary losses		1.4	1.9		
from provisions		0.2	0.4		
TOTAL		1.6	2.3		
Self-financed investments	2.26				
Investment plan				Investment plan	Realised
Land, water and gravel areas		5.6	4.4	5.6	4.4
Roads, road projects, plot processing works		11.9	11.3	2.0	0.1
Machinery and equipment, wind power projects		0.7	1.0	0.7	1.0
Buildings and structures		0.2	1.4	0.2	1.4
Other, including IT systems		1.7	1.1	1.4	0.8
TOTAL		20.1	19.2	9.9	7.7



PUBLIC ADMINISTRATION SERVICE

PROFIT AND LOSS ACCOUNT

EUR	PUBLIC ADMINISTRATION SERVICE	
	1 JAN–31 DEC 2019	1 JAN–31 DEC 2018
TURNOVER	13,219,918.18	12,170,333.20
Other operating income	6,294,693.57	4,385,645.72
Financing for other operations from the State budget	42,978,162.63	45,653,024.87
Raw materials and services		
Raw materials and consumables		
Purchases during the financial year	3,413,728.32	3,523,579.18
Variation in inventories	143,520.24	183,486.67
External services	6,058,740.79	5,173,603.39
Raw materials and services, total	9,615,989.35	8,880,669.24
Staff expenses		
Wages and salaries	22,227,678.91	23,488,194.78
Social security expenses		
Pension expenses	4,427,260.22	3,784,154.96
Other social security expenses	583,844.53	701,236.52
Staff expenses, total	27,238,783.66	27,973,586.26
Depreciation, amortisation and impairment in total		
Depreciation according to plan	1,608,030.35	1,785,703.75
Other operating costs	25,637,078.96	24,953,033.78
OPERATING PROFIT	-1,607,107.94	-1,383,989.24
Financial income and expenses		
Income from other investments under non-current assets	14.00	14.00
Other interest and financial income	4,363.23	3,879.51
Interest and other financial expenses	8,278.87	3,326.52
Reductions in value of investments held as non-current assets	0.00	0.00
Financial income and expenses in total	-3,901.64	566.99
PROFIT BEFORE FINANCIAL STATEMENT TRANSFERS AND TAXES	-1,611,009.58	-1,383,422.25
Transfer of the profits of the financial year to Equity	1,611,009.58	1,383,422.25
PROFIT/LOSS FOR FINANCIAL PERIOD	0.00	0.00



BALANCE SHEET

EUR	PUBLIC ADMINISTRATION SERVICE	
	31 DEC 2019	31 DEC 2018
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Intangible rights	0.00	43,894.97
Other intangible assets	17,235.51	24,089.43
Advance payments and work in progress	394,581.49	56,048.00
Intangible assets in total	411,817.00	124,032.40
Tangible assets		
Land and water areas	999,965,496.21	987,724,193.68
Roads	117,974.67	143,969.91
Buildings and structures	16,716,745.45	18,223,269.83
Machinery and equipment	212,096.89	175,074.03
Advance payments and work in progress	118,000.06	118,103.26
Tangible assets in total	1,017,130,313.28	1,006,384,610.71
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	1,030,481,634.96	1,019,448,147.79



BALANCE SHEET

EUR	PUBLIC ADMINISTRATION SERVICE	
	31 DEC 2019	31 DEC 2018
CURRENT ASSETS		
Inventories		
Finished products	1,287,349.87	1,430,870.11
Inventories in total	1,287,349.87	1,430,870.11
Receivables		
Current receivables		
Accounts receivable	1,304,857.97	2,035,528.01
Receivables from enterprise's business operations	424,539.46	491,256.64
Receivables from the enterprise's subsidiaries	96,967.26	251,347.31
Other receivables	113,781.58	107,976.47
Prepayments and accrued income	4,554,782.12	3,734,078.12
Current receivables in total	6,494,928.39	6,620,186.55
Cash in hand and at banks	11,016,018.75	10,414,860.34
CURRENT ASSETS IN TOTAL	18,798,297.01	18,465,917.00
ASSETS IN TOTAL	1,049,279,931.97	1,037,914,064.79

EUR	PUBLIC ADMINISTRATION SERVICE	
	31 DEC 2019	31 DEC 2018
EQUITY AND LIABILITIES		
EQUITY		
Other equity	1,030,224,375.46	1,019,457,176.93
Retained earnings	0.00	0.00
Profit/loss for financial period	0.00	0.00
EQUITY IN TOTAL	1,030,224,375.46	1,019,457,176.93
LIABILITIES		
Other liabilities, non-interest-bearing	250.00	6,750.00
Current		
Advances received	9,569,986.95	7,628,104.65
Accounts payable	1,194,997.53	1,946,741.57
Debts to enterprise's business operations	1,106,078.13	1,331,224.94
Debts to Group's subsidiaries	79,183.73	178,908.04
Other liabilities	969,184.74	657,704.77
Accruals and deferred income	6,135,875.43	6,707,453.89
LIABILITIES IN TOTAL	19,055,556.51	18,456,887.86
EQUITY AND LIABILITIES IN TOTAL	1,049,279,931.97	1,037,914,064.79



CASH FLOW STATEMENT

EUR	PUBLIC ADMINISTRATION SERVICE	
	1 JAN–31 DEC 2019	1 JAN–31 DEC 2018
CASH FLOW FROM BUSINESS OPERATIONS		
Payments from sales	14,171,685.45	11,955,816.86
Payments from other operating income	4,901,045.67	4,673,481.64
Payments from operating charges	-61,354,744.66	-59,497,672.37
Cash flow from business operations, before financial items and taxes	-42,282,013.54	-42,868,373.87
Interest paid and other financial expenses	-8,278.87	-3,326.52
Interest income from business operations	4,363.23	3,879.51
Dividends received	14.00	14.00
State's budget funding for other operations	42,978,162.63	45,653,024.87
Cash flow from operations	692,247.45	2,785,217.99
INVESTMENTS		
Purchase of environmental protection areas, shares	5,413.26	170,689.87
Purchase of fixed assets, funding by Ministries	-2,368,045.63	-351,428.09
Purchase of fixed assets, other funding	-15,920.09	-279,851.04
Investments in tangible and intangible assets	-656,999.04	-649,943.88
Sale of tangible and intangible assets	641,510.80	246,755.00
Shareholder investment in purchase of environmental protection areas and shares	-5,413.26	-170,689.87
Funding received for the construction of nature centres etc.	2,314,864.92	599,387.79
Cash flows from investing activities	-84,589.04	-435,080.22
FINANCING		
Change in other non-current, non-interest-bearing loans	-6,500.00	250.00
Cash flows from financing activities	-6,500.00	250.00
CHANGE IN LIQUID FUNDS	601,158.41	2,350,387.77
Liquid funds on 1 Jan	10,414,860.34	8,064,472.57
Liquid funds on 31 Dec	11,016,018.75	10,414,860.34
Change	601,158.41	2,350,387.77



SIGNATURE OF THE FINANCIAL STATEMENTS AND AUDITOR'S MARKING

METSÄHALLITUS **0116726-7**

Signature of the financial statements and annual report 1 January – 31 December 2019

Vantaa, 25 February 2020

Timo Laitinen
Chair

Kai Kaatra
Vice Chair

Pekka Hautala
Board member

Johanna Ikäheimo
Board member

Simo Rundgren
Board member

Jussi Saukkonen
Board member

Helena Säteri
Board member

Liisa Tyrväinen
Board member

Timo Tanninen
Director, Parks &
Wildlife Finland

A report on the performed audit has been issued today.

Helsinki, on . 2020

KPMG Oy Ab
Jorma Nurkkala, Authorised Public Accountant,
Chartered Public Finance Auditor

KPMG Oy Ab
Heikki Ruosteenoja, Authorised Public Accountant,
Chartered Public Finance Auditor



AUDITOR'S REPORT

TO THE GOVERNMENT REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Metsähallitus (business identity code 0116726-7) for the year ended 31 December, 2020. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the Group, parent public utility, business operations entity and public administration services.

In our opinion, the financial statements and the consolidated financial statements have been prepared in accordance with the rules and regulations applicable to the preparation of financial statements and give a true and fair account of the operations, finances, financial performance and financial responsibilities during the financial period.

Metsähallitus' corporate governance has been compliant with the act and decrees on Metsähallitus and the decisions taken by

Parliament, the Government and ministries, as well as other steering decisions.

Internal control and audits have been appropriately organised in Metsähallitus.

BASIS FOR OPINION

We conducted our audit in accordance with good auditing practices in Finland. Our responsibilities under good auditing practice are further described under Auditor's responsibilities in the audit of financial statements. We are independent of the parent public utility, the business operations and business operations entity's companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is

sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS, MANAGING DIRECTOR AND DIRECTOR OF PARKS & WILDLIFE FINLAND RELATING TO THE FINANCIAL STATEMENTS

The Board of Directors, Managing Director and Director of Parks & Wildlife Finland are responsible for the preparation of the financial statements and the report of the Board of Directors, which give a true and fair account in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors, Managing Director and Director of Parks & Wildlife Finland are also responsible for such internal control as they deem necessary to enabling the preparation of financial statements free from material misstatement,

whether due to fraud or error.

In preparing the financial statements, the Board of Directors, Managing Director and Director of Parks & Wildlife Finland are responsible for assessing the parent public utility and the Business Operations Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to the going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent public utility and the Business Operations Entity or the group or cease operations, or there is no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES IN THE AUDIT OF FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance on whether the financial state-

ments as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and



perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent public utility's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis

of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent public utility's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent public utility or group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements.
- We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER REPORTING REQUIREMENTS

OTHER INFORMATION

The Board of Directors and the Managing Director are responsible for the other infor-

mation. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 26 February 2020

KPMG OY AB

Jorma Nurkkala

Authorised Public Accountant, Chartered Public Finance Auditor

Heikki Ruosteenoja

Authorised Public Accountant, Chartered Public Finance Auditor



METSÄHALLITUS

SEPARATE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR PARKS & WILDLIFE FINLAND

1 JAN–31 DEC 2019



TABLE OF CONTENTS

1 MANAGEMENT REVIEW.....	43	5.2 Balance Sheet.....	60
2 IMPACT AND OUTPUTS.....	44	5.2.1 Assets.....	60
2.1 Analysis Of Results By Impact Objective And Indicator.....	44	5.2.2 Equity And Liabilities	60
2.2 Operations Supporting Core Activities	48	6 FINANCIAL STATEMENT CALCULATIONS AND	
3 OPERATIVE EFFICIENCY	50	NOTES	61
3.1 Economic Efficiency.....	50	6.1 Profit And Loss Account.....	61
3.2 Productivity.....	53	6.2 Balance Sheet.....	62
3.3 Profitability	56	6.3 Cash Flow Statement	63
4. MANAGEMENT AND DEVELOPMENT		6.4 Notes To The Financial Statements	64
OF MENTAL RESOURCES	57	6.4.1 Complementary Notes To The Profit And Loss Account	65
4.1 Development Of Key Figures For Personnel.....	57	6.4.2 Complementary Notes To The Balance Sheet	67
4.2 Wellbeing At Work.....	57	6.4.3 Contingent Liabilities, Personnel And	
4.3 Bonuses.....	57	Changes To Fixed Assets	70
5 FINANCIAL STATEMENT ANALYSIS	58	6.4.4 Financing Allocated From The State Budget	
5.1 Profit And Loss Account.....	58	To The Parks & Wildlife Finland.....	71
5.1.1 Use Of Appropriations From The State Budget	59	6.4.5 Financing external to the State budget	71
5.1.2 Paid Activities And Other Use Of Funding.....	59	6.4.6. Cost Relatedness Calculations	72
		SIGNATURE OF THE SEPARATE FINANCIAL	
		STATEMENTS AND AUDITOR'S MARKING.....	73



SEPARATE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR PARKS & WILDLIFE FINLAND 2019

1 MANAGEMENT REVIEW

MAIN OBSERVATIONS

The Parks & Wildlife Finland (National Parks Finland and Wildlife Service Finland) unit had a successful year in terms of public administration services, even though it faced challenges related to sufficiency of resources. As a result, the unit was able to meet all of its profit targets.

National Parks Finland had a successful year overall, for example, the number of visits and impacts on local economies continued to increase, and customer satisfaction remained at a high level. On the other hand, significant resource challenges made it necessary to cut back on operations in some areas. This was also visible in the fact that some of the performance agreement impact objectives were only partially met. Inadequate State budget funding presented major challenges in terms of maintaining the level of service in the nature reserve network, state-owned hiking areas and similar recreational destinations managed and maintained by Metsähallitus. There is a significant renovation backlog for hiking and guidance infrastructure at destinations and cultural heritage sites, clear deficiencies

in species and habitat data, and essential restoration and nature management work to improve the protection level could only be performed in EU LIFE-funded projects. This situation has been partially addressed by key project funding from former Prime Minister Sipilä's government and additional appropriations granted by Parliament in the form of margin of distribution. A lot has been achieved with these funds, especially with regard to maintaining and developing hiking services. Total productivity decreased, partly due to preparation done in autumn 2019 for major future investments in 2020.

As a whole, Wildlife Service Finland had a successful year even though the accumulation of fisheries management fees or number of wilderness supervision deliverables and fines did not quite reach the target level. These were affected by matters that are difficult to influence during a one-year period. In contrast, customer service and permit sales went well, and the number of permits purchases and days spent in the wilderness exceeded expectations. Customers provided rather good feedback during the year. Since the number of days spent in the wilderness

reached a record high, regional economy and well-being impacts also increased. Successful customer service work was also reflected in good personnel survey results for Wildlife Service Finland staff. The challenges for Wildlife Service Finland are increasing wilderness supervision needs and the resulting higher costs. The ongoing vehicle fleet renewal and digitalisation of supervision and its development are causing higher expenses that the Budget funding does not cover. The sufficiency of permit revenue to cover the costs of general operational development will also be a challenge in the future.

CONCLUSIONS

National Parks Finland has strongly highlighted its resource needs in recent years, and Prime Minister Sanna Marin's Government has decided to significantly increase Budget funding for National Parks Finland from 2020 onwards. During the autumn, National Parks Finland launched preparations for the implementation of major investments in line with PM Marin's Government Programme. Although this also had some negative effects on achievement of the

performance objectives, it was necessary in order to accelerate implementation of future investments (EUR 19.2 million). The future investments combined with an increase in basic funding for management of the nature reserve network and the margin of distribution granted by Parliament will enable a significant improvement in destination management, subsequently strengthening social benefits from 2020 onwards. It is important for the implementation process to focus on improving productivity and impact.

Wildlife Service Finland's operational capacity is good. The personnel is competent and satisfied with their work, customers mostly provide good feedback and development and renewal of customer service systems is progressing according to plan. Project activities also seem to be developing well. Safeguarding financial resourcing will be one of the key challenges for Wildlife Service Finland in the next few years.

The total use of funds for the financial year 2019 totalled EUR 65,213,022.30. The loss for the financial period was EUR 1,611,009.58. The balance sheet total was

EUR 1,049,279,931.97. 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 0.5 million. The deficit for the financial period is mainly due to investment accounting practices that comply with the Accounting Act.

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.



2 IMPACT AND OUTPUTS

2.1 ANALYSIS OF RESULTS BY IMPACT OBJECTIVE AND INDICATOR

The following is an evaluation of how the performance targets set by impact objective for 2019 have been achieved when presented by impact, deliverable and quality indicator. 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

More detailed descriptions of the indicator information:

www.metsa.fi/mittarit

STRENGTHS

Restoration and nature management aimed at improving deteriorated habitats exceeded the performance objective. A total of 5,000 hectares of traditional rural biotopes were managed. The total area of other restored and managed habitats was 1,200 hectares, more than half of which were restored mires. In practice, restoration and nature management was performed completely as part of LIFE projects (Hydrology, CoastNet

IMPACT OBJECTIVE 1 ACCORDING TO RECENT INFORMATION, THE CONSERVATION STATUS FOR SPECIES AND HABITATS IS IMPROVING WITH PRIORITISED MEASURES

INDICATOR	IMPLEMENTATION 2016	IMPLEMENTATION 2017	IMPLEMENTATION 2018	OBJECTIVE 2019	IMPLEMENTATION 2019	NETRA 1-5 2019
Conservation status index for species in Annex 2 to the Habitats Directive (percentage of criteria at a favourable level, 51 species) %	Transition year	Transition year	Transition year	52.9	52.5	2
Natura 2000 terrestrial natural habitat type advocacy and natural status index, scale 1–5	3.90	3.89	3.90	3.94	3.90	3
Restoration and nature management, hectare	5,738	5,746	6,219	5,990	6,341	5
Species occurrence checks	8,536	6,409	14,349	9,000	6,046	3
Up-to-date information on species (%)	87.9	92.8	92.3	95.0	87.9	2

and Beetles LIFE), so the measures were targeted in a prioritised manner with regard to biodiversity. There was also a significant increase in the amount of restoration and nature management (229 hectares) carried out in private nature reserves. The implemented restoration and nature management measures focused on the most vulnerable nature types and habitats, and therefore also promoted the targets for protection of species.

WEAKNESSES

The Natura 2000 terrestrial nature habitat index did not reach its objective because habitat information for restored and managed sites was not updated to a significant extent. This was due to the fact that resources were focused on planning and implementing restoration, especially at the end of the year, as required to implement future investments.

The indicators that describe species work clearly illustrate the shortage of resources related to the entity. With the exception of vertebrates for which Metsähallitus is liable, species protection and species information management was in practice done only in projects – without the possibility to progress systematically and, above all, focus on measures that comply with the indicators. The lack of resources for species work is also visible in the Habitats Directive species reporting results, in which the development direction of many species that are central in terms of National Parks Finland could not be evaluated due to the absence of monitoring information.

CONCLUSIONS

The outcome and its focuses highlight the important role of project funding in nature conservation activities. The restoration and nature management measures contained

in projects that promote biodiversity in a concrete manner have progressed according to the objectives. In contrast, for example, the systematic collection and maintenance of species and nature habitat type information that provides the foundation for planning, clarifying prioritisations and advocacy cannot be carried out with short-term project funding. This requires continuous and adequate allocation of resources. In terms of implementing future investment projects and Helmi work, resources must be allocated to concrete improvement of habitat status in accordance with prioritisations. However, strong allocation of resources is also necessary for updating and monitoring habitat type and species information. As part of the restoration and nature management entity, the importance of updating nature data, especially with regard to habitat type and its representativeness, should absolutely be taken into considera-

tion in the future. The LIFE projects currently in progress provide very strong support for improving the deficiencies observed in Habitats Directive reporting, for both nature habitat types and species. Achieving the objectives for species occurrence checks will require clear allocation of future investment funds. Along with species inventories, it is also important to save existing data in information systems, which will also supplement the definition of the indicator in question and, most importantly, make the existing data available to those who need it. The storage backlog is particularly high in various data related to birds. Additional resources should be clearly and systematically allocated to actions that improve indicator data, while simultaneously enhancing the availability of species data to promote, for example, species protection, habitat management and nature conservation advocacy.

		METSÄHALLITUS GROUP	BUSINESS OPERATIONS ENTITY AND BUSINESS OPERATIONS	PARKS & WILDLIFE FINLAND	SIGNATURE OF THE FINANCIAL STATEMENTS AND AUDITOR'S MARKING		AUDITOR'S REPORT	PARKS & WILDLIFE FINLAND – SEPARATE FINANCIAL STATEMENTS	
MANAGEMENT REVIEW	IMPACT AND OUTPUTS	OPERATIVE EFFICIENCY	MANAGEMENT AND DEVELOPMENT OF MENTAL RESOURCES		FINANCIAL STATEMENT ANALYSIS	FINANCIAL STATEMENT CALCULATIONS AND NOTES		SIGNATURE OF THE FINANCIAL STATEMENTS AND AUDITOR'S MARKING	
IMPACT OBJECTIVE 2 UTILISING COST-EFFECTIVE ACTIONS TO IMPROVE THE STATUS OF THE NETWORK OF NATURA 2000 SITES AND NATURE RESERVES									
INDICATOR		IMPLEMENTATION 2016	IMPLEMENTATION 2017	IMPLEMENTATION 2018	OBJECTIVE 2019	IMPLEMENTATION 2019	NETRA 1–5 2019		
Coverage of the NATA assessments (%)		39	71	95	100	98	3		
STRENGTHS Statute preparation packages were completed as cooperation between the Ministry of the Environment and Metsähallitus. A total of 119 new nature reserves were established in South Savo and 57 in South Karelia. A development project related to planning management and use progressed according to plan. Despite resource problems, the amount of advocacy (incl. 179 statements) was maintained at more or less the same level as in previous years.		WEAKNESSES Achievement of the objective related to Natura 2000 site condition assessments (NATA) would have required a total of 57 NATA assessments (1st round) in the lake region and coastal Finland, but 21 of these had not been completed by the end of the year. The reason for this was resource problems that were in part related to the planning required for future investments at the end of the year. Due to the end of a three-year discretionary grant, property		formation and boundary marking could not be furthered at all. A lack of resources meant that only two management and use plans (Hossa National Park, Maakylä-Räyskylä) and one set of Park Regulations (Kauhaneva-Pohjankangas) were completed. slowly, but this was primarily due to the Ministry of the Environment's busy schedule. In terms of advocacy, there has been some uncertainty concerning the species for which Metsähallitus is responsible.		CONCLUSIONS The general lack of resources in National Parks Finland reflected on the implementation of NATA assessments, management and use plans and property formation in many ways. At the end of the year in particular, the personnel's working time could not be sufficiently allocated to these tasks because a major amount of this time was needed for planning related to future investments. NATA assessments and management and use plans require work input from several National		Parks Finland processes, and the management system of National Parks Finland seems to easily prioritise process-specific targets rather than such joint activities when there is a shortage of resources.	
								It should be noted that activities handled under impact objective 1 are also related to impact objective 2. Therefore, when evaluating success in the latter as a whole, the conclusions made in conjunction with impact objective 1 must also be taken into consideration.	
IMPACT OBJECTIVE 3 THE VALUE OF CULTURAL AND HISTORIC REAL PROPERTY ASSETS IS PRESERVED.									
INDICATOR		IMPLEMENTATION 2016	IMPLEMENTATION 2017	IMPLEMENTATION 2018	OBJECTIVE 2019	IMPLEMENTATION 2019	NETRA 1–5 2019		
Percentage of strategic cultural and historic property assets in good and average condition.		76	80	80	80	80	4		
Number of maintenance books created for strategic cultural asset sites		10	10	2	10	14	5		
STRENGTHS The 80% condition target has been achieved for state-owned strategically valuable buildings and archaeological sites. Historical sites managed as destinations are important tourism attraction factors in many places, with more than 800,000 visitors. Local economy impacts are monitored at eight historical sites, which had a total employment impact		of 233 person-years and a revenue impact of EUR 28.6 million.		reasonable condition of wooden buildings that can be maintained simply and inexpensively. The condition of fortress and castle ruins is poor throughout the country. They constitute a significant risk and threat to the preservation of conservation values and to customer use. Many sites require further investigations in order to determine their condition and the proper method of management.		CONCLUSIONS The renovation backlog for buildings with culturally historic value and archaeological sites was estimated at EUR 70.3 million. A significant part (76%) of the renovation backlog involves state-owned strategic property assets with culturally historic value. The preservation of cultural heritage values in		protected areas requires sufficient funding. The arrangement of funding needed to repair and maintain sites outside protected areas, especially ruined castles and fortresses, should be outlined in conjunction with, for example, updating of the Government's real estate strategy.	
		WEAKNESSES The resources to manage cultural heritage sites are insufficient to safeguard maintenance and management of the conservation values. The condition target for strategic property assets was primarily achieved through the							

PARKS & WILDLIFE FINLAND – SEPARATE FINANCIAL STATEMENTS

45



IMPACT OBJECTIVE 4 THE VITALITY OF THE STANDING CROP AND FISH STOCK REMAINS AND HUNTING AND FISHING ARE ETHICAL AND RESPONSIBLE

INDICATOR	IMPLEMENTATION 2016	IMPLEMENTATION 2017	IMPLEMENTATION 2018	OBJECTIVE 2019	IMPLEMENTATION 2019	NETRA 1–5 2019
Percentage of offences discovered in wilderness supervision events	10.1	9.8	9.8	9.5	9.9	2
Wilderness supervision events	11,278	10,791	8,650	11,000	9,861	2

STRENGTHS

The total number of wilderness supervision events increased in comparison to the previous year, which was due to correction of the resource shortage. Cooperation between authorities in wilderness supervision, which provided the best impact in supervision, improved due to an agreement with the police and Finnish Border Guard regarding

the establishment of regional cooperation networks.. Wilderness supervision resources increased at the end of the year when one fixed-term Game and Fisheries Warden began working in the Life BorealWolf project in December.

WEAKNESSES

The number of legal and permit offence

inspections increased by 0.1 per cent over the previous year and remained clearly below the target. The quantitative objective for wilderness supervision events was not achieved.

CONCLUSIONS

More hunting and fishing customers were encountered in comparison to the previous

year. The number of hunting offences increased by 0.7 per cent over the previous year while fishing offences decreased by 2.6 per cent. However, the changes remain within the long-term range of variation. It is impossible to influence the total number of offences in wilderness supervision in the short term, and preventive measures and cooperation between authorities are very important with regard to having long-term

impacts. The decrease in total number of wilderness supervision events can be attributed to the end of work being done by a Games and Fisheries Warden in the Saimaa Seal LIFE project. This is because the fishing inspections performed in Lake Saimaa and the number of trained fishers raised total wilderness supervision events to over 1,000 per year. The total number of events returned to the level preceding the project.

IMPACT OBJECTIVE 5 THE GAME AND FISHERIES SERVICES PROVIDED ARE COMPREHENSIVE, ECOLOGICAL AND SOCIALLY SUSTAINABLE, AND ARE USED TO PROMOTE WELLBEING

INDICATOR	IMPLEMENTATION 2016	IMPLEMENTATION 2017	IMPLEMENTATION 2018	OBJECTIVE 2019	IMPLEMENTATION 2019	NETRA 1–5 2019
Number of wilderness recreation days of hunting and fishing customers (small game and recreational fishing)	370,000	405,000	465,657	400,000	487,559	5
Number of permits sold, total	138,518	136,702	153,032	145,000	165,519	5
Hunting permits	56,659	53,962	65,149	60,000	71,398	5
Fishing permits	81,859	82,740	87,883	85,000	94,121	5
National fisheries management fee (number of individuals paying for the annual permit)	205,170	192,360	174,342	200,000	180,486	2
Total spending impact of wilderness visitors on the regional economy, EUR million	40.6	42.7	44.1	44.0	46.7	5

STRENGTHS

The combined number of days spent in the wilderness by hunting and fishing customers increased in comparison to earlier years. For fishing, the popularity of angling was particularly visible as an increase in permit sales. Larger grouse populations than in previous years and longer hunting seasons

increased the wilderness days for hunters and the number of hunting permits sold. The increase in permit sales was also visible in the positive impacts of customer spending on the regional economy.

WEAKNESSES

The number of people paying the annual

fisheries management fee remained lower than the sales target. However, the total amount of payments increased in comparison to the previous year. New sales channels for the fisheries management fee were actively surveyed, but no sales agreements with new sellers were confirmed. The work to identify new sales channels will continue.

CONCLUSIONS

The popularity of angling is increasing at the same time as trap fishing is decreasing. Measures aimed at managing habitats in fishing waters and developing fishing tourism are likely to further increase interest in angling. The popularity of small game hunting has been on the rise in recent years. This has been

particularly affected by growth in grouse populations, which has also provided the Game Administration with the opportunity to extend hunting seasons for grouse in most of the country.

2.2 OPERATIONS SUPPORTING CORE ACTIVITIES

DEVELOPMENT

Strengths

As part of performance agreement development and reporting, the objectives and indicators for the agreement's target map, social impact, operational effectiveness and resource management were updated in cooperation with the ministries responsible for performance guidance. A new analysis model that summarises the most important achievements in a more concise and clear manner was tested in the interim report for the year. Development of project activities led to implementation of the new Polku project management model and renewal of the project portfolio structure. The Project Services network and funder-specific project manager networks were established to support project activities.

Weaknesses

Negotiations on developing an overall productivity indicator were held with the ministries responsible for performance guidance and the Ministry of Finance. The outcome of these negotiations was a decision to keep the existing overall productivity indicator for the time being, even though significant development needs were identified for the indicator. Areas that require development are linking the regional action plans to the performance agreement objectives and monitoring achievement of the performance agreement objectives prior to interim reporting. In some cases, it may be too late to react if the need for corrective measures in activities during the ongoing year is only identified in conjunction with the interim report. Management of project activities is complicated by the absence of IT systems for project management.

Conclusions

The connection between performance agreement objectives and the National Parks Finland and Wildlife Service Finland areas and Metsähallitus Group's action plans must be strengthened. Monitoring the achievement of the performance agreement objectives must be done in a more systematic manner, also before interim reporting. Actions to develop an indicator used for calculating productivity will begin as part of broader indicator development work to be launched with the Ministry of the Environment and 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. Development work aimed at specifying a set of indicators for cost effectiveness will also begin. The Polku project management model will mark the transition to a

more professional project world. The model provides a new and clearer path for project management and decision-making. In the future, project work will be better able to recognise and ensure that the results of projects support the objectives set for us by the steering ministries in a more seamless manner. The project management system will be implemented in 2020.

COMMUNICATIONS AND ONLINE SERVICES

Strengths

The renewal of the Nationalparks.fi online service and the Matkailuaineisto (tourism data) project as part of the Tourism 4.0 project entity succeeded according to plan. Both of these projects had a significant impact on promoting sustainable nature tourism. The Nationalparks.fi renewal also

promotes local recreation and responsible hiking. National Parks Finland's stakeholder and partner communications was very active and productive. Regional and local communications about nature conservation work and the recreational opportunities offered by nature destination was also productive.

The renewal of Eräluvut online service was started in cooperation with customers. Communications and the D9 team from the Population Register Centre conducted a service design project that lasted for the entire year. The result of this project was the creation of a future Eräluvut online service in cooperation with customers of different types. This work combined a website and web shop. Development of the Eräluvut application will take permit purchases into a new era. Procurement of the application was accelerated by the telephone operator's

		METSÄHALLITUS GROUP	BUSINESS OPERATIONS ENTITY AND BUSINESS OPERATIONS	PARKS & WILDLIFE FINLAND	SIGNATURE OF THE FINANCIAL STATEMENTS AND AUDITOR'S MARKING		AUDITOR'S REPORT	PARKS & WILDLIFE FINLAND – SEPARATE FINANCIAL STATEMENTS	
MANAGEMENT REVIEW	IMPACT AND OUTPUTS	OPERATIVE EFFICIENCY	MANAGEMENT AND DEVELOPMENT OF MENTAL RESOURCES		FINANCIAL STATEMENT ANALYSIS	FINANCIAL STATEMENT CALCULATIONS AND NOTES	SIGNATURE OF THE FINANCIAL STATEMENTS AND AUDITOR'S MARKING		
<div><div><p>decision to discontinue traditional mobile permits. A popular topic in terms of media communications was wilderness supervision, the actions of which interested the media a great deal.</p><p>Weaknesses</p><p>National Parks Finland was not able to achieve visibility for its work on behalf of biodiversity in conjunction with publication of the so-called red books. None of the topics crossed the national media threshold in a significant way. Feedback indicated that Wildlife Service Finland’s customers were still unclear about how the “Lupa on sijoitus luontoon” (A permit is an investment in nature) slogan is implemented in practice.</p><p>Conclusions</p><p>The importance of online services and especially their mobile use continues to increase in both communications and customer</p></div><div><p>service. The visibility of nature conservation topics in national media communications must be developed. Wildlife Service Finland should continue to communicate about the use of permit revenue to restore waters and game areas so citizens have a clear understanding of how the permit revenue is used.</p><p>ACHIEVEMENT OF OBJECTIVES SET FOR INTERNATIONAL OPERATIONS IN RELATION TO DISCRETIONARY FUNDING FROM THE MINISTRY OF THE ENVIRONMENT</p><p>Strengths</p><p>Cooperation with Estonia focused on restoration burning and nature tourism. The focus of cooperation with Latvia was on remote sensing methods, service structures and construction and Junior Ranger activities. Preparations related to wetland tours for schoolchildren were conducted during</p></div><div><p>implementation of the Ramsar Convention on Wetlands. Methods for identifying common restoration priorities and synchronising the monitoring the status of habitat types were developed in the Boreal seminar of the Natura 2000 Biogeographical Process. The actions of the member countries would support and complement each other in a cost-effective manner. At the request of the Ministry of the Environment, we also participated in international environmental agreements (CBD and CITES) negotiations and preparations during Finland’s Presidency of the Council of the EU.</p><p>Weaknesses</p><p>Despite the plans, development of China’s national parks has not begun yet.</p><p>Conclusions</p><p>In accordance with the performance agreement objectives and National Parks Finland’s</p></div><div><p>new international action programme, the focus of international operations was on regional cooperation with neighbouring countries. Matters related to safeguarding biodiversity were at the forefront of cooperation. In the future, we will increase visibility especially at events associated with the EU Commission’s nature conservation and invest in regional cooperation with neighbouring countries due to the similarity and connections between our nature.</p><p>FOREST TREE SEED MANAGEMENT</p><p>Strengths</p><p>Security stock seed sales were strong. A total of 1,614 kilograms of seed was sold, and EUR 799,000 was accrued from the sale.</p><p>Weaknesses</p><p>The security stock still contains a reasonable amount of seeds (40,700 kg of pine</p></div><div><p>and 6,200 kg of spruce), but there is major regional variation in the stock. There is not enough good quality cultivation seed to provide comprehensive cover for the entire Northern Finland area.</p><p>Conclusions</p><p>A seed collection implemented during winter 2018–2019 provided 541 kg of seed. The next seed crop suitable for collection is expected in autumn 2020. Organisation of the seed collection will developed based on experiences obtained from the first collection.</p><p>ENVIRONMENTAL SYSTEM</p><p>An external audit in accordance with the SFS-EN ISO 14001 standard focused on general environmental management, the environmental system and visitor safety. The audits revealed no deviations.</p></div></div>									
<div><div>PARKS & WILDLIFE FINLAND – SEPARATE FINANCIAL STATEMENTS</div><div>49</div></div>									



3 OPERATIVE EFFICIENCY

The tables indicating the total costs in the separate accounting of the Metsähallitus Public Administration Service 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.

3.1 ECONOMIC EFFICIENCY

The three-year transfer appropriation received 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 in 2017 based on the strategic performance agreement and its annual annex, totalled EUR 42.93 million (EUR 42.93 million in 2018).

A total of EUR 40.3 million (EUR 40.1 million in 2018) 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 62 per cent of the total expenses of the operating year (64% in 2018). 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 6.4.4. The achievement of objectives recorded in performance agreements requires that financing is also actively acquired from other financing channels.

ALLOCATION OF THE THREE-YEAR TRANSFER APPROPRIATION RECEIVED FROM MINISTRY OF THE ENVIRONMENT ARTICLE 35.10.52 IN 2019

ME ART. 35.10.52, EUR 1,000

State budget 2019	29,796
Reduction in renovation backlog	1,500
Adjustments in pay	343
Parliament's margin of distribution	3,730
	35,369
Supplementary State budget II Water and sewer work at Vallisaari	900
Supplementary State budget IV Change in pension payment structure	78
ME art. 35.10.52 total in 2019	36,347

ALLOCATION OF THE THREE-YEAR TRANSFER APPROPRIATION RECEIVED FROM MINISTRY OF THE ENVIRONMENT ARTICLE 30.64.50 IN 2019

ME ART. 30.64.50, EUR 1,000

State budget 2019	5,758
Reduction in renovation backlog	400
Adjustments in pay	67
Parliament's margin of distribution	150
Change in pension payment structure	16
	6,391
Seed management in northern Finland, seed collection	194
	6,585



Total expenditure in 2019 was EUR 65.2 million (EUR 63.1 million in 2018).

The total use of funds grew by EUR 2.0 million or by 3 per cent compared to the previous year. The costs in total use of funds increase as the income obtained in return for them rises. The biggest rise in total use of funds was EUR 1.4 million in paid activities, representing an increase of 12 per cent.

By expense type, the greatest decrease was EUR 1.2 million in rent and other expenses for business premises.

The largest increase by expense type was EUR 1.7 million in building and structure investments. A total of EUR 2.0 million was invested in buildings and structures during the operating year, 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 14 per cent of total expenses, thus remaining at the 2018 level. Measured in euros, project financing expenses were EUR 9.6 million (EUR 9.1 million in 2018). The project financing received 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 decreased to 506, while there were 522 corresponding gross person-years in 2018 (see Section 4.1, Development of the number of employees, and 6.4.3, Notes).

The use of appropriations is addressed in more detail in sections 5.1 and 5.2.

PARKS & WILDLIFE FINLAND OPERATIONS DISTRIBUTED BY FINANCIAL RESOURCE 2018–2019

TOTAL EXPENDITURE BY FINANCIAL RESOURCE, EUR 1,000

	2019, TOTAL	2018, TOTAL	CHANGE, EUR	CHANGE, %
Expenses for paid activities	13,127	11,692	1,435	12%
MAF art. 30.64.50	7,741	7,199	542	8%
ME art. 35.10.52	33,518	34,021	-503	-1%
ME, protection of maritime areas art. 35.10.22	841	701	140	20%
ME, acquisition of nature reserves art. 35.10.63	355	435	-80	-18%
EU funding	5,539	4,329	1,210	28%
MJ, day-release work	986	934	52	6%
MEAE, employment, educational and specialised measures	355	311	44	14%
Other external funding	2,752	3,539	-787	-22%
TOTAL	65,213	63,160	2,053	3%
Expenses excl. Land acquisition investments	64,858	62,824	1,518	2%

PARKS & WILDLIFE FINLAND OPERATIONS DISTRIBUTED BY FINANCIAL RESOURCE 2018–2019

TOTAL EXPENDITURE BY EXPENDITURE TYPE, EUR 1,000

	2019 TOTAL	2018 TOTAL	CHANGE, EUR	CHANGE, %
Materials and supplies	3,414	3,524	-110	-3%
External services (production)	6,059	5,174	885	17%
Pay expenditure	27,239	27,974	-735	-3%
Travels and other staff expenses	3,173	3,123	50	2%
ICT hardware and software expenses	2,371	2,659	-288	-11%
Rent and other expenses for business premises	3,343	4,593	-1,250	-27%
Vehicle expenditure and other machinery and equipment expenditure	2,288	2,369	-81	-3%
Other purchase of services	1,804	1,552	251	16%
Other marketing, administration and business expenses	12,203	10,625	1,578	15%
Investments	2,988	1,232	1,756	143%
Land acquisition investments	332	336	-5	-1%
TOTAL	65,213	63,160	2,053	3%
Expenses excl. land acquisition investments	64,882	62,824	2,057	3%



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 such as those for administration services and international duties have been included in the joint expenses. Financing and operating expenses for the 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 5.8 million. In Wildlife Service Finland's Other financial resources, revenue from paid activities accounts for 41 per cent or EUR 6.6 million

PARKS & WILDLIFE FINLAND'S GROSS EXPENSES IN 2018–2019 BY TASK AND FINANCIAL RESOURCE

FINANCIAL RESOURCES AND TASKS, EUR 1,000	MAF ART. 30.64.50, 2019	MAF ART. 30.64.50, 2018	ME ART. 35.10.52, 2019	ME ART. 35.10.52, 2018	OTHER FINANCIAL RESOURCES, 2019	OTHER FINANCIAL RESOURCES, 2018	EXPENSES IN TOTAL, 2019	EXPENSES IN TOTAL, 2018	CHANGE, EUR	CHANGE, %
Joint expenses	454	358	2,634	2,817	997	989	4,086	4,165	-79	-2%
Nature and cultural heritage conservation	106	19	8,001	7,528	5,192	4,168	13,299	11,715	1,584	14%
Nature tourism and recreational use	4,671	4,664	19,856	19,245	9,477	9,152	34,004	33,062	942	3%
Area management	202	128	3,021	4,430	451	705	3,674	5,264	-1,590	-30%
Game and fisheries affairs	1,983	1,663	6	0	7,836	6,925	9,825	8,588	1,237	14%
Seed management	325	366	0	0	0	0	325	366	-41	-11%
Expenses in total, 2019	7,741	7,199	33,518	34,021	23,954	21,940	65,213	63,160	2,053	3%
Expenses in total, 2018	7,199		34,021		21,940		63,160			
Change, EUR	542		-503		2,014		2,053			
Change, %	8%		-1%		9%		3%			

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 & WILDLIFE FINLAND'S USE OF THE MINISTRY OF AGRICULTURE AND FORESTRY APPROPRIATION (ARTICLE 30.64.50) BY TASK 2019

USE OF MAF APPROPRIATION (ART. 30.64.50) BY TASK, EUR 1,000	APPROPRIATION 2019	AUTHORISATION 2019	SUPPLEMENTARY STATE BUDGET IV/2019	TRANSFERRED FROM 2018	GROSS AVAILABLE IN INCOME 2019	BUDGETED IN 2019	GROSS EXPENSES 2019	TRANSFERRED TO 2020
1. Joint expenses						570	481	
2. State-owned hiking areas, wilderness areas, recreational forests, other recreational areas, other trail network						4875	4,978	
3. Game and fisheries supervision					21	1,345	1,616	
4. Hunting projects						0	0	
5. Fishery projects						244	231	
6. Iijoki and Hossajoki river log floating obligation management						155	109	
7. Seed management in northern Finland		194			860	333	325	
TOTAL	6,391	194	16	525	881	8,006	7,521	266



3.2 PRODUCTIVITY

The Government's ownership policy guidelines for Metsähallitus include an objective for the operations of the Parks & Wildlife Finland (Public Administration Service) unit: National Parks Finland will increase productivity and the impact of its operations. The development targets for total productivity have been included in the modernised performance agreement. On the whole, the performance agreement and the annual performance guidance indirectly set objectives promoting cost-effectiveness, since they include impact objectives, objectives for deliverables and for quality, and specify 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.

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, which was included in its review plan for 2017 ([www.vtv.fi/files/5982/1_2018_Metsahallituksen_](http://www.vtv.fi/files/5982/1_2018_Metsahallituksen_toiminta_valtion_maa-ja_vesiomaisuuden_hallinnassa.pdf)

[toiminta_valtion_maa-ja_vesiomaisuuden_hallinnassa.pdf](http://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, atten-

tion should be paid to the impact of the operations.

During 2020, measures to develop the indicator used to calculate productivity continued as part of broader indicator development work by 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 remained well under 100, with an index figure of 77.91. Productivity was weaker in all areas of the calculation model. Outputs, labour inputs and work productivity all decreased while expenses remained at the previous year's level. Total productivity decreased, partly due to preparation done in autumn 2019 for major future investments in 2020.

PARKS & WILDLIFE FINLAND'S OUTPUT AND CONTRIBUTION OUTCOME INDICES, WORK PRODUCTIVITY AND UNDEFLATED TOTAL PRODUCTIVITY 2018–2019 AND CORRESPONDING OUTCOMES FOR 2017–2018 AND 2016–2017

INDEX	2018–2019	2017–2018	2016–2017
Output, realised deliverables	78.53	104.54	104.64
Labour input, effective person-years	96.43	98.69	96.37
Total input, profit and loss account expenses	100.80	105.02	99.09
Labour productivity, output/work input	81.44	105.93	108.58
Total productivity, output/total input	77.91	99.55	105.61



DELIVERABLES DESCRIBING PRODUCTIVITY IN THE PARKS & WILDLIFE FINLAND TOTAL
PRODUCTIVITY CALCULATIONS 2018–2019

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 visitors to nature 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 (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 2018–2019**

FINAL DELIVERABLES 2018–2019	OUTCOME AMOUNT 2018	PERCENTAGE OF ALL EXPENDITURES 2018	SCALED PERCENTAGE 2018	OUTCOME AMOUNT 2019	PERCENTAGE OF ALL EXPENDITURES 2019
Management and use plan in Natura areas	2	0.5	0.5	2	0.8
Establishment of nature reserves	160	2.7	2.7	0	1.1
Exerting an influence on land use	197	2.6	2.6	179	2.4
Number of NATA assessments	272	1.5	1.5	52	0.6
Habitat inventories in land areas, hectares	13,182	3.7	3.7	24,339	3.4
Rewilding and management, hectare	6,219	9.8	9.8	6,341	10.2
Species occurrence checks	14,349	6.2	6.2	6,046	7.6
Maintenance books for strategic cultural and historic real property asset sites	2	0.7	0.7	14	0.9
Guidance free of charge	1,149,100	18.5	18.5	1,152,100	17.3
Maintenance of service structures and facilities	34,780	30.7	30.7	35,075	33.2
Off-road traffic permits	6,943	0.9	0.9	6,721	0.5
National fisheries management fee (number of individuals paying for the annual permit)	174,342	0.6	0.6	180,486	0.8
Game and fisheries supervision	8,650	3.4	3.4	9,861	3.9
Paid activities, the indicator is sales income unless otherwise reported					
Paid rights of use	334	0.8	0.8	408	0.8
Paid guidance (number of individuals using guidance services)	40,830	5.5	5.5	46,490	4.8
Paid rental of business premises	1,729	1.0	1.0	1,700	0.0
Hunting and fishing (number of fishing permits)	87,883	10.5	10.5	94,121	11.3
Seed management (kilograms sold)	1,286	0.6	0.6	1,614	0.5

OUTPUT INDEX 2018–2019

78.53



3.3 PROFITABILITY

The cost relatedness of the paid activities in Parks & Wildlife Finland, based on internal financing, will be calculated using the State Treasury model. The total cost relatedness for all deliverables of the 2019 paid activities was 125 per cent (123% in 2018). The increase in the cost relatedness was affected by the increase in the total turnover (EUR 1.05 million, 9%) while the costs spent on producing the deliverables decreased (EUR 0.44 million, -2%).

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 for all public law deliverables improved in comparison to the previous year. The turnover of deliverables and costs increased in the field of the Ministry of Agriculture and Forestry. The majority of the growth in turnover (EUR 0.24 million) came from higher sales of hunting permits (6%). The significance of trap fishing is decreasing steadily. The increase in separate expenses was mainly due to the Eräluvat.fi service entity renewal and the RISU information system project. The percentage of the public law deliverables in the field of the Ministry of the Environment was EUR 0.18 million or 5 per cent of the total profits of public law deliverables (4% in 2018), and the corresponding percentage of the costs was EUR 0.09 million or 2 per cent (11% in 2018).

The cost relatedness for all public law deliverables was 145 per cent. In the previous year, the figure was 143 per cent. Compared to the previous year, the turnover for deliverables in the fields of the Ministry of the Environment and the Ministry of Agriculture and Forestry increased by a total of EUR 0.83 million (10%), and the corresponding costs decreased by EUR 0.49 million (9%).

Turnover for deliverables priced based on business operations in the field of the Ministry of the Environment continued to increase, especially in sales of non-certified wood (EUR 0.33 million, 30%). 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. In 2019, the project was progressing well in this area, thus providing more revenue from wood sales. During 2019, trees were also removed at

many sites where conditions had prevented these activities in 2018.

The turnover for deliverables based on business operations in the field of the Ministry of Agriculture and Forestry increased by EUR 0.27 million (11%) and the corresponding costs remained at the previous year's level. The popularity of angling and active forms of fishing continued to grow. Annual variation in seed sales is normal, and the higher than average seed revenue in 2019 was mainly due to one major sales event. In accordance

with authorisation granted by Parliament, State budget funding of EUR 0.19 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.

The turnover for the paid deliverables of Parks & Wildlife Finland have been presented by business unit in Chapter 6.4.1, and the principles of cost calculations and cost relatedness calculations are presented numerically in Chapter 6.4.6.

THE PROFITABILITY OF THE PAID ACTIVITIES FOR PARKS & WILDLIFE FINLAND
AND THE OUTCOME OF COST RELATEDNESS 2017–2019

PAID ACTIVITIES	2019 OUTCOME	2018 OUTCOME	2017 OUTCOME
Public law deliverables			
Cost relatedness of the public law deliverables under the MAF fees regulation 888/2017 (%)	89%	95%	80%
Cost relatedness of the public law deliverables under the ME fees regulation 1029/2017 (%)	208%	35%	135%
Business operations deliverables			
Cost relatedness of the deliverables priced based on business operations under the MAF fees regulation 888/2017 (%)	126%	111%	121%
Cost relatedness of the deliverables priced based on business operations under the ME fees regulation 1029/2017 (%)	156%	165%	149%
Deliverables based on individual legislation			
Cost relatedness of the deliverables based on individual MAF legislation (%)	161%	97%	153%
Cost relatedness of the deliverables based on individual ME legislation (%)	323%	188%	276%



4. MANAGEMENT AND DEVELOPMENT OF MENTAL RESOURCES

4.1 DEVELOPMENT OF KEY FIGURES FOR PERSONNEL

Employee resources were dimensioned as planned for the funding base, so the person-years decreased from the previous year. The personnel plan was updated for 2020–2025. Strict guidelines were observed in recruiting. Personnel turnover is small, which is a sign of extremely strong commitment to the organisation.

Scarce resources made it necessary to prioritise tasks throughout the year. Choices had to be made when dimensioning the work of permanent staff, especially in project work and tasks in the area of basic funding. The transition to a new programme period in EU funding affected the low number of new employment relationships.

A long-term, target-oriented personnel plan should be compiled in addition to the existing dimensioning plan. The focus should be on the type of workforce needed in the future. The target organisation will be reached by means of training and recruiting. Operations will be made more flexible, and

a new project management model was also confirmed.

4.2 WELLBEING AT WORK

The annual personnel survey provides a good method for monitoring the organisation and the situation in its different areas from the perspective of employees. This is used as the basis for compiling development plans for different organisational levels and the business units as a whole. Acute issues revealed by the survey can be addressed quickly at the team level. At the beginning of 2020, development plans will be drawn up for the development targets that were identified in the 2019 personnel survey.

Based on the personnel survey, clarification of the management model for project activities as an internal project was highlighted as a development area for 2019. This project was successfully completed and the results are expected to become tangible during 2020. A second development target was improving the clarity of activities and renewing the performance objectives and indicators in cooperation with the steering ministries. This

process was completed as planned and the work will be implemented in the business units during 2020 in relation to planning for 2021. Both development targets correspond to the personnel survey sections supervisory work, competence development and motivation.

All occupational accidents are documented and processed in the Parks & Wildlife cooperation committee. The aim of documentation and processing is to learn from the accidents and improve risk management.

4.3 BONUSES

The bonus factors shared by the entire Metsähallitus Group were the business group's profit for the financial period (weighting 25%), implementation of the responsibility programme (10%) and reputation (5%). The indicators for Parks & Wildlife Finland were the total local economy impacts of spending by visitors to national parks, state-owned hiking areas, historical and other popular destinations (25%), customer satisfaction (20%) and public image (15%). The financial statements include a EUR 0.647 million reservation for bonus payment.

DEVELOPMENT OF KEY FIGURES FOR PERSONNEL 2016–2019

	2016	2017	2018	2019
Number of employees on 31 Dec				
permanent	408	398	389	388
fixed-term	122	103	111	167
total	530	501	500	555
Person-years (unpaid absences deducted)				
permanent	374	371	363	354
fixed-term	150	134	135	126
total	524	505	498	480
Personnel mean age				
permanent	49.3	49.0	49.7	50.5
fixed-term	37.4	37.0	38.9	40.0
Turnover and average of permanent employees				
employment relationships started	11	8	20	7
employment relationships ended	13	22	20	13
employees on average	407	403	392	391
total turnover	-0.5	-3.5	0	-1.2
Payroll without social security expenses, EUR million	22.1	20.9	23.5	22.2

DEVELOPMENT OF WORKPLACE WELLBEING 2016–2019

	2016	2017	2018	2019
Job satisfaction and development of human capital (personnel survey)				
supervisory work (scale 1–5)	3.9	3.9	3.9	4.1
development and invigoration of skills (scale 1–5)	3.9	3.7	3.7	3.6
motivation (scale 1–5)	3.9	3.9	3.8	4.0
Absences due to accidents at work (working days per person-years)	0.3	0.1	0.5	0.4



5 FINANCIAL STATEMENT ANALYSIS

5.1 PROFIT AND LOSS ACCOUNT

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 2019 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 2019 operating year. The profit and loss account profit or loss before transfers within the financial

financial statements will show a deficit for technical reasons related to recording in business accounting, since depreciations and the change in the northern Finland seed management stock is 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 deficit in the business accounting profit and loss account before transfers within the financial statements totalled EUR 1.61 million (EUR 1.38 million in 2018). The deficit was mainly due to the depreciations during the financial period (EUR 1.60 million), the

change in the Northern Finland seed security stock (EUR 0.14 million), a correction recorded as a loss from the sale of fixed assets (EUR 0.29 million), and a surplus in operational profit realised at the same time (EUR 0.58 million).

The investments made in unfinished buildings, other buildings and structures as well as machinery and equipment and information systems during the financial period (EUR 2.31 million) 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.

The financing for other operations from the State budget before acquisition cost deduction or correction was EUR 45.08 million, representing a decrease of EUR 0.93 million (-2%) in comparison to the previous year. The greatest decrease was in financing from the Ministry of Economic Affairs and Employment. Financing for other operations from the State budget is described in the notes section 6.4.1 Complementary notes to the Profit and Loss Account

Income from paid activities and other operating income totalled EUR 19.5 million, which was an increase of EUR 2.95 million (18%) in comparison to the previous year. Total income comprises income from paid activities, which means turnover, and other operating income such as 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 6.4.1, Complementary notes to the Profit and Loss Account.

Turnover from the income for paid activities accumulated on the basis of the Act on Criteria for Charges Payable to the State (150/1992) was nearly identical in the field of the Ministry of Agriculture and Forestry and the field of the Ministry of the Environment. The combined amount was EUR 13.21 million. Income increased by EUR 1.04 million (9%) in comparison to the previous year. The largest part of this growth came from public law hunting permits and the sale of wood priced based on business operations.

As in earlier years, the majority of turnover came from hunting and fishing permit income and premises rentals, wood sales as well as nature guidance and counselling products.

		METSÄHALLITUS GROUP	BUSINESS OPERATIONS ENTITY AND BUSINESS OPERATIONS	PARKS & WILDLIFE FINLAND	SIGNATURE OF THE FINANCIAL STATEMENTS AND AUDITOR'S MARKING		AUDITOR'S REPORT	PARKS & WILDLIFE FINLAND – SEPARATE FINANCIAL STATEMENTS		
MANAGEMENT REVIEW	IMPACT AND OUTPUTS	OPERATIVE EFFICIENCY	MANAGEMENT AND DEVELOPMENT OF MENTAL RESOURCES		FINANCIAL STATEMENT ANALYSIS	FINANCIAL STATEMENT CALCULATIONS AND NOTES	SIGNATURE OF THE FINANCIAL STATEMENTS AND AUDITOR'S MARKING			
<p>Income from these increased by EUR 0.78 million from the previous year. The change in the turnover and profitability have been analysed in section 3.3, which deals with income from paid activities and profitability.</p> <p>Other operating income of EUR 6.29 million mainly accumulated from project financing from external funding sources (EUR 5.66 million), of which the largest single item was LIFE funding of EUR 2.37 million. Other operating income by funding source is presented in sections 2.3.2 and 6.4.5.</p> <p>The business accounting costs for the 2019 financial period were EUR 64.09 million, representing a increase of EUR 0.50 million (1%) compared to the previous year. The higher costs were due to an increase in external service acquisitions (EUR 0.88 million), an increase in pension costs (EUR 0.64 million) and growth in other operating costs (EUR 0.68 million) at the same time as costs other than those mentioned previously fell by EUR 1.7 million.</p>			<p>The warehouse value of the northern Finland seed stock dropped by EUR 0.14 million, compared to the corresponding figure of EUR 0.18 million.for the previous year. The change for 2019 included a deduction of non-vital seeds, a total of EUR 0.03 million.</p> <p>5.1.1 USE OF APPROPRIATIONS FROM THE STATE BUDGET</p> <p>The appropriation from the State budget (EUR 42.93 million) has been broken down in section 6.4.1, Complementary Notes to the Profit and Loss account. The funding was spent on performing the duties agreed on with the steering ministries and on the expenses incurred by these duties. From the State budget, project financing and other complementary financing was received in addition to basic financing (articles 30.64.50 MAF and 35.10.52 ME).</p> <p>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, included improving</p>		<p>the preconditions for nature tourism in the Tourism 4.0 project (EUR1.46 million), repairing the Lapinsalmi suspension bridge at Repovesi National Park (EUR 0.46 million), improving logistics at Sipoonkorpi (EUR 0.25 million) and construction of the the water and sewer network at Vallisaari (EUR 0.81 million).</p> <p>The project financing and other complementary financing from the administrative branch of the Ministry of the Environment was mainly targeted at the Tila2 (improving maritime spatial planning),KIRAdigi (cultural environment data for joint use) and MetZo II (ecological decision analyses to support social decision-making) projects. In addition, the financing was used to promote international cooperation with for example, Estonia and Latvia.</p> <p>The most significant separately targeted expenses agreed on with the Ministry of Agriculture and Forestry in the performance agreement, transferred to the 2019 appropriations under article 35.10.52,were improving</p>		<p>the preconditions for nature tourism in the Tourism 4.0 project (EUR 0.33 million) and reducing the renovation backlog at the Evo, Kylmäluoma, Napapiiri and Oulunjärvi Hiking Areas (EUR 0.27 million).</p> <p>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 0.67 million), the forest reindeer breeding purity project (EUR 0.07 million), the development of snowmobiling (EUR 0.07 million), the CWR species project (EUR 0.02 million), improving the effectiveness of fish habitat management (EUR 0.08 million) and implementing the grayling management plan.</p> <p>The EUR 0.98 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 Nuuksio, Sipoonkorpi, Liesjärvi and Salamajärvi National Parks and in Evo Hiking Area.</p>		<p>Funding received from the administrative branch of the Ministry of Economic Affairs and Employment amounted to EUR 0.35 million. The financing mainly consisted of discretionary employment appropriations and was particularly targeted at Uusimaa, Kainuu, Koillismaa and Lapland.</p> <p>5.1.2 PAID ACTIVITIES AND OTHER USE OF FUNDING</p> <p>Funding other than that received from the State budget consists of the internal financing of paid activities, project funding and other complementary funding, including the sale of fixed assets.</p> <p>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 3.3 Profitability and 6.4.6 Cost relatedness calculations).</p>	

PARKS & WILDLIFE FINLAND – SEPARATE FINANCIAL STATEMENTS

59

		METSÄHALLITUS GROUP	BUSINESS OPERATIONS ENTITY AND BUSINESS OPERATIONS	PARKS & WILDLIFE FINLAND	SIGNATURE OF THE FINANCIAL STATEMENTS AND AUDITOR'S MARKING		AUDITOR'S REPORT	PARKS & WILDLIFE FINLAND – SEPARATE FINANCIAL STATEMENTS	
MANAGEMENT REVIEW	IMPACT AND OUTPUTS	OPERATIVE EFFICIENCY	MANAGEMENT AND DEVELOPMENT OF MENTAL RESOURCES	FINANCIAL STATEMENT ANALYSIS	FINANCIAL STATEMENT CALCULATIONS AND NOTES	SIGNATURE OF THE FINANCIAL STATEMENTS AND AUDITOR'S MARKING			
<p>The internal financing received from the sale of seeds for seed management in northern Finland (EUR 0.85 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 the article in question.</p> <p>The EUR 1.44 million received from the sale of non-certified fibre and energy wood in the conservation area rewilding sites was spent on features such as the self-financing for the EU LIFE projects.</p> <p>EUR 5.8 million of funding other than that received from the State budget was spent on the implementation of projects, including EUR 0.16 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</p>									
<p>to restore mires 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. The ongoing Interreg projects are developing existing small boat harbours in coastal island national parks in Finland and nature reserve areas in Sweden, raising awareness of the marine nature in the Bothnian Bay as cooperation between Finland and Sweden, increasing recognition of the Kvarken World Heritage site and the number of visitors while simultaneously improving opportunities for business activities. (Section 6.4.5 Financing external to the State budget).</p>									
<h3>5.2 BALANCE SHEET</h3>									
<p>The balance sheet total for Parks & Wildlife Finland is EUR 1,049.27 million, which is an increase of EUR 11.36 million in comparison to the previous year.</p>									
<h4>5.2.1 ASSETS</h4>									
<p>The investments made in unfinished buildings, other buildings and structures as well as machinery and equipment during the</p>									
<p>financial period and the related depreciations (EUR 5.19 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 6.4.2 Complementary notes to the Balance Sheet.</p>									
<p>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 11.03 million, from EUR 1,019.44 million to EUR 1,030.48 million.</p>									
<p>The value of intangible assets increased by EUR 0.28 million, mainly due to an entry of EUR 0.56 million as information system investments in progress. Development work related to the RISU,Excursionmap and LajiGis information systems was processed as information system acquisitions in progress.</p>									
<p>The value of tangible assets increased by EUR 10.74 million and was EUR 1,017.13 million at the end of the financial period (EUR 1,006.38 million in 2018). The change in value was primarily caused by</p>									
<p>increases in land and water areas received through transfer of possession totalling EUR 12.28 million and depreciations of EUR 1.45 million related to buildings and structures.</p>									
<p>There were no changes in long-term investments during the financial period.</p>									
<p>The value of inventories decreased by EUR 0.14 million as the value of the northern Finland seed stock fell to EUR 1.28 million.</p>									
<p>The value of current receivables decreased by EUR 0.12 million to EUR 6.49 million (EUR 6.62 million). The change was mostly due to a reduction in accounts receivable of EUR 0.73 million at the same time as the accrued income from LIFE project funding that is included in prepayments increased by EUR 0.71 million.</p>									
<p>The value of cash in hand and at banks was EUR 11.01 million, representing an increase of EUR 0.60 over the previous year. The change was mostly due to an increase in advances received at the same time as accounts payable and current receivable decreased.</p>									
<h4>5.2.2 EQUITY AND LIABILITIES</h4>									
<p>Equity increased by EUR 10.76 million to EUR 1,030.22 (EUR 1,019.45 million), primarily because of the entry of property received as transfer of possession as an increase of EUR 12.28 million in Other equity and the entry of the profits for the financial year (EUR 1.61 million) as an Other equity correction.</p>									
<p>Current liabilities totalled EUR 19.05 million (EUR 18.45 million), representing an overall increase of EUR 0.59 million. The growth in advances received (EUR 1.94 million) was mainly due to the change to moving the use of three-year transfer appropriations from the Ministry of the Environment and the Ministry of Agriculture and Forestry to 2020 and a decrease in advance payments received for EU project financing. Accounts payable and accruals and deferred income inside Metsähallitus Group decreased by EUR 0.32 million, totalling EUR 1.18 million at the end of the year. The EUR 0.57 million decrease in accruals and deferred income was primarily caused by a reduction in deferrable bonus liabilities.</p>									

PARKS & WILDLIFE FINLAND – SEPARATE FINANCIAL STATEMENTS

60



6 FINANCIAL STATEMENT CALCULATIONS AND NOTES

6.1 PROFIT AND LOSS ACCOUNT

EUR	PARKS & WILDLIFE FINLAND	
	1 JAN–31 DEC 2019	1 JAN–31 DEC 2018
TURNOVER	13,219,918.18	12,170,333.20
Other operating income	6,294,693.57	4,385,645.72
Financing for other operations from the State budget	42,978,162.63	45,653,024.87
Raw materials and services		
Raw materials and consumables		
Purchases during the financial year	3,413,728.32	3,523,579.18
Variation in inventories	143,520.24	183,486.67
External services	6,058,740.79	5,173,603.39
Raw materials and services, total	9,615,989.35	8,880,669.24
Staff expenses		
Wages and salaries	22,227,678.91	23,488,194.78
Social security expenses		
Pension expenses	4,427,260.22	3,784,154.96
Other social security expenses	583,844.53	701,236.52
Staff expenses, total	27,238,783.66	27,973,586.26
Depreciation, amortisation and impairment		
Depreciation according to plan	1,608,030.35	1,785,703.75
Other operating costs	25,637,078.96	24,953,033.78
OPERATING PROFIT	-1,607,107.94	-1,383,989.24
Financial income and expenses		
Income from other investments under non-current assets	14.00	14.00
Other interest and financial income	4,363.23	3,879.51
Interest and other financial expenses	8,278.87	3,326.52
Reductions in value of investments held as non-current assets	0.00	0.00
Financial income and expenses in total	-3,901.64	566.99
PROFIT BEFORE FINANCIAL STATEMENT TRANSFERS AND TAXES	-1,611,009.58	-1,383,422.25
Transfer of the profits of the financial year to Equity	1,611,009.58	1,383,422.25
PROFIT/LOSS FOR FINANCIAL PERIOD	0.00	0.00



6.2 BALANCE SHEET

EUR	PARKS & WILDLIFE FINLAND	
	31 DEC 2019	31 DEC 2018
ASSETS		
NON-CURRENT ASSETS		
Intangible rights	0.00	43,894.97
Other intangible assets	17,235.51	24,089.43
Advance payments and work in progress	394,581.49	56,048.00
Intangible assets in total	411,817.00	124,032.40
Tangible assets		
Land and water areas	999,965,496.21	987,724,193.68
Roads	117,974.67	143,969.91
Buildings and structures	16,716,745.45	18,223,269.83
Machinery and equipment	212,096.89	175,074.03
Advance payments and work in progress	118,000.06	118,103.26
Tangible assets in total	1,017,130,313.28	1,006,384,610.71
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	1,030,481,634.96	1,019,448,147.79

EUR	PARKS & WILDLIFE FINLAND	
	31 DEC 2019	31 DEC 2018
CURRENT ASSETS		
Inventories		
Finished products	1,287,349.87	1,430,870.11
Inventories in total	1,287,349.87	1,430,870.11
Receivables		
Current receivables		
Accounts receivable	1,304,857.97	2,035,528.01
Receivables from enterprise's business operations	424,539.46	491,256.64
Receivables from the enterprise's subsidiaries	96,967.26	251,347.31
Other receivables	113,781.58	107,976.47
Prepayments and accrued income	4,554,782.12	3,734,078.12
Current receivables in total	6,494,928.39	6,620,186.55
Cash in hand and at banks	11,016,018.75	10,414,860.34
CURRENT ASSETS IN TOTAL	18,798,297.01	18,465,917.00
ASSETS IN TOTAL	1,049,279,931.97	1,037,914,064.79



BALANCE SHEET

EUR	PARKS & WILDLIFE FINLAND	
	31 DEC 2019	31 DEC 2018
EQUITY AND LIABILITIES		
EQUITY		
Other equity	1,030,224,375.46	1,019,457,176.93
Retained earnings	0.00	0.00
Profit/loss for financial period	0.00	0.00
EQUITY IN TOTAL	1,030,224,375.46	1,019,457,176.93
LIABILITIES		
Other liabilities, non-interest-bearing	250.00	6,750.00
Current		
Advances received	9,569,986.95	7,628,104.65
Accounts payable	1,194,997.53	1,946,741.57
Debts to enterprise's business operations	1,106,078.13	1,331,224.94
Debts to Group's subsidiaries	79,183.73	178,908.04
Other liabilities	969,184.74	657,704.77
Accruals and deferred income	6,135,875.43	6,707,453.89
LIABILITIES IN TOTAL	19,055,556.51	18,456,887.86
EQUITY AND LIABILITIES IN TOTAL	1,049,279,931.97	1,037,914,064.79

6.3 CASH FLOW STATEMENT

EUR	PARKS & WILDLIFE FINLAND	
	1 JAN–31 DEC 2019	1 JAN–31 DEC 2018
CASH FLOW FROM BUSINESS OPERATIONS		
Payments from sales	14,171,685.45	11,955,816.86
Payments from other operating income	4,901,045.67	4,673,481.64
Payments from operating charges	-61,354,744.66	-59,497,672.37
Cash flow from business operations, before financial items and taxes	-42,282,013.54	-42,868,373.87
Interest paid and other financial expenses	-8,278.87	-3,326.52
Interest income from business operations	4,363.23	3,879.51
Dividends received	14.00	14.00
State's budget funding for other operations	42,978,162.63	45,653,024.87
Cash flows from operating activities	692,247.45	2,785,217.99
INVESTMENTS		
Purchase of environmental protection areas, shares	5,413.26	170,689.87
Purchase of fixed assets, funding by Ministries	-2,368,045.63	-351,428.09
Purchase of fixed assets, other funding	-15,920.09	-279,851.04
Investments in tangible and intangible assets	-656,999.04	-649,943.88
Profits for the sale of tangible and intangible assets	641,510.80	246,755.00
Shareholder investment in purchase of environmental protection areas and shares	-5,413.26	-170,689.87
Funding received for the construction of nature centres etc.	2,314,864.92	599,387.79
Cash flows from investing activities	-84,589.04	-435,080.22
FINANCING		
Change in other non-current, non-interest-bearing loans	-6,500.00	250.00
Cash flows from financing activities	-6,500.00	250.00
CHANGE IN LIQUID FUNDS	601,158.41	2,350,387.77
Liquid funds on 1 Jan	10,414,860.34	8,064,472.57
Liquid funds on 31 Dec	11,016,018.75	10,414,860.34
Change	601,158.41	2,350,387.77



6.4 NOTES TO THE FINANCIAL STATEMENTS

The 2019 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 2019, and the comparative information dates from the previous financial year, 1 January to 31 December 2018.

Metsähallitus Public Administration Service unit's business accounting profit and loss account, balance sheets and the notes, 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 2019 operating year. The profit

and loss account profit or loss before transfers within the financial financial statements will show a deficit for technical reasons related to recording in business accounting, since depreciations and the change in the northern Finland seed management stock is 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 unfinished 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 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.



6.4.1 COMPLEMENTARY NOTES TO THE PROFIT AND LOSS ACCOUNT

TURNOVER BY BUSINESS UNIT	2019	2018
Turnover related to the field of the Ministry of Agriculture and Forestry		
Public law deliverables:		
hunting permits	3,428,168.75	3,223,358.81
fishing permits	235,580.44	226,780.06
other public law deliverables	0.00	30.00
Pricing based on business operations:		
hunting area rentals	590,186.20	584,090.47
fishing area rentals	118,957.25	124,159.49
fishing permits	1,157,443.18	1,073,355.21
Sale of seeds and analyses	859,973.15	685,810.54
long-term area rentals and transfer of user rights	3,228.31	3,154.83
provision of accommodation and other rentals of business premises	6,239.32	9,991.62
other deliverables priced based on business operations	56,286.89	33,555.72
Deliverables based on individual legislation:		
compensation for (fishing-related) water areas	203,983.49	205,840.71
TOTAL	6,660,046.98	6,170,127.46
 Turnover related to the field of the Ministry of the Environment		
Public law deliverables:		
track permits	185,389.86	161,170.53
decisions and permits	1,590.32	491.58
Pricing based on business operations:		
long-term area rentals and transfer of user rights	566,842.66	596,756.10
provision of accommodation and other rentals of business premises	2,054,126.05	1,972,486.87
sale of wood (from rewilding areas etc.)	1,440,228.04	1,105,211.07
nature guidance and counselling products	1,027,534.71	949,297.17
books and series of nature conservation publications	155,846.19	146,640.20
other business operations deliverables	879,795.28	802,208.90
Deliverables based on individual legislation:		
compensations for gold prospecting and claims	48,170.21	44,087.28
mining concession fees, compensations for mineral prospecting	200,347.88	221,666.04
TOTAL	6,559,871.20	6,000,205.74
TURNOVER IN TOTAL	13,219,918.18	12,170,333.20

OTHER OPERATING INCOME	2019	2018
Gains on the sale of fixed assets	567,138.79	179,184.75
Insurance payments	31,717.54	18,775.00
Subsidies	8,000.00	2,400.00
Other income	5,668,620.94	4,168,911.23
Other income, internal	19,216.30	16,374.74
TOTAL	6,294,693.57	4,385,645.72



6.4.1 COMPLEMENTARY NOTES TO THE PROFIT AND LOSS ACCOUNT

STAFF EXPENSE BREAKDOWN	1 JAN–31 DEC 2019	1 JAN–31 DEC 2018
Wages and salaries	21,495,474.18	21,816,544.25
Salaries, for external parties	78,128.55	78,851.04
Change of holiday pay provision	-160,251.66	140,427.10
Profit sharing, incentive remuneration, change	814,327.84	1,452,372.39
VaEL and TyEL contributions	4,427,260.22	3,784,154.96
Social security contributions	583,844.53	701,236.52
STAFF EXPENSES, TOTAL	27,238,783.66	27,973,586.26

DEPRECIATION ACCORDING TO PLAN	2019	2018
Depreciation of intangible rights	50,749.03	157,421.78
Depreciation of roads and other land structures	25,995.24	26,963.28
Depreciation of buildings and structures	1,467,743.23	1,532,742.36
Depreciation of machinery, devices and equipment	63,542.85	68,576.33
TOTAL	1,608,030.35	1,785,703.75

DEPRECIATION ACCORDING TO PLAN, DEPRECIATION
PERIODS

Intangible rights, other long-term expenditure	4–5 years
Gravel areas	Depreciation for decrease of substance
Roads	primarily 25 years
Fish structures	primarily 10 years
Log floating structures	25 years
Buildings	20–40 years
Structures and facilities	4–10 years
Machinery and equipment	4–8 years

FINANCIAL INCOME AND EXPENSES	2019	2018
Interest income	4,377.23	3,893.51
Reduction in value of investments	-	-
Interest expenses	-8,278.87	-3,326.52
FINANCIAL INCOME AND EXPENSES IN TOTAL	-3,901.64	566.99

USE OF FINANCING ALLOCATED FOR OTHER OPERATIONS
IN THE STATE BUDGET

	2019	2018
Ministry of Agriculture and Forestry main title		
30.64.50 Certain public administration services of Metsähallitus	6,859,599.24	6,505,168.78
Ministry of the Environment main title		
35.10.52 Public administration services of Metsähallitus	33,497,745.15	33,663,403.50
35.10.63 Acquisition of nature reserves (share of expenses)	23,271.32	98,278.36
Financing for other operations from the State budget, total	40,380,615.71	40,266,850.64
Administrative branch of the Ministry of Justice	985,538.78	934,341.82
Administrative branch of the Ministry of Education and Culture	20,000.00	62,200.00
Administrative branch of the Ministry of Economic Affairs and Employment	1,425,094.29	1,883,389.16
Administrative branch of the Ministry of Agriculture and Forestry	890,713.63	977,287.34
Administrative branch of the Ministry of the Environment	1,367,349.74	1,745,581.32
Other financing from the State budget	12,216.75	143,796.22
Investment subsidies as acquisition cost deductions	-2,149,115.46	-360,421.63
Other financing from the State budget, total	2,551,797.73	5,386,174.23
Financing for other operations from the State budget	42,932,413.44	45,653,024.87

TRANSFER OF PROFITS TO THE CHANGE OF OTHER EQUITY	2019	2018
Government Decree 1368/2016, Section 5		
The profit of the financial period for public administration services will be recorded in connection with the preparation of the financial statements.		
Profits before transfers within the financial statements	-1,611,009.58	-1,383,422.25
Transfer of the profits to Other equity	1,611,009.58	1,383,422.25
PROFIT/LOSS FOR FINANCIAL PERIOD	-	-



6.4.2 COMPLEMENTARY NOTES TO THE BALANCE SHEET

ASSET ITEMS 2019, 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	1,385	987,728	3,500	58,309	7,883	2,686	12,939	1,074,430
1 Jan Subsidies received	-306	0	-1,637	-10,005	-603	-2,568	0	-15,119
1 Jan Acquisition cost	1,080	987,728	1,863	48,304	7,280	118	12,939	1,059,311
Acquisition cost increases	567	12,671	0	2,335	296	6,169	0	22,039
Subsidies received during the financial period	-229	0	0	-2,058	-195	-1,867	0	-4,349
Decreases	0	-434	0	-328	0	-4,135	0	-4,897
31 Dec Acquisition cost	1,418	999,965	1,863	48,253	7,380	285	12,939	1,072,104
1 Jan Accumulated depreciation before the depreciation of subsidies	1,186		1,983	32,124	7,375	0	0	42,667
1 Jan Depreciation of received subsidies	-231	0	-264	-1,949	-270	0	0	-2,714
1 Jan Accumulated depreciation	956	0	1,719	30,174	7,105	0	0	39,954
Accumulated depreciation relating to decreases and transfers				-106		167		61
Financial period depreciation before the depreciation of subsidies	58	0	142	2,086	165	0	0	2,451
Financial period depreciation from the subsidies received	-8	0	-116	-618	-101	0	0	-843
Depreciations during the financial year	51	0	26	1,362	64	167	0	1,669
31 Dec Accumulated depreciation	1,006	0	1,745	31,536	7,168	167	0	41,623
1 Jan Book value	123	987,728	144	18,130	175	118	12,939	1,019,357
31 Dec Book value	412	999,965	118	16,717	212	118	12,939	1,030,482

SHARES AND HOLDINGS, BOOK VALUE (EUR)

	31 DEC 2019	31 DEC 2018
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 DEC 2019	31 DEC 2018
Nuuksiokeskus Oy		
holding %	68.1	12,200,000.00
SHARES IN SUBSIDIARIES, TOTAL	12,200,000.00	12,200,000.00



6.4.2 COMPLEMENTARY NOTES TO THE BALANCE SHEET

RECEIVABLES FROM ENTERPRISE'S BUSINESS OPERATIONS AND ENTERPRISE'S SUBSIDIARIES, EUR	31 DEC 2019	SUBSIDIARIES 31 DEC 2018	BUSINESS OPERATIONS 31 DEC 2019	31 DEC 2018	31 DEC 2019	TOTAL 31 DEC 2018
Accounts receivable	96,967.26	251,004.55	39,862.12	1,758.77	136,829.38	252,763.32
Prepayments and accrued income	0.00	342.76	384,677.34	489,497.87	384,677.34	489,840.63
GROUP INTERNAL RECEIVABLES IN TOTAL	96,967.26	251,347.31	424,539.46	491,256.64	521,506.72	742,603.95

PREPAYMENTS AND ACCRUED INCOME, EUR	31 JAN 2019	31 DEC 2018
Life projects, accrued income	903,599.54	189,957.45
EU Structural Fund projects, accrued income	2,848,961.41	2,789,269.88
Employment promotion programme projects, accrued income	0.00	0.00
Other accrued income	775,634.81	722,372.75
Other prepaid expenses, purchase invoices and others	26,586.36	32,478.04
EXTERNAL PREPAYMENTS AND ACCRUED INCOME, TOTAL	4,554,782.12	3,734,078.12

ADVANCES RECEIVED, EUR	31 JAN 2019	31 DEC 2018
Funded by the EU	988,642.28	2,681,189.16
From the Ministry of the Environment	7,363,707.11	4,081,698.16
From the Ministry of Agriculture and Forestry	265,653.50	524,605.74
Other	951,984.06	340,611.59
TOTAL	9,569,986.95	7,628,104.65

OTHER LIABILITIES (EUR)	31 JAN 2019	31 DEC 2018
Deposits received	250.00	6,750.00
TOTAL	250.00	6,750.00

EQUITY FOR PARKS & WILDLIFE FINLAND ON
31 DECEMBER 2019

	31 DEC 2019	31 DEC 2018
01 Jan 2019	1,019,457,176.93	996,237,549.41
Transfers of possession, increases	12,281,066.67	22,614,167.90
Transfers of possession, decreases	0.00	0.00
Inheritance by the State, donation	0.00	-71,605.00
Changes in land use, decreases	-12,143.48	-1,183.00
Changes in land use, increases	49,074.00	1,890,980.00
Owner's investment / return (land areas, shares)	5,413.26	170,689.87
Correction of errors, other, increases	54,797.66	0.00
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	-1,611,009.58	-1,383,422.25
31 Dec 2019	1,030,224,375.46	1,019,457,176.93
Retained earnings		
01 Jan 2019	0.00	0
Increases	0.00	0
Decreases	0.00	0
31 Dec 2019	0.00	0.00
Profit/loss for financial period		
1 Jan – 31 Dec 2019	0.00	0.00
Equity in total on 31 Dec 2019	1,030,224,375.46	1,019,457,176.93



6.4.2 COMPLEMENTARY NOTES TO THE BALANCE SHEET

DEBTS TO ENTERPRISE'S BUSINESS OPERATIONS AND ENTERPRISE'S SUBSIDIARIES	31 DEC 2019	SUBSIDIARIES 31 DEC 2018	BUSINESS OPERATIONS 31 DEC 2019	31 DEC 2018	31 DEC 2019	TOTAL 31 DEC 2018
Accounts payable	79,148.73	125,400.33	-94,193.95	906,387.55	-15,045.22	1,031,787.88
Other liabilities						
Accruals and deferred income	35.00	53,507.71	1,200,272.08	424,837.39	1,200,307.08	478,345.10
GROUP INTERNAL DEBTS IN TOTAL	79,183.73	178,908.04	1,106,078.13	1,331,224.94	1,185,261.86	1,510,132.98

OTHER LIABILITIES	31 DEC 2019	31 DEC 2018
Withholding tax debt	489,393.12	367,857.18
Social security contribution debt	12,473.30	13,869.03
Membership fee debt	7,050.38	6,811.25
Value-added tax debt	0.00	0.01
Other	460,267.94	269,167.30
	969,184.74	657,704.77

ACCRUALS AND DEFERRED INCOME (EUR)	31 DEC 2019	31 DEC 2018
Amount of debt not paid to the State	480,879.85	486,837.85
Holiday pay liabilities, including social security expenses	4,771,363.00	4,893,410.05
Bonus liabilities, including social security expenses	647,562.54	1,262,406.97
Other accruals and deferred income	236,070.04	64,799.02
EXTERNAL ACCRUALS AND DEFERRED INCOME, TOTAL	6,135,875.43	6,707,453.89

AMOUNT OF DEBT NOT PAID TO THE STATE	31 DEC 2019	31 DEC 2018
Vael debt	438,281.23	379,222.86
Unemployment insurance contributions	42,598.62	107,614.99
TOTAL	480,879.85	486,837.85



6.4.3 CONTINGENT LIABILITIES, PERSONNEL AND CHANGES TO FIXED ASSETS

CONTINGENT LIABILITIES (MEUR)	PUBLIC ADMINISTRATION SERVICE		CHANGES TO FIXED ASSETS	NUMBER	P&WF LAND AREA HA	P&WF WATER AREA HA	P&WF BALANCE SHEET VALUE EUROS
	2019	2018					
Leasing liabilities			Increases in balance sheet value				
to be paid during the following year	0.8	0.4	115 Other acquisition (acquisition explanation)	0			
to be paid at a later date	1.5	0.8	120 Error correction (in book value)	1	0.37	0	66.00
The leasing contracts include a redemption clause after the residual value reaches the agreed level. The contracts can be terminated with 3 months' notice.			3010 Asset transfer tax	4	0	0	12,468.00
			3021 Commercial transaction	0			
			3022 Redemption	1	0.54	0	448.94
			3026 Commercial transaction for nature conservation purposes	4	78.39	0	311,700.00
			3027 Land consolidation	0			
			3034 Exchange for nature conservation purposes	0			
			3035 Land exchange for nature conservation purposes	1	2.39	0	8,030.00
			3036 Land exchange	0			
			3041 Transfer of possession	0			
			3042 Transfer of possession for nature conservation purposes	214	3113.92	79.01	12,281,066.67
			3056 Inheritance by the State	0			
			3060 Change in land use (business operations to P&WF)	18	110.69	3.24	49,074.00
			3070 Change in land use (P&WF to business operations)	0			
			3090 Internal commercial transaction (Forestry to National Parks Finland)	1	4.5	0	8,030.00
				244	3310.8	82.25	12,670,883.61
			Decreases in balance sheet value				
			3021 Commercial transaction	0			
			3022 Redemption	3	-0.06	0	-71.00
			3026 Commercial transaction for nature conservation purposes	9	-21.04	0	-413,488.00
			3027 Land consolidation	0			
			3033 Exchange	0			
			3036 Land exchange	1	-4.5	0	-8,030.00
			3041 Transfer of possession	0			
			3060 Change in land use (business operations to Public Administration Service)	0			
			3070 Change in land use (Public Administration Service to business operations)	13	-69.5	0	-12,143.48
			3090 Internal commercial transaction (Forestry to National Parks Finland)	0			
				26	-95.1	0	-433,732.48
NUMBER OF EMPLOYEES, PERSON-YEARS	2019	2018					
Supervisors	506	522					



6.4.4 FINANCING ALLOCATED FROM THE STATE BUDGET TO THE PARKS & WILDLIFE FINLAND

BUDGET ACCOUNT (EUR)	STATE BUDGET 2019	SUPPLEMENTARY STATE BUDGET II 2019	SUPPLEMENTARY STATE BUDGET IV 2019	STATE BUDGETS, TOTAL 2019	USE OF AUTHORISA- TION 2019	BUDGET + AUTHORISA- TION 2019	TRANS- FERRED FROM 2018	AVAILABLE IN 2019	NET USE 2019	TRANS- FERRED TO 2020
30.64.50 Certain public administration services of Metsähallitus (MAF)	6,391,000	-	16,000	6,407,000	193,647	6,600,647	524,606	7,125,253	6,859,599	265,653 ¹
35.10.52 Public administration services of Metsähallitus (ME)	35,369,000	900,000	78,000	36,347,000	-	36,347,000	3,828,276	40,175,276	33,497,745	6,677,531 ²
35.10.63 Acquisition of nature reserves (ME)	500,000	-	-	500,000	-	500,000	50,890	550,890	17,858	533,032
FINANCING ALLOCATED IN THE BUDGET, TOTAL									40,375,202	
Investment funding entered in Equity is added directly									5,413	
The invoiced separate financing netted off to funding types are added										
Other financing from the State budget										
FINANCING FROM THE STATE BUDGET, TOTAL									40,380,616	

¹ The appropriation allocated for 2020 from Ministry of Agriculture and Forestry article 30.64.50 is primarily committed to reducing the renovation backlog in accordance with the State budget 2019 decision.

² The appropriation allocated for 2020 from Ministry of the Environment article 35.10.52 is primarily committed to various projects, such as Tourism 4.0, reducing the renovation backlog and digital projects in accordance with the State budget 2018, Supplementary State budget II/2018 and State budget 2019 decisions.

STATEMENT OF EXPENDITURE AND INCOME BY BUDGET ACCOUNT	OUTCOME 2019	OUTCOME 2018
Ministry of Agriculture and Forestry, art. 30.64.50		
Pay expenditure	3,361,776.99	3,014,372.38
Other consumption expenditure	4,261,628.08	3,914,289.12
Other investments	117,464.14	270,534.59
Income (mainly sale of seeds)	-859,973.15	-685,810.54
Other invoiced funding	-21,296.82	-8,216.77
NET USE	6,859,599.24	6,505,168.78
Ministry of the Environment, art. 35.10.52		
Outcome 2019	Outcome 2018	
Pay expenditure	14,482,865.82	16,137,865.12
Other consumption expenditure	17,012,099.52	17,633,402.85
Other investments	2,023,058.72	250,145.43
Income	0.00	0.00
Other invoiced funding	-15,725.00	-358,009.90
NET USE	33,502,299.06	33,663,403.50
Ministry of the Environment, art. 35.10.63		
Outcome 2019	Outcome 2018	
Pay expenditure	-	0.00
Other consumption expenditure	115,255.32	98,477.29
Other investments	339,533.94	0.00
Income	-16,074.20	-48,247.04
Land acquisition expenses, total	438,715.06	50,230.25
Land acquisition investments and sales	-420,857.00	218,737.98
NET USE	17,858.06	268,968.23

6.4.5 FINANCING EXTERNAL TO THE STATE BUDGET

INCOME BY FUNDING SOURCE	OUTCOME 2019	OUTCOME 2018
European Regional Development Fund	1,386,009.33	914,299.48
European Environmental Fund (Life)	2,253,985.12	1,650,194.13
Other EU funding	686,764.03	177,540.95
Other providers of funds	1,507,611.92	1,665,842.83
Elimination of investment subsidies	-165,749.46	-238,966.16
TOTAL	5,668,620.94	4,168,911.23

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



6.4.6. 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. The revenue and cost information is based on business accounting. In accordance with the matching principle, the cost relatedness calculations were compiled targeting the actual working hours in use.

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 12.09 per cent (13.05% in 2018) of the entire labour input.

In the calculation of the capital cost for paid activities, the proportion of direct working hours to total labour input was used. The interest rate determined by the State Treasury was used. For 2019, it was 0.3 per cent (0.0% in 2018).

The turnover describing the profits from paid activities is presented in section 6.4.1, Complementary Notes to the Profit and Loss Account, and its table, Turnover by business unit.

COST RELATEDNESS CALCULATIONS FOR PAID ACTIVITIES 2018–2019 (EUR 1,000)

PUBLIC LAW DELIVERABLES

INCOME

Separate expenses

Staff expenses

Other separate expenses

Separate expenses, total

Share of joint expenses

Depreciation and interest

Other joint expenses

Share of joint expenses, total

TOTAL EXPENSES

Cost relatedness (income - expenses)

Cost relatedness (%)

DELIVERABLES PRICED BASED ON BUSINESS OPERATIONS

INCOME

Separate expenses

Staff expenses

Other separate expenses

Separate expenses, total

Share of joint expenses

Depreciation and interest

Other joint expenses

Share of joint expenses, total

TOTAL EXPENSES

Cost relatedness (income - expenses)

Cost relatedness (%)

Price subsidy utilised in accordance with section 7.1 of the Act on

Criteria for Charges Payable to the State

Cost relatedness after price subsidy

DELIVERABLES BASED ON INDIVIDUAL LEGISLATION

INCOME

Separate expenses

Staff expenses

Other separate expenses

Separate expenses, total

Share of joint expenses

Depreciation and interest

Other joint expenses

Share of joint expenses, total

TOTAL EXPENSES

Cost relatedness (income - expenses)

Cost relatedness (%)

	OUTCOME 2019	FIELD OF ME OUTCOME 2018	OUTCOME 2019	FIELD OF MAF OUTCOME 2018	OUTCOME 2019	DELIVERABLES, TOTAL OUTCOME 2018
INCOME	187	162	3,664	3,450	3,851	3,612
Separate expenses						
Staff expenses	67	359	1,859	1,932	1,926	2,291
Other separate expenses	15	36	2,032	1,433	2,047	1,469
Separate expenses, total	82	395	3,891	3,365	3,973	3,760
Share of joint expenses						
Depreciation and interest	5	48	134	137	139	185
Other joint expenses	3	23	92	142	96	165
Share of joint expenses, total	8	71	227	279	235	350
TOTAL EXPENSES	90	466	4,118	3,644	4,208	4,110
Cost relatedness (income - expenses)	97	-305	-454	-194	-357	-498
Cost relatedness (%)	208%	35%	89%	95%	92%	88%
DELIVERABLES PRICED BASED ON BUSINESS OPERATIONS						
INCOME	6,124	5,573	2,792	2,514	8,917	8,087
Separate expenses						
Staff expenses	1,395	1,067	630	803	2,025	1,870
Other separate expenses	2,355	2,098	1,487	1,266	3,842	3,364
Separate expenses, total	3,750	3,165	2,117	2,069	5,867	5,234
Share of joint expenses						
Depreciation and interest	101	143	65	72	166	215
Other joint expenses	69	69	31	119	101	188
Share of joint expenses, total	170	212	96	191	267	403
TOTAL EXPENSES	3,920	3,377	2,214	2,260	6,134	5,637
Cost relatedness (income - expenses)	2,204	2,196	579	254	2,783	2,450
Cost relatedness (%)	156%	165%	126%	111%	145%	143%
Price subsidy utilised in accordance with section 7.1 of the Act on						
Criteria for Charges Payable to the State	0	0	193	181	193	181
Cost relatedness after price subsidy	156%	165%	138%	121%	142%	140%
DELIVERABLES BASED ON INDIVIDUAL LEGISLATION						
INCOME	249	266	204	206	453	472
Separate expenses						
Staff expenses	69	118	44	62	112	181
Other separate expenses	0	0	77	137	77	137
Separate expenses, total	69	118	121	200	190	318
Share of joint expenses						
Depreciation and interest	5	16	3	8	8	24
Other joint expenses	3	8	2	4	6	12
Share of joint expenses, total	8	23	5	12	14	36
TOTAL EXPENSES	77	142	127	212	204	354
Cost relatedness (income - expenses)	172	124	77	-6	249	118
Cost relatedness (%)	323%	188%	161%	97%	222%	133%



SIGNATURE OF THE SEPARATE FINANCIAL STATEMENTS AND AUDITOR'S MARKING

METSÄHALLITUS 0116726-7

Signature of the Parks & Wildlife Finland separate financial statements and report 1 January–31 December 2019

Vantaa, 25 February 2020

Timo Laitinen
Chair

Kai Kaatra
Vice Chair

Pekka Hautala
Board member

Johanna Ikäheimo
Board member

Simo Rundgren
Board member

Jussi Saukkonen
Board member

Helena Säteri
Board member

Liisa Tyrväinen
Board member

Timo Tanninen
Director, Parks & Wildlife Finland

A report on the performed audit has been issued today.

Helsinki, on . 2020

KPMG Oy Ab
Jorma Nurkkala, Authorised Public Accountant,
Chartered Public Finance Auditor

KPMG Oy Ab
Heikki Ruosteenoja, Authorised Public Accountant,
Chartered Public Finance Auditor