REA Finance B.V.

ANNUAL FINANCIAL REPORT

The company's annual report for the year ended 31 December 2013 (the "annual report") is now available for downloading from the company's web site at www.rea.co.uk.

Copies of the annual report will be submitted to the National Storage Mechanism to be made available for inspection at www.hemscott.com/nsm.do.

REPORT OF THE MANAGEMENT

The management herewith presents to the shareholder the audited accounts of REA Finance B.V. (hereinafter the “Company") for the year ended 31 December 2013.

General

The Company is a private company with limited liability incorporated under the laws of The Netherlands and acts as a finance company. The ultimate holding company is R.E.A. Holdings plc (hereinafter "REAH"), London, United Kingdom. The REAH group is principally engaged in the cultivation of oil palms in the province of East Kalimantan in Indonesia and in the production of crude palm oil and by-products from fruit harvested from its oil palms.

Overview of activities

On 1 August 2013 Intertrust (Netherlands) B.V. resigned as managing director of the Company, on the same day Corfas B.V was appointed as managing director of the Company.

During the year the Company received interest on the £37.47m loan provided to REAH and paid interest to the holders of the £34.54m sterling notes (the “Note Holders”) and to REAH on its £2.46m loan. On 27 December 2013 the Company declared a dividend distribution in the amount of £150,000.

Results

The net asset value of the Company as at 31 December 2013 amounts to £588,672 (31 December 2012: £667,114). The result for 2013 is a profit of £71,588 (2012: profit of £83,536).

Risks and uncertainties

The principal risks and uncertainties facing the Company relate to the due performance by REAH of its obligations under the loan agreement with the Company. Any shortfall in performance would impact negatively on the Company’s ability to perform its obligations to the holders of £34.54 million nominal of 9.5 per cent guaranteed sterling notes 2015/17. The extent of this risk is limited by:

- the guarantee given by REAH and R.E.A. Services Limited ("REAS"), a subsidiary company of REAH incorporated in the United Kingdom, in favour of the Note Holders; and
- the Limited Recourse Agreement dated 29 November 2010 and made between the Company, REAH and REAS (together the “Parties") (the “LRA”).

The LRA reflects the intention of the Parties that the Company, in relation to its financing activities, should (i) meet the minimum risk requirements of article 8c, paragraph 2, of the Dutch Corporate Income Tax Act and (ii) not be exposed to risk in excess of the Minimum Risk Amount (“MRA”). For these purposes the MRA is 1 per cent of the aggregate amounts outstanding under the loan agreement between the Company and REAH. In relation to point (i) above, the Company’s capital and reserves as at 31 December 2013 complied with the minimum risk requirements of article 8c, paragraph 2, of the Dutch Corporate Income Tax Act.

Risk management objectives

In carrying out its financing activities, it is the policy of the Company to minimise exposure to interest and exchange rate fluctuations by ensuring that loans are denominated in the same currency as the financing sources from which such loans are funded and that interest receivable on such loans is based on a formula from which the Company derives a fixed margin over the cost of funding. In addition, the Company relies on the arrangements described under “Risks and uncertainties” above to limit its exposure to loss.

The Company does not enter into or trade other financial instruments for any purpose.

The Company’s overheads are denominated mostly in euros and sterling. The fixed margin referred to above, which is derived in sterling, is formulated to cover all the overheads and to leave a residual margin as compensation for assuming the limited risk under the LRA. The Company does not seek to hedge the minimal foreign currency risk implicit in these arrangements.

The principal credit risk is described in detail under "Risks and uncertainties" above. Deposits of surplus cash resources are only made with banks with high credit ratings.

Employees

During 2013, the Company did not employ personnel nor in the previous years.

Research and development

The Company does not perform any research and development.

Audit Committee

In August 2008 the Dutch Act on the Supervision of Accounting Firms (Wet Toezicht Accountantsorganisaties) ("ASAF") was amended. This resulted in a wider definition of a public interest entity (organisatie van openbaar belang) ("PIE"). All Dutch entities which have issued listed debt are now considered to be PIEs. In addition on August 8 2008, an implementing regulation (algemene maatregel van bestuur) ("IR") came into force in the Netherlands, enacting Article 41 of European Directive no. 2006/43/EG (the "ED"), regarding legislative supervision of annual reports and consolidated financial statements. This IR obliges all PIEs to establish an audit committee ("AC").

The AC is formed by members of the Company's supervisory board ("SB") or by non-executive management board members. Because the Company falls within the definition of a PIE it is in principle obliged to establish an AC. Although the ED provides certain exemptions for establishing an AC for securitisation vehicles ("SV"), under the IR (the regulation whereby the ED was implemented in the Netherlands) the Company is not considered to be a SV and therefore cannot make use of the exemption to install an AC.

In the light of extensive research and discussions between, amongst others, the Dutch Authority for the Financial Markets (Autoriteit Financiele Markten) and several legal advisors and audit firms, there are certain matters to be considered with respect to the requirement to establish an AC:

- the activities of the Company and those of a SV are very similar;
- under the ED the Company qualifies as a SV and would thus be exempted from the obligation to establish an AC;
- the Company does not have a SB nor non-executive members of the board. Furthermore, establishment of a SB would require an amendment to the Company's Articles of Association;

- it remains unclear why the IR contains a more stringent definition of a SV than the ED.

The general view in the Netherlands is that it could not have been the legislators' intention for financing vehicles, such as the Company, not to fall within the description of a SV and thus not be exempted. In view of the above reasons, Management currently does not consider it to be in the Company's best interest, nor has it taken steps, to implement an AC.

Future outlook

Management is of the opinion that the present level of activities will be maintained during the next financial year. Management expects that the average number of employees will not change during the next financial year.

Management representation statement

Management declares that, to the best of their knowledge, the annual accounts prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and that the Report of the management includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties it faces.

Amsterdam, April 28, 2014
Corfas B.V.

BALANCE SHEET AT 31 DECEMBER 2013
(After appropriation of results)

	2013	2012
	£	£
Fixed assets		
Loans to group entities	37,475,000	37,475,000
	37,475,000	37,475,000
Current assets		
Amounts owed by group entities	12,392	97,625
Taxation	(8,221)	3,085
Cash and cash equivalents	132,200	104,304
Total current assets	136,371	205,014
Current liabilities (due within one year)		
Due to third parties	22,699	12,900
Total current liabilities	22,699	12,900
Current assets less current liabilities	113,672	192,114
Total assets less current liabilities	37,588,672	37,667,114
Long term liabilities (due after one year)		
Amounts due to group entities	2,460,000	2,460,000
Sterling notes	34,540,000	34,540,000

Total long term liabilities	37,000,000	37,000,000
Net asset value	588,672	667,114
Capital and reserves		
Paid up and called up share capital	15,026	14,670
Share premium account	475,000	475,000
Translation reserve	(2,802)	(2,446)
Other reserves	101,448	179,890
Unappropriated results	-	-
Total shareholder's equity	588,672	667,114

The accompanying notes form an integral part of this balance sheet.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 £	2012 £
Finance activities		
Interest income on loans to group entities	3,626,943	3,626,943
Interest expense on loans from group entities	(209,100)	(209,100)
Interest payable on Sterling notes	(3,281,300)	(3,281,300)
	136,543	136,543
Other financial income and expenses		
Other interest income	-	19
Currency exchange rate differences	(3,984)	(1,926)
	(3,984)	(1,907)
Other income and expenses		
Operational income	3,142	23,878
General and administrative expenses	(45,607)	(54,298)
	(42,465)	(30,420)
Result on ordinary activities before taxation	90,094	104,216
Discount on early tax payment	147	127
Corporate income tax	(18,683)	(20,807)
Result after taxation	71,558	83,536

The accompanying notes are an integral part of this profit and loss account

NOTES TO THE ANNUAL ACCOUNTS for the year ended 31 December 2013

General

The Company was incorporated as a limited liability company under the laws of the Netherlands on 7 November 2006 and has its statutory seat in Amsterdam. The ultimate holding company is R.E.A. Holdings plc, London, United Kingdom. The principal activity of the Company is to act as a finance company, and its place of business is at Prins Bernhardplein 200, 1097 JB Amsterdam.

The functional currency of the Company is GBP, which is also the presentation currency of the accounts.

Basis of preparation

The accompanying accounts have been prepared in accordance with accounting principles generally accepted in The Netherlands and with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code. The most significant accounting principles are as follows:

a. Foreign currencies
Assets and liabilities in foreign currencies are converted into pounds sterling at the exchange rates prevailing on the balance sheet date. Transactions in foreign currencies are translated into pounds sterling at the exchange rates in effect at the time of the transactions. The resulting exchange rate differences are taken to the profit and loss account, with the exception of the share capital which is included in Capital and reserves under Translation reserve.

The exchange rates used in the annual accounts are:

	31 Dec 2013	31 Dec 2012
1 GBP (pound sterling) = EUR	1.20	1.23
1 GBP (pound sterling) = USD	1.65	1.63

b. Loans and receivables
Loans and receivables are stated at their face value, less an allowance for any possible uncollectible amounts.

c. Other assets and liabilities
Other assets and liabilities are shown at face value, unless stated otherwise in the notes.

d. Recognition of income
Income and expenses, including taxation, are recognised and reported on the accruals basis.

e. Corporate income tax
Taxation on the result for the period comprises both current taxation payable and deferred taxation. No current taxation is provided if, and to the extent that, profits can be offset against losses brought forward from previous periods. Deferred tax assets on losses are recognised to the extent that it is probable that taxable profits will be available against which the deferred tax assets can be utilised. Current tax liabilities are computed taking into account all available tax credits.

Cash flow statement

The annual accounts for 2013 of the Company's ultimate holding company (REAH) include a consolidated cash flow statement for the group as a whole. Accordingly, the Company has elected to use the exemption provided under RJ 360.104 and does not present its own cash flow statement.

Related party transactions

All transactions with the shareholder (REAH), Management (Corfas B.V.) and prior management (Intertrust (Netherlands) B.V.) are related party transactions and are performed at arm’s length.

1. Loans to group entities

	2013	2012
	£	£
R.E.A. Holdings plc (“REAH”)	37,475,000	37,475,000
Balance of loans as at 1 January	37,475,000	37,475,000
Additions	-	-
Balance of loans as at 31 December	37,475,000	37,475,000

REAH, the Company's parent company, is a company incorporated in the United Kingdom whose share capital is listed on the London Stock Exchange.

The loan to REAH bears interest at 9.6783 per cent and is repayable in three equal annual instalments commencing on 31 December 2015. The loan to REAH represents the on-lending of proceeds from the issue of the 9.5 per cent guaranteed sterling notes 2015-17 ("the sterling notes") on such terms that permit the Company to earn such interest margin as is specified by the Advance Pricing Agreement referred to in note 17. In view of the similar provisions of this loan as to interest and maturity as those applicable to the sterling notes, management estimates a fair value of £39m (2012: £39.5m), using the same basis of valuation as the sterling notes (see note 7).

2. Amounts due from group entities

	2013	2012
	£	£
R.E.A. Holdings plc: current account	12,392	97,625
	12,392	97,625

All amounts are due within one year

3. Taxation

	2013	2012
	£	£
Corporate income tax 2011	-	12,448
Corporate income tax 2012	-	(8,321)
Corporate income tax 2013	(7,058)	-
Value Added Tax	(1,163)	(1,042)
	(8,221)	3,085

Corporate income tax summary	01.01	paid/ (received)	p/l account	31.12
2011	12,448	(13,284)	836	-
2012	(8,321)	8,897	(576)	-
2013	-	11,625	(18,054)	(7,058)
	4,127	7,238	(17,794)	(7,058)

4. Cash and cash equivalents

		2013	2012
		£	£
Current account with bank		130,542	96,684
Current account with bank	EUR 2,035	1,658	7,620
		132,200	104,304

All balances are freely available.

5. Due to third parties

	2013	2012
	£	£
Trade creditors	643	-
Administration fees	9,049	-
Audit fee	11,007	10,453
Tax adviser fee	2,000	2,447
	22,699	12,900

6. Amounts due to group entities

	2013	2012
	£	£
R.E.A. Holdings plc: loan account	2,460,000	2,460,000
	2,460,000	2,460,000

	2013	2012
	£	£
Balance of loan as at 1 January	2,460,000	2,460,000
Balance of loan as at 31 December	2,460,000	2,460,000

The sterling loan from REAH incurs interest at 8.5% and is repayable in 3 equal annual instalments commencing on 20 December 2015. The loan from REAH to the Company was provided during 2011 in order to finance the re-purchase of £2,460,000 nominal of sterling notes. Management has estimated the fair value of this loan on the same basis as the loan from the Company to REAH (see note 1) resulting in a fair value of £2.6m at 31 December 2013 (2012: £2.6m).

8. Sterling notes

	2013	2012
	£	£
Notes issued – 9.5 per cent guaranteed sterling notes 2015/17	34,540,000	34,540,000
	34,540,000	34,540,000

The sterling notes are listed on the London Stock Exchange and are irrevocably and jointly guaranteed by REAH and by REAS.

	2013	2012
	£	£
Balance as at 1 January	34,540,000	34,540,000
Balance as at 31 December	34,540,000	35,540,000

Unless previously redeemed or purchased and cancelled the sterling notes are repayable in three equal annual instalments commencing on 31 December 2015. The fair value of the sterling notes has been estimated by management at £35.9m (2012: £36.4m) based on the latest price at which the sterling notes were traded prior to the balance sheet date.

9. Capital and reserves

The authorised share capital of the Company amounts to EUR 90,000 divided into 90,000 shares of EUR 1 each, of which 18,000 shares have been issued and fully paid. The share capital is recorded at the rate of exchange at the balance sheet date. At 31 December 2013 the rate was 1 GBP = 1.20 EUR.

	Share capital	Translation reserve	Share premium	Other reserves	Unappropriated results
	£	£	£	£	£
Balance as at 31 December 2011	15,048	(2,824)	475,000	96,354	-
Revaluation	(378)	378	-	-	-
Result for the period	-	-	-	83,536	-
Balance as at 31 December 2012	14,670	(2,446)	475,000	179,890	-
Dividend	-	-	-	(150,000)	-
Revaluation	356	(356)	-	-	-
Result for the period	-	-	-	71,558	-
Balance as at 31 December 2013	15,026	(2,802)	475,000	101,448	-

Notes to the specific items of the profit and loss account

9. Interest income on loans to group entities

	2013	2012
	£	£
R.E.A. Holdings plc	3,626,943	3,626,943
	3,626,943	3,626,943

10. Interest expense on loans from group entities

	2013	2012
	£	£
Interest payable on loans from group entities	209,100	209,100
	209,100	209,100

11. Interest expense on Sterling notes

	2013	2012
	£	£
Interest payable on Sterling notes	3,281,300	3,281,300
	3,281,300	3,281,300

12. Currency exchange rate differences

	2013	2012
	£	£
On finance activities	(3,984)	(1,926)
	(3,984)	(1,926)

13. Operational income

	2013	2012
	£	£
Reimbursement of excess operating expenses 2011	-	10,134
Reimbursement of excess operating expenses 2012	-	13,744
Reimbursement of excess operating expenses 2013	3,142	-
	23,878	23,878

Payable by REAH pursuant to an agreement between REAH and the Company dated 11 September 2012 by which the Company is reimbursed for operating costs in excess of the annual limit set by the Advance Pricing Agreement (see note 15).

14. General and administrative expenses

	2013	2012
	£	£
Administration	22,950	22,151
Tax advisory fees	3,694	8,314
Notary fees	7,278	13,219
Bank charges	671	614
Audit fee (Deloitte Accountants B.V.)	10,979	9,899
General expenses	35	101
	45,607	54,298

Audit fees

With reference to Section 2:302a of The Netherlands Civil Code, the following fees for the financial year have been charged by Deloitte Accountants B.V. to the Company:

	Deloitte Accountants B.V.	Other Deloitte network	Total network
2013			
Audit of the financial statements	10,979	-	10,979
Other audit engagements	-	-	-
Tax advisory services	-	-	-
Other non-audit services	-	-	-
Total	10,979	-	10,979
2012			
Audit of the financial statements	9,899	-	9,899
Other audit engagements	-	-	-
Tax advisory services	-	-	-
Other non-audit services	-	-	-
Total	9,899	-	9,899

15. Taxation on the result on ordinary activities before taxation

	2013	2012
	£	£
Discount on early tax payment	(147)	(127)
Corporate income tax – current year	18,683	18,827
Corporate income tax – prior year	-	1,980
	18,536	20,680

The Company has concluded an Advance Pricing Agreement and an Advance Tax Ruling with the Dutch fiscal authorities dated 21 February 2007, as amended by Addenda dated 11 March 2009 and 29 July 2010. The Company's financing activities are based on a transfer pricing report and are confirmed to be conducted at arm's length in the Advance Pricing Agreement. The profit on such financing activities comprises interest received on loans to group entities, less interest payable on loans from group and external entities and operating expenses relating to such activities. Dutch corporate income tax is assessable on such profit.

The Dutch corporate income tax rate is 20%. The effective tax rate is 18% (2012: 18%) as a result of adjustments relating to the reimbursement of operating expenses.

16. Staff numbers and employment costs
The Company has no employees and hence incurred no wages, salaries or related social security charges during the reporting period, nor during the previous year.

17. Directors
The Company has one (2012: one) managing director, who received fees of £22,950 (2012: £22,151).
The Company has no (2012: none) supervisory directors.

18. Ultimate Holding Company
The immediate and ultimate holding company and the controlling party is REAH, incorporated in the United Kingdom and registered in England and Wales. The annual accounts of the Company are consolidated into the group headed by REAH which is the only group into which the results of the Company are consolidated. Copies of the annual report, including the audited financial statements, of REAH are available at the registered office of REAH.

Amsterdam, April 25, 2014
Corfas B.V.

INDEPENDENT AUDITOR'S REPORT

To: the Shareholders of REA Finance B.V.

Report on the annual accounts

We have audited the accompanying financial statements of REA Finance B.V., Amsterdam, which comprise the balance sheet as at December 31, 2013, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the report of the management, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion with respect to the annual accounts

In our opinion, the annual accounts give a true and fair view of the financial position of REA Finance B.V. as per December 31, 2013 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the report of the management, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the report of the management, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Amsterdam, April 28, 2014
Deloitte Accountants B.V.
J Penon

OTHER INFORMATION

Statutory rules relating to the appropriation of results

In accordance with a restriction prescribed by Dutch law, a company may only make a distribution of profit provided that shareholders' equity exceeds its issued share capital and legal reserves, in which case the remaining reserves and the unappropriated profit for the year may be dealt with by shareholders in accordance with the Company's articles of association.

Appropriation of the result for the year

The management propose to add the profit for the year to other reserves. This proposal has already been reflected in the financial statements. Furthermore on 27 December the Company declared a dividend distribution in the amount of £150,000.

Subsequent events

No events have occurred since the balance sheet date, which would change the financial position of the Company and which would require adjustment of or disclosure in the annual accounts now presented**.**