

PART 5

BONDHOLDER REPORT

The Issuer will provide to the Financial Guarantors, the Bond Trustee and the Bondholders a report throughout the Project (semi-annually, until the last Practical Completion Date and then annually following the last Practical Completion Date) as detailed below:

OVERVIEW	
Report Issue Date	31/01/17
Reporting Period	01/09/2016 – 28/02/2017
Project Company	Holyrood Student Accommodation plc
Bonds	£31,505,000 1.9713 per cent. Indexed-linked Guaranteed Secured Bonds due 28 August 2048 £31,505,000 5.533 per cent. Guaranteed Secured Bonds due 28 August 2048
Current Outstanding Amount	£63,010,000
Project Phase	Construction

RATINGS	S&P	Moody's
Wrapped rating	AA	A2
Outlook	Stable	Positive
Underlying rating	BBB	Baa3
Outlook	Stable	Positive
Most recent rating report	21 st June 2016	2 nd August 2016

COMPLIANCE CERTIFICATION	
<ul style="list-style-type: none">• There is no:<ul style="list-style-type: none">o Event of Default or Potential Event of Defaulto Trigger Event• All repeated representations & warranties are correct• ProjectCo, Issuer, HoldCo and IntermediateCo are compliant with all covenants• ProjectCo, Issuer, HoldCo and IntermediateCo are solvent.• No material litigation• No Disputes with the University	

PROJECT COMPANY OWNERSHIP

- No changes of ownership have occurred since the inception of the project. It is, however, noted that the shares in Balfour Beatty Holdings Limited, the parent company, were transferred from Balfour Beatty Infrastructure Projects Investments Limited to BBPF LLP on 29th December 2016, with Project Company remaining wholly owned within Balfour Beatty Group.

SUMMARY OF PROJECT PERFORMANCE

For the reporting period, provide commentary for relevant topics:

- Key performance indicators:
 1. Financial Position

The Facility is now fully operational, all construction work has been completed. All debt facilities have now been fully drawn down and there has been no funding shortfall.
 2. Construction Completion

The construction phase of the project completed on 18th August 2016 and is now fully operational.
- Penalties & deductions –
 - "Suitable Alternative Equivalent Accommodation" were put in place for Phase 1 with all costs associated borne by the Building Contractor, with no impact on Project Co'.
 - Liquidated Damages were agreed by the Building Contractor in relation to the delayed completion of Phase 2, with no impact on Project Co'.
- Costs incurred to date on maintenance / lifecycle and relevant changes to maintenance schedule - None to date
- Changes to service providers - None
- Material new contracts - None
- Material insurance claims - None
- Variations effected –
 - Formal agreement was put in place for the delayed delivery of Phase 1.
 - Formal agreement was put in place for the delayed delivery of Phase 2 and the early delivery of Block LM.
- Details of each Applicable Test pursuant to schedule Part 27 (Restrictive Covenant) of the Project Agreement – None relevant at this time in the project
- Any material actions taken / variations effected –
 - Formal agreements put in place for the delays to Phase 1 and Phase 2 (along with early delivery of Block LM) as noted above.
 - Partial renunciation of sub-lease in respect of the Outreach Centre completed.
- Any other material topics as relevant to the project – None

RESERVE ACCOUNTS	
Lifecycle Reserve Account	Fully funded, credit balance of £49,507
Debt Service Reserve Account(s)	Fully funded, credit balance of £1,302,684

FINANCIAL RATIOS					
Sep 16 – Feb 17 period	Components of Ratio	Ratio	Forecast at Financial Close	Trigger level	Default level
ADSCR – Historic	Operating Cash – £2,073k Debt Service – £1,299k	1.60	1.64	1.55	1.10
ADSCR – Forward-looking	Operating Cash – £5,096k Debt Service – £2,618k	1.95	1.93	1.70	1.10
BLCR	PV of Operating Cash – £96,690k Cash balances excl reserve accounts Debt O/S – £63,010k	1.53	1.46	1.25	1.10

FINANCIAL RATIOS					
Mar – Aug period	Components of Ratio	Ratio	Forecast at Financial Close	Trigger level	Default level
ADSCR – Historic	[Operating Cash] [Debt Service]	Data due post completion	Data due post completion	Data due post completion	Data due post completion
ADSCR – Forward-looking	[Operating Cash] [Debt Service]	Data due post completion	Data due post completion	Data due post completion	Data due post completion
LCR	[PV of Operating Cash] [Cash balances excl reserve accounts] [Debt O/S]	Data due post completion	Data due post completion	Data due post completion	Data due post completion

FINANCIAL RATIOS					
Full year to August	Components of Ratio	Ratio	Forecast at Financial Close	Trigger level	Default level
Gross Rent Ratio	Revenues – £3,147k Debt Service – £1,299k	2.42	2.47	N/A	1.79

TRANSACTION PARTIES	
Issuer	Holyrood Student Accommodation plc
Construction Contractor	Balfour Beatty Construction Scottish & Southern Limited
FM Services Contractor	Engie (corporate rebranding of Cofely Workplace Limited)
Bond Trustee	BNY Mellon Corporate Trustee Services Limited
Security Trustee	BNY Mellon Corporate Trustee Services Limited
Account Bank	Barclays Bank plc
Principal Paying Agent	The Bank of New York Mellon, London Branch
Transaction Legal Advisers	Ashurst LLP

Signature:

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Director