

## 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:

<b>OVERVIEW</b>	
<b>Report Issue Date</b>	29/07.2016
<b>Reporting Period</b>	01/03/2016 - 31/08/2016
<b>Project Company</b>	Holyrood Student Accommodation plc
<b>Bonds</b>	£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
<b>Current Outstanding Amount</b>	£63,010,000
<b>Project Phase</b>	Construction

<b>RATINGS</b>	<b>S&amp;P</b>	<b>Moody's</b>
<b>Wrapped rating</b>	AA	A2
<b>Outlook</b>	Stable	Stable
<b>Underlying rating</b>	BBB	Baa3
<b>Outlook</b>	Stable	Stable
<b>Most recent rating report</b>	21 <sup>st</sup> June 2016	6 <sup>th</sup> August 2015

<b>COMPLIANCE CERTIFICATION</b>
<ul style="list-style-type: none"><li>• There is not:<ul style="list-style-type: none"><li>o Event of Default or Potential Event of Default</li><li>o Trigger Event</li></ul></li><li>• All repeated representations &amp; warranties are correct</li><li>• ProjectCo, Issuer, HoldCo and IntermediateCo are compliant with all covenants</li><li>• ProjectCo, Issuer, HoldCo and IntermediateCo are solvent.</li><li>• No material litigation</li><li>• No Disputes with the University</li></ul>

## PROJECT COMPANY OWNERSHIP

- No changes of ownership have occurred since the inception of the project.

## SUMMARY OF PROJECT PERFORMANCE

For the reporting period, provide commentary for relevant topics:

- Key performance indicators:
  1. Financial Position

The construction phase of the project is nearing completion and remains within the funding envelope agreed at Financial Close with no shortfall in funding anticipated. We do not anticipate the Project Company will be adversely affected should there be a delay to the completion of the Phase 3 works as, if incurred, any cost and revenue consequences for the Project Company will be borne by the construction contractor under their subcontract.
  2. Construction Completion

Construction of the final Phase 3 of the project is due for handover 5<sup>th</sup> August 2016. These remaining construction works are on target for timely completion and no delay is currently anticipated.
- 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 for Phase 2 with all costs associated borne by Building Contractor, 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

<b>RESERVE ACCOUNTS</b>	
<b>Lifecycle Reserve Account</b>	£0 Not yet applicable
<b>Debt Service Reserve Account(s)</b>	£0 Not yet applicable

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

<b>FINANCIAL RATIOS</b>					
<b>Mar - Aug period</b>	<b>Components of Ratio</b>	<b>Ratio</b>	<b>Forecast at Financial Close</b>	<b>Trigger level</b>	<b>Default level</b>
<b>ADSCR – Historic</b>	<b>[Operating Cash]</b> <b>[Debt Service]</b>	Data due post completion	Data due post completion	Data due post completion	Data due post completion
<b>ADSCR – Forward-looking</b>	<b>[Operating Cash]</b> <b>[Debt Service]</b>	Data due post completion	Data due post completion	Data due post completion	Data due post completion
<b>BLCR</b>	<b>[PV of Operating Cash]</b> <b>[Cash balances</b>	Data due post completion	Data due post completion	Data due post completion	Data due post completion

	excl reserve accounts]				
	[Debt O/S]				

<b>FINANCIAL RATIOS</b>					
<b>Full year to August</b>	<b>Components of Ratio</b>	<b>Ratio</b>	<b>Forecast at Financial Close</b>	<b>Trigger level</b>	<b>Default level</b>
<b>Gross Rent Ratio</b>	[Revenues] [Debt Service]	Data due post completion	Data due post completion	Data due post completion	Data due post completion

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

**Signature:**




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**Director**