

BONDHOLDER REPORT

The Issuer has an obligation to provide to the Financial Guarantors, the Bond Trustee and the Bondholders an annual report throughout the Project following the last Practical Completion Date as follows:

OVERVIEW	
Report Issue Date	31/01/2020
Reporting Period	01/03/2019 – 28/02/2020
Project Company	Holyrood Student Accommodation plc
Bonds	£31,505,000 1.9713 per cent. Indexed-linked Guaranteed Secured Bonds due 28 th August 2048 £31,505,000 5.533 per cent. Guaranteed Secured Bonds due 28 th August 2048
Current Outstanding Amount	£63,010,000
Project Phase	Operations

RATINGS	S&P	Moody's
Wrapped rating	AA	A2
Outlook	Stable	Stable
Underlying rating	BBB	Baa2
Outlook	Stable	Stable
Most recent rating report	10 th September 2018	4 th October 2019

COMPLIANCE CERTIFICATION
<ul style="list-style-type: none"> • There is no: <ul style="list-style-type: none"> ➤ Event of Default or Potential Event of Default ➤ 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

- Balfour Beatty incorporated Holyrood Holdings Limited (Co. Number SC604653) on 7th August 2018 as a wholly owned subsidiary (100%) of Balfour Beatty Infrastructure Projects Investments.
- Ownership of the shares of Holyrood Student Accommodation Holdings Limited (HoldCo) transferred within the Balfour Beatty group from BBPF LLP to Holyrood Holdings Limited on 11th December 2018 and Holyrood Holdings Limited entered into a new Deed of Pledge for the HoldCo shares in favour of the Security Trustee's nominee company.
- On 17th December 2018 Balfour Beatty sold 80% of its interests in Holyrood Holdings Limited to Semperian PPP Investment Partners No 3 Limited, retaining 20% through Balfour Beatty Infrastructure Projects Investments Ltd.
- On 21st March 2019 Balfour Beatty transferred its 20% interest in Holyrood Holdings Limited from Balfour Beatty Infrastructure Projects Investments Ltd to Education Investment Holdings Limited a fellow 100% owned Balfour Beatty Group subsidiary.
- Balfour Beatty continues to provide management services to the project under the terms of the Secondment Agreement between Holyrood Student Accommodation SPV Limited and Balfour Beatty Infrastructure Projects Investments Limited.

SUMMARY OF PROJECT PERFORMANCE

For the reporting period, provide commentary for relevant topics:

- Key performance indicators:
 1. Summary Financial Results

Scheduled repayments to senior creditors commenced from 31/03/2018. The project is performing above its financial base case. There have been no breaches of the financial covenants.
 2. Number of Rooms nominated by the University

As expected, the University have nominated 100% of the rooms for the academic year 2020/2021
- Penalties & deductions – None.
 - No financial deductions were made by the University and similarly no financial deductions made from the FM Services provider.
 - Service default points remain within prescribed thresholds with no warning notices issued in the period.
- Costs incurred to date on maintenance / lifecycle and relevant changes to maintenance schedule -
 - No significant planned maintenance activity/lifecycle work was scheduled for this period.
 - We have approved expenditure for lifecycle within the 51 week core period beginning September 2019.
 - Any costs to be incurred are expected to be within the budgets outlined in the financial model
 - The minimum required lifecycle reserve balances continue to be forecast to be met from project cashflows.

- Changes to service providers – None
- Material new contracts - None
- Material insurance claims - None
- Variations effected –
 - Several minor variations were instructed and delivered in the period. All have been reported/approved as required under the Project and Finance Documents.
 - None were material in the context of the project
- 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 – None
- Any other material topics as relevant to the project – none
- Any Regulatory News Service (RNS) or other market announcements made during the reporting period – None

RESERVE ACCOUNTS	
Lifecycle Reserve Account	Fully funded, credit balance of £400,637
Debt Service Reserve Account(s)	Fully funded, credit balance of £1,352,043

FINANCIAL RATIOS					
Sept 18 – Feb 19 period	Components of Ratio	Ratio	Forecast at Financial Close	Trigger level	Default level
ADSCR – Historic	Operating Cash – £4,899k Debt Service – £2,648k	1.85*	1.92	1.70	1.10
ADSCR – Forward-looking	Operating Cash – £5,251 Debt Service - £2,629k	2.00	1.89	1.70	1.10
BLCR	PV of Operating Cash – £98,724 Cash balances excl reserve accounts - £482k Debt O/S – £63,010k	1.57	1.42	1.25	1.10

*Ratio is below that forecasted at Financial Close, due to a change in the administration of the HMO Licences which resulted in additional unplanned expenditure being incurred. The HMO licences were renewed in 2018 for a three year period incurring higher costs in association with the longer renewal period, rather than the forecast costings at FC which assumed an annual renewal process.

FINANCIAL RATIOS					
Mar 19 – Aug 19 period	Components of Ratio	Ratio	Forecast at Financial Close	Trigger level	Default level
ADSCR – Historic	Operating Cash – £5,060k Debt Service – £2,648k	1.91	1.91	1.70	1.10
ADSCR – Forward-looking	Operating Cash – £5,441k Debt Service - £3,325k	1.64	1.51	1.23	1.10
BLCR	PV of Operating Cash – £98,223k Cash balances excl reserve accounts - £405k Debt O/S – £63,010k	1.56	1.41	1.25	1.10

FINANCIAL RATIOS					
Full year to August 2019	Components of Ratio	Ratio	Forecast at Financial Close	Trigger level	Default level
Gross Rent Ratio	Revenues – £7,318k Debt Service - £2,702k	2.71	2.77	N/A	1.79

TRANSACTION PARTIES	
Issuer	Holyrood Student Accommodation plc
Construction Contractor	Balfour Beatty Construction Scottish & Southern Limited
FM Services Contractor	Engie Services 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:

RJ Edwards

Director

