

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	31/07/2014
Reporting Period	31/03/2014 - 31/08/2014
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	Stable
Underlying rating	BBB	Baa3
Outlook	Stable	Stable
Most recent rating report	06/06/14	28/07/2014

COMPLIANCE CERTIFICATION

- There is not:
 - o Event of Default or Potential Event of Default
 - o 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.

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 progressing within the funding envelope agreed at Financial Close and no shortfall in funding is anticipated. We do not anticipate the Project Company to be adversely affected by the consequences of the recently announced delay to the completion of the Phase 1 works. Any cost and revenue consequences for the Project Company will be borne by the construction contractor under their subcontract.

2. Rooms Nominated

On 28th February 2014 the contractor advised that construction completion of the Phase 1 works was expected as per the programme and accordingly the Project Company submitted its Nomination Notice for Phase 1 in accordance with the PA for the full 247 rooms.

Following the recent announcement of a delay to the delivery of the Phase 1 works, the Project Company, its construction contractor and the University have been in discussion around delayed handover scenarios. The University are under no contractual obligation to take any part of the phase 1 works until the phase is complete in its entirety.

- Penalties & deductions - None to date.
- 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 - None significant
- 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 material
- Any other material topics as relevant to the project - None

RESERVE ACCOUNTS

Lifecycle Reserve Account	£0 Not yet applicable
Debt Service Reserve Account(s)	£0 Not yet applicable

FINANCIAL RATIOS					
Aug-Feb 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
BLCR	[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					
Feb- 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
BLCR	[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] [Debt Service]	Data due post completion	Data due post completion	Data due post completion	Data due post completion

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



Director