

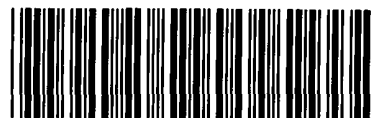
Naya Capital Management UK Limited

Registered Number: 07775443 (England and Wales)

Consolidated report and audited financial statements

For the year ended 31 December 2016

FRIDAY



A6F0H2GB

A10

15/09/2017

#206

COMPANIES HOUSE

Naya Capital Management UK Limited

Registered No: 07775443

Contents	Page
General information	1
Director's report	2 – 3
Statement of director's responsibilities	4
Strategic report	5
Independent auditors' report	6 – 7
Consolidated statement of comprehensive income	8
Consolidated statement of financial position	9
Company statement of financial position	10
Consolidated statement of changes in equity	11
Company statement of changes in equity	12
Consolidated statement of cash flows	13
Notes to the financial statements	14 – 23
Appendix 1: Unaudited Pillar 3 Disclosure	24 – 29
Appendix 2: Unaudited UK Stewardship Code Disclosure	30

Naya Capital Management UK Limited

Registered No: 07775443

General information

Director

M Siddiqui

Secretary

Throgmorton Secretaries LLP
4th Floor, Reading Bridge House
George Street
Reading
RG1 8LS

Auditors

Rees Pollock
35 New Bridge Street
London
EC4V 6BW

Registered Office

54 Baker Street
London
W1U 7BU

Bankers

HSBC
4th Floor
133 Regent Street
London
W1B 4HX

Solicitors

Schulte Roth & Zabel International LLP
1 Eagle Place
London
SW1Y 6AF

Naya Capital Management UK Limited

Registered No: 07775443

Director's report

For the year ended 31 December 2016

The director presents his report and the audited financial statements of Naya Capital Management UK Limited ("the company") and of the group for the year ended 31 December 2016. The group comprises the company and its subsidiary, Naya Management LLP ("the LLP").

Results and dividends

The group profit for the year after taxation amounted to £2,702,855 (2015: £18,292,194) as shown on page 8.

During the year, a final dividend totalling £4,468,566 (2015: £Nil) in respect of the year ended 31 December 2015 was proposed and paid.

On the 17 March 2017, an interim dividend in respect of the year ended 31 December 2016, totalling £2,228,052 was proposed but not paid as at year end.

Director

The director of the company during the period and up to the date of this report was:

M Siddiqui

Going concern

The group has adequate financial resources and as a consequence, the director believes that the group is well placed to manage its business risks successfully despite the economic outlook.

Following the decision to restructure the director has a reasonable expectation that the group has adequate resources to continue in operational existence, and meet its liabilities as they fall due, for the foreseeable future. Accordingly, he continues to adopt the going concern basis in preparing the director's report and financial statements.

Statement of disclosure of information to auditors

At the date of approving this report, so far as the director is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the company's auditors are unaware. The director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Pillar 3 disclosures

The unaudited Pillar 3 disclosures of Naya Capital Management UK Limited as required by the FCA Prudential Sourcebook for Banks, Building Societies and Investment Firms (BIPRU) Chapter 11 - Disclosure (Pillar 3) are included as an appendix to these financial statements. These disclosures are unaudited.

UK stewardship code disclosures

The UK stewardship code disclosures of Naya Capital Management UK Limited as required by the FCA Conduct of Business Sourcebook are included as an appendix to these financial statements. These disclosures are unaudited.

Naya Capital Management UK Limited

Registered No: 07775443

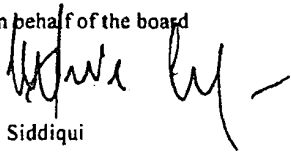
Director's report (continued)

For the year ended 31 December 2016

Independent Auditors

The auditors, Rees Pollock, have indicated their willingness to continue in office. A resolution concerning their re-appointment will be proposed at the members' meeting to approve these financial statements.

On behalf of the board



M Siddiqui

Director

Date: 25 April 2017

Naya Capital Management UK Limited

Registered No: 07775443

Statement of director's responsibilities

For the year ended 31 December 2016

The director is responsible for preparing the strategic report, the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial period. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director confirms that he has complied with the above requirements in preparing the financial statements.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Naya Capital Management UK Limited

Registered No: 07775443

Strategic report

For the year ended 31 December 2016

The director presents his strategic report for the Company for the year ended 31 December 2016. The director, in preparing this strategic report, has complied with s414C of the Companies Act 2006:

Principal activity and review of the business

The principal activity of the company and group in the year, was that of managing, on a discretionary basis, the investment and trading of fund securities on behalf of the Naya Fund, registered in the Cayman Islands, the Naya Fund LP, registered in Delaware and the Naya Master Fund LP, registered in the Cayman Islands. In addition the company also acts the corporate member of the LLP, which it controls.

The group comprises the company and its subsidiary, the LLP.

The company is a regulated Alternative Investment Fund Manager "AIFM" and is authorised by the Financial Conduct Authority "FCA". The LLP is no longer regulated and does not carry out any day to day operational activity on behalf of the group. The LLP exists to custody and administer profit deferrals awarded in previous years. These deferrals will finally vest in March 2018 at which point it is anticipated the LLP will be wound down.

The results for the period and the financial position at the year end were considered satisfactory by the director. The director does not anticipate any change in the nature of the company's and group's principal activity going forward.

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the director is of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Financial risk management

The key business risks and uncertainties affecting the business relate to the performance of the underlying funds managed by the group.

The group is not exposed to any significant price, credit, liquidity or cash flow risk



M Siddiqui

Director

Date: 25 April 2017

Independent auditors' report to the shareholders of Naya Capital Management UK Limited

We have audited the financial statements of Naya Capital Management UK Limited for the year ended 31 December 2016, set out on pages 8 to 23. The relevant financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the group strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditors' report to the shareholders of Naya Capital Management UK Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the group strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the group strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Philip Vipond (Senior Statutory Auditor)
For and on behalf of Rees Pollock, Statutory Auditor

25 April 2017

Naya Capital Management UK Limited

Registered No: 07775443

Consolidated statement of comprehensive income

For the year ended 31 December 2016

	Notes	2016 £	2015 £
Turnover	3	10,965,656	24,699,097
Administration expenses		<u>(8,830,472)</u>	<u>(2,863,733)</u>
Operating profit	4	2,135,184	21,835,364
Revaluation gains on investments	8	1,038,809	141,374
Loss on disposal of investments	8	(24,016)	-
Interest receivable and similar income		<u>-</u>	<u>119</u>
Profit on ordinary activities before taxation		3,149,977	21,976,857
Tax on profit on ordinary activities	7	<u>(447,122)</u>	<u>(3,684,663)</u>
Profit for the financial year		2,702,855	18,292,194
Other comprehensive income:			
Other comprehensive income		-	-
Total comprehensive income for the year		<u>2,702,855</u>	<u>18,292,194</u>
Profits for the financial year attributable to:			
Owners of the parent company		1,688,061	7,261,283
Non-controlling interest		<u>1,014,794</u>	<u>11,030,911</u>
		<u>2,702,855</u>	<u>18,292,194</u>
Total comprehensive income for the year attributable to:			
Owners of the parent company		1,688,061	7,261,283
Non-controlling interest		<u>1,014,794</u>	<u>11,030,911</u>
		<u>2,702,855</u>	<u>18,292,194</u>

All activities derive from continuing operations.

The notes on pages 14 - 23 form an integral part of these financial statements.

Naya Capital Management UK Limited

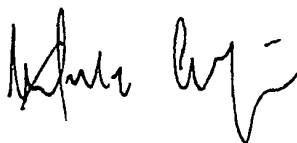
Registered No: 07775443

Consolidated statement of financial position

As at 31 December 2016

	Notes	2016 £	2015 £
Fixed assets			
Investments	8	4,819,235	1,765,981
Tangible fixed assets	9	<u>193,534</u>	<u>200,493</u>
		5,012,769	1,966,474
Current assets			
Debtors	10	4,056,386	9,495,009
Cash and cash equivalents	12	<u>5,328,203</u>	<u>13,193,476</u>
		9,384,589	22,688,485
Creditors: amounts falling due within one year	11	<u>(6,498,649)</u>	<u>(4,459,116)</u>
Net current assets		2,885,940	18,229,369
Net assets		<u>7,898,709</u>	<u>20,195,843</u>
Capital and reserves			
Called up share capital	13	827,104	827,104
Retained earnings		<u>3,841,865</u>	<u>8,883,388</u>
Equity attributable to owners of the parent		4,668,969	9,710,492
Non-controlling interest		<u>3,229,740</u>	<u>10,485,351</u>
		<u>7,898,709</u>	<u>20,195,843</u>

The financial statements were approved and signed by the director on 25 April 2017.



M Siddiqui
Director

The notes on pages 14 - 23 form an integral part of these financial statements.

Naya Capital Management UK Limited

Registered No: 07775443

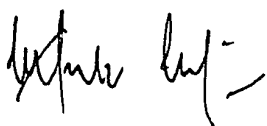
Company statement of financial position

As at 31 December 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible fixed assets	9	193,534	200,493
Current Assets			
Debtors	10	4,197,253	9,371,153
Cash and cash equivalents	12	<u>5,328,115</u>	<u>13,187,891</u>
		9,525,368	22,559,044
Creditors: amounts falling due within one year	11	<u>(6,498,649)</u>	<u>(16,758,779)</u>
Net current assets		3,026,719	5,800,265
Net assets		<u>3,220,253</u>	<u>6,000,758</u>
Capital and reserves			
Called up share capital	13	827,104	827,104
Retained earnings		<u>2,393,149</u>	<u>5,173,654</u>
Shareholder's funds		<u>3,220,253</u>	<u>6,000,758</u>

The company only profit for the year amounted to £1,688,061 (2015: £5,176,153).

The financial statements were approved and signed by the director on 25 April 2017.



M Siddiqui
Director

The notes on pages 14 - 23 form an integral part of these financial statements.

Naya Capital Management UK Limited

Registered No: 07775443

Consolidated statement of changes in equity

For the year ended 31 December 2016

	Called up share capital £	Retained earnings £	Total equity attributable to owners of the parent £	Non- controlling interests £	Total equity £
At 1 January 2015	300,813	1,622,105	1,922,918	10,614,481	12,537,399
Profit for the financial year	-	7,261,283	7,261,283	11,030,911	18,292,194
Share capital issued	526,291	-	526,291	-	526,291
Profit allocations	-	-	-	(11,030,911)	(11,030,911)
Other transactions with non-controlling interests	-	-	-	(129,130)	(129,130)
At 31 December 2015	827,104	8,883,388	9,710,492	10,485,351	20,195,843
Profit for the financial year	-	1,688,061	1,688,061	1,014,794	2,702,855
Group reserves reallocation to the non- controlling interests		(2,261,018)	(2,261,018)	2,261,018	-
Dividends paid during the year	-	(4,468,566)	(4,468,566)	-	(4,468,566)
Profit allocations	-	-	-	(3,275,812)	(3,275,812)
Other transactions with non- controlling interest	-	-	-	(7,255,611)	(7,255,611)
At 31 December 2016	827,104	3,841,865	4,668,969	3,229,740	7,898,709

The notes on pages 14 - 23 form an integral part of these financial statements.

Naya Capital Management UK Limited

Registered No: 07775443

Company statement of changes in equity

For the year ended 31 December 2016

	Called up share capital £	Retained earnings £	Total shareholder' funds £
At 1 January 2015	300,813	(2,499)	298,314
Profit for the financial year	-	5,176,153	5,176,153
Share capital issued	526,291	-	526,291
At 31 December 2015	827,104	5,173,654	6,000,758
Profit for the financial year	-	1,688,061	1,688,061
Dividends paid during the year	-	(4,468,566)	(4,468,566)
At 31 December 2016	827,104	2,393,149	3,220,253

The notes on pages 14 - 23 form an integral part of these financial statements.

Naya Capital Management UK Limited

Registered No: 07775443

Consolidated statement of cash flows

For the year ended 31 December 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Profit on ordinary activities before taxation		3,149,977	21,976,857
Interest receivable		-	(119)
Revaluation gain on investments	8	(1,038,809)	(141,374)
Loss on disposal of investments	8	24,016	-
Depreciation of tangible fixed assets	9	52,959	14,752
Decrease/(increase) in debtors		5,438,623	(5,720,575)
Increase in creditors		4,611,431	220,445
Income tax paid		(3,019,020)	(1,993,834)
Net cash generated from operating activities		9,219,177	14,356,152
Cash flows from investing activities			
Interest received		-	119
Payments to acquire fixed asset investments	8	(2,897,436)	(1,624,607)
Payments to acquire tangible fixed assets	9	(46,000)	(203,363)
Proceeds from sale of fixed asset investments		858,975	-
Net cash outflow from investing activities		(2,084,461)	(1,827,851)
Transactions with members			
Share capital issued	13	-	509,749
Payments to non-controlling interest		(10,526,423)	(10,681,398)
Capital contributed by the non-controlling interest		-	289,748
Capital repaid to the non-controlling interest		(5,000)	(768,391)
Dividends paid		(4,468,566)	-
Net cash outflow from financing activities		(14,999,989)	(10,650,292)
Net (decrease)/increase in cash and cash equivalents		(7,865,273)	1,878,009
Cash and cash equivalents at the beginning of the year	12	13,193,476	11,315,467
Cash and cash equivalents at the end of the year	12	5,328,203	13,193,476

The notes on pages 14 - 23 form an integral part of these financial statements.

Naya Capital Management UK Limited

Registered No: 07775443

Notes to the financial statements

For the year ended 31 December 2016

1. Accounting policies

1.1 General information

Naya Capital Management UK Limited is a limited company registered in England. The registered office is 54 Baker Street, London W1U 7BU.

1.2 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgment in applying the company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.3 Basis of consolidation

The consolidated financial statements include the accounts of the company and its subsidiary undertaking, Naya Management LLP (collectively "the group"), drawn up to 31 December 2016. All material intercompany transactions and balances have been eliminated in the group financial statements.

No statement of comprehensive income is presented for the company as permitted by Section 408 of the Companies Act 2006. Of the group profit for the year, a profit of £1,688,061 (2015: £5,176,153) is dealt with in the accounts of the company.

1.4 Going concern

The group has adequate financial resources and as a consequence, the director believes that the group is well placed to manage its business risks successfully despite the economic outlook.

Further to the reorganisation, the director has a reasonable expectation that the group has adequate resources to continue in operational existence, and meet its liabilities as they fall due, for the foreseeable future. Accordingly, he continues to adopt the going concern basis in preparing the director's report and financial statements.

1.5 Revenue recognition

Turnover, which is stated net of value added tax, represents fees for investment management services. Turnover arises from continuing activities in the United Kingdom and is recognised when the group obtains the right for consideration in exchange for its performance of services.

1.6 Disclosure exemption

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12 (b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and the shareholders were notified by the director of the disclosure exemption taken in these financial statements and the company received no objection.

Naya Capital Management UK Limited

Registered No: 07775443

Notes to the financial statements (continued)

For the year ended 31 December 2016

1. Accounting policies (continued)

1.7 Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the life of the lease. The value of any rent free periods are amortised over the life of the lease.

1.8 Foreign currency translation

Functional and presentation currency

The company's functional currency and presentation currency is pound sterling. Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end, foreign currency monetary items are translated using the closing rate. Non monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non monetary items measured at fair value are measured using the exchange rate when fair value was determined.

1.9 Fixed asset investments

Investments in unlisted units of the Naya fund have been classified as fixed asset investments as the LLP intends to hold them on a continuing basis and are remeasured to fair value at each statement of financial position date. Gains and losses on remeasurement are recognised in the statement of comprehensive income and retained earnings for the period. Where the investment cannot be remeasured to fair value, it is held at cost less impairment.

1.10 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and provision for impairment, where impairment is expected to be permanent.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	- 3 years straight line
Artwork	- not depreciated due to high residual value
Office equipment and Furniture & fixtures	- 3-4 years straight line
Leasehold improvements	- Over the term of the lease

1.11 Corporation tax and deferred taxation

Provision is made for corporation tax at the current rates on the excess of taxable income over allowable expenses. Deferred taxation is provided on all timing differences that have originated but not reversed by the balance sheet date other than those differences regarded as permanent. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Any deferred tax assets and liabilities recognised are provided at the average rate of tax expected to apply when the asset and liability crystallises and are not discounted.

1.12 Deferred compensation

The group operates a remuneration policy whereby a portion of the total compensation for eligible employees is deferred over a two year vesting period and is subject to forfeiture.

Naya Capital Management UK Limited

Registered No: 07775443

Notes to the financial statements (continued)

For the year ended 31 December 2016

1. Accounting policies (continued)

1.13 Income tax

A provision has been made for income tax in the financial statements at the additional tax rate on the profit allocation to the LLP itself, in line with the Alternative Investment Fund Managers Directive (AIFMD) profit deferral mechanism. Although each member is exclusively liable for any tax liabilities arising out of their interest in the LLP, tax is assessed on the individual members but the LLP itself has elected to bear the tax on the deferred profit allocation.

1.14 Profit deferral

The LLP operates a profit deferral scheme in line with the AIFMD profit deferral guidelines. Each year the LLP will defer some of its profits over the following 2 years and the LLP will be taxed on the deferral each year at the additional tax rate. In subsequent years the LLP will allocate 50% of the prior year's deferral net of income tax, to the natural members of the LLP.

1.15 Pensions

The company operates a defined contribution money purchase pension scheme. Contributions are charged in the statement of comprehensive income account as they become payable in accordance with the rules of the scheme.

1.16 Cash and cash equivalents

Cash is represented by cash at bank and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

1.17 Financial instruments

Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

Financial liabilities

Basic financial liabilities, including trade and other creditors and loans due to members, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Naya Capital Management UK Limited

Registered No: 07775443

Notes to the financial statements (continued)

For the year ended 31 December 2016

2. Critical accounting estimates and judgements

In applying the group's accounting policies, the director is required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The director's judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

Any estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods.

(a) Critical judgements in applying the entity's accounting policies

In prior years, the director is of the opinion that a reliable fair value cannot be determined for the company's investment in its subsidiary Naya Management LLP; as such the investment has been stated at cost less impairment.

For the current financial year there is nothing to disclose.

(b) Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of investment not held at fair value

In prior years, the director has reviewed the operating results and financial positions of Naya Management LLP and is confident that there are no indications that the company's investment is impaired.

For the current financial year there is nothing to disclose.

3. Turnover

Turnover, which is stated net of value added tax, represents investment management and performance fees when the company obtains the right for consideration in exchange for its performance of services. Turnover arises from managing the investment and trading of fund securities and is recognised when the company obtains the right for consideration in exchange for its performance of services.

	2016 £	2015 £
Management fees	10,483,251	14,640,202
Performance fees	482,405	10,058,895
	<u>10,965,656</u>	<u>24,699,097</u>

Naya Capital Management UK Limited

Registered No: 07775443

Notes to the financial statements (continued)

For the year ended 31 December 2016

4. Operating profit

	2016 £	2015 £
Operating profit is stated after charging/(crediting):		
Depreciation	52,959	14,752
Operating lease rentals	184,241	150,585
Auditor's remuneration:		
-fees payable to auditors for the audit of the parent company and consolidated financial statements	14,000	10,000
-fees payable to auditors for audit of the subsidiary undertaking	4,000	8,000
Foreign exchange gains	(556,936)	(336,167)

5. Staff costs

	2016 £	2015 £
Wages and salaries (including the director)	6,854,040	1,950,383
Social security costs	929,170	261,157
Other pension costs	44,973	46,951
	<u>7,828,183</u>	<u>2,258,491</u>

The average monthly number of employees during the period was as follows:

	2016	2015
Investment	9	-
Administration	4	1
Operational support	2	6
	<u>15</u>	<u>7</u>

6. Director's remuneration

During the year, the director received remuneration in respect of services provided to the group of £421,643 (2015: £5,888). In addition, the director received a profit allocation from the subsidiary undertaking of £321,893 (2015: £2,415,086).

Naya Capital Management UK Limited

Registered No: 07775443

Notes to the financial statements (continued)

For the year ended 31 December 2016

7. Taxation

	2016 £	2015 £
Current tax		
Income tax at 45%	-	2,370,627
Corporation tax at 20%	447,122	1,314,036
Total tax for the period	447,122	3,684,663
Profit on ordinary activities before taxation	3,149,977	21,976,857
Corporation tax at 20% (2015: 20.25%)	629,995	4,449,561
Effects of:		
Disallowed expenses	22,436	11,009
Revaluation gains not subject to tax	(207,762)	(28,628)
Profits subject to Income tax	-	2,370,627
Impact of timing difference	2,453	2,224
Adjustment for minority interest	-	(3,120,130)
Total tax charge for the period	447,122	3,684,663

The UK Government announced as part of the Finance (No 2) Act 2015, which received Royal Assent on 18 November 2015, to reduce the main rate of corporation tax rate from 20% to 19% from 1 April 2017 and further to 18% from 1 April 2020. This will affect future cash tax payable by the group.

8. Fixed asset investments

Group

Unlisted Investments	2016 £	2015 £
At 1 January	1,765,981	-
Additions	2,897,436	1,624,607
Disposals	(882,991)	-
Revaluation gain	1,038,809	141,374
At 31 December	4,819,235	1,765,981

During the year, £2,897,436 (2015: £1,624,607) was invested by the LLP acquiring units in the Naya Fund. This investment represents deferred profit allocations of the members invested in a fund vehicle managed by the LLP. In addition during the year, £882,991 was disposed of realising a loss of £24,016 (2015: nothing was disposed of).

Naya Capital Management UK Limited

Registered No: 07775443

Notes to the financial statements (continued)

For the year ended 31 December 2016

9. Tangible fixed assets

Group & company

	Computer equipment £	Artwork £	Office Equipment and Furniture & fixtures £	Leasehold improvements £	Total £
Cost:					
At 1 January 2016	25,482	-	52,427	150,894	228,803
Additions	-	30,000	2,822	13,178	46,000
At 31 December 2016	25,482	30,000	55,249	164,072	274,803
Depreciation:					
At 1 January 2016	11,548	-	10,918	5,844	28,310
Charge for the period	7,046	-	12,344	33,569	52,959
At 31 December 2016	18,594	-	23,262	39,413	81,269
Net book value:					
At 31 December 2016	6,888	30,000	31,987	124,659	193,534
At 31 December 2015	13,934	-	41,509	145,050	200,493

Naya Capital Management UK Limited

Registered No: 07775443

Notes to the financial statements (continued)

For the year ended 31 December 2016

10. Debtors

	Group	Company	Group	Company
	2016	2016	2015	2015
	£	£	£	£
Due within one year				
Amounts due from Naya Capital Management Limited	-	-	509,748	509,748
Unpaid share capital (note 13)	-	-	16,542	16,542
Other debtors	139,564	139,564	148,888	148,888
Director's loan account	183,425	183,425	-	-
Amounts due from Naya Management LLP	-	140,867	-	-
Prepayments and accrued income	3,661,397	3,661,397	8,747,831	8,695,975
	3,984,386	4,125,253	9,423,009	9,371,153
Due after more than one year				
Rent deposit	72,000	72,000	72,000	-
	4,056,386	4,197,253	9,495,009	9,371,153

There is a fixed charge over the rent deposit of £72,000 in respect of rental expenses and other amounts due to the landlord.

Amounts due from Naya Management LLP are unsecured, interest free, and repayable on demand.

11. Creditors

	Group	Company	Group	Company
	2016	2016	2015	2015
	£	£	£	£
Due within one year				
Amounts due to Naya Management LLP	-	-	-	14,053,785
Trade creditors	46,097	46,097	12,403	12,403
Corporation tax	447,129	447,129	3,019,027	1,313,011
Other creditors	37,965	37,965	3,009	3,010
Social security and other taxes	72,441	72,441	-	-
Accruals and deferred income	5,895,017	5,895,017	1,424,677	1,376,570
	6,498,649	6,498,649	4,459,116	16,758,779

Amounts due to Naya Management LLP are unsecured, interest free, and repayable on demand.

Naya Capital Management UK Limited

Registered No: 07775443

Notes to the financial statements (continued)

For the year ended 31 December 2016

12. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following balances:

	Group 2016 £	Company 2016 £	Group 2015 £	Company 2015 £
Cash and cash equivalents	<u>5,328,203</u>	<u>5,328,115</u>	<u>13,193,476</u>	<u>13,187,891</u>

13. Called up share capital Group & company

	2016 £	2015 £
Allotted, issued and fully paid		
810,562 Class A Ordinary shares of £1 each	810,562	810,562
16,542 Class B Ordinary shares of £1 each	<u>16,542</u>	<u>16,542</u>
Total shares	<u>827,104</u>	<u>827,104</u>

The Class A and Class B shares rank pari passu apart from no right to the surplus asset of the company in the event of winding up or voluntary/involuntary dissolution of the company attached to the Class B shares.

14. Operating lease commitments Group & company

At 31 December 2016, the group had future minimum rentals under non-cancellable operating leases as set out below:

	2016 £	2015 £
Minimum rentals payable:		
- within one year	195,860	195,860
- between two and five years	<u>522,293</u>	<u>718,153</u>
	<u>718,153</u>	<u>914,013</u>

Naya Capital Management UK Limited

Registered No: 07775443

Notes to the financial statements (continued)

For the year ended 31 December 2016

15. Pension commitments

The group participates in a defined contribution money purchase pension plan. The pension cost charged during the year was £44,973 (2015: £46,951). At 31 December 2016, the outstanding contribution was £3,908 (2015: £2,973).

16. Related party transactions

Transactions between the company and its subsidiary the LLP, meet the definition of related party transactions. Where these are eliminated on consolidation, they are not disclosed in the group financial statements. Transactions which have led to outstanding balances at the year-end between the company and the LLP are disclosed in note 10 debtors and note 11 creditors.

Naya Capital Management Limited, a company incorporated in the Cayman Islands, and the LLP are under the common control of M Siddiqui, a designated member of the LLP and ultimate controlling party. During the year the company earned management and performance fees of £10,965,656 (2015: £24,699,097) from Naya Capital Management Limited and also paid expenses on its behalf. At 31 December 2016, £3,542,142 (2015: £8,644,183) was owed to the group and is included within debtors.

During the year, the company made loans to the director, M Siddiqui, of £81,100 (2015: £Nil) and paid expenses of £102,325 (2015: £Nil). At 31 December 2016, the company was owed £183,425 (2015: £Nil) and is included within debtors.

During the year, the LLP made a profit allocation to the director, M Siddiqui, of £321,893 (2015: £2,415,086). At 31 December 2016, the director was owed £303,008 (2015: £2,250,503) by the LLP and is included within non-controlling interests.

Key management personnel consists of the director, M Siddiqui, which is disclosed in note 6.

17. Parent undertaking and ultimate controlling party

The company's parent undertaking is Naya Capital Management Limited, a limited company registered in the Cayman Islands. The address of the parent is PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands. The ultimate controlling party is M. Siddiqui.

The largest and smallest group of undertakings for which group accounts have been drawn up which include the Company is headed by Naya Capital Management Limited.

Naya Capital Management UK Limited

Registered No: 07775443

Appendix 1 Unaudited Pillar 3 Disclosure

The Pillar 3 disclosure of Naya Capital Management UK Limited ("Naya" or the Firm") is authorised by the Financial Conduct Authority ("FCA") as a Full-scope UK Alternative Investment Fund Manager. The regulatory capital framework applicable to Naya is that which has been established by both the Capital Requirements Directive ("CRD") and the Alternative Investment Fund Managers Directive ("AIFMD").

Naya Management LLP was authorised by the Financial Conduct Authority as full scope UK alternative investment fund manager on 15 December 2015. The Pillar 3 disclosure of Naya is set out below as required by the Financial Conduct Authority's ("FCA") "Prudential Sourcebook for Banks, Building Societies and Investment Firms" (BIPRU) specifically BIPRU 11. The regulatory aim of the disclosures is to improve market discipline.

Naya makes Pillar 3 disclosures annually, via its website. This information contained in this disclosure is accurate as at 31 December 2014. The information contained in this document has not been audited by Naya's external auditors and does not constitute any form of financial statement.

Introduction

The Firm is authorised and regulated by the FCA and as such is subject to minimum regulatory capital requirements.

The Firm is categorised by the FCA, for capital purposes, as a Collective Portfolio Management Investment ("CPMI") firm. It is an investment management firm and has no trading book exposures. The Firm is not required to prepare consolidated reporting for prudential purposes.

Materiality

Certain information relating to BIPRU 11.5 has been omitted on the basis that it has been deemed to be immaterial or confidential. The Firm regards information as material if its omission or misstatement could change or influence the assessment or decision of a user relying on that information for the purpose of making economic decisions.

Confidentiality

The Firm regards information as proprietary if sharing that information with the public would undermine its competitive position. Proprietary information may include information on products or systems which, if shared with competitors, would render the Firm's investments therein less valuable. Further, the Firm must regard information as confidential if there are obligations to customers or other counterparty relationships binding the Firm to confidentiality. In the event that any such information is omitted, we shall disclose such and explain the grounds why it has not been disclosed.

Naya Capital Management UK Limited

Registered No: 07775443

Appendix 1 (continued) Unaudited Pillar 3 Disclosure

Capital resources Requirement

The prudential framework for investment management firms consists of three "pillars":

- Pillar 1 – sets out the minimum capital requirements for the investment manager;
- Pillar 2 – deals with the Internal Capital Adequacy Assessment Process ("ICAAP") undertaken by the Firm to assess the adequacy of capital held in relation to its material risks; and
- Pillar 3 – requires the Firm to publicly disclose its policies on risk management, capital resources and capital requirements.

As a CPMI firm, the Pillar 1 capital requirement is calculated as the higher of the:

- Fixed Overhead Requirement ("FOR");
- Base Capital Requirement of €125,000; or
- The funds under management requirement (the sum of the Firm's base own funds requirements of €125k plus 0.02% of the amount by which the Firm's funds under management (related to Alternative Investment Funds) exceed €250m); and

Whichever is the applicable of:

- The professional negligence capital requirement ("additional own funds requirement"); or
- The professional indemnity insurance ("PII") capital requirement

As a CPMI firm Naya must also maintain capital resources in excess of the variable capital requirement (being the higher of the FOR and the sum of the credit risk and market risk capital requirements) as they relate to the Firm's non-AIFMD business. Naya calculates the credit risk applicable to its non-AIFM activities under the simplified approach.

The Firm has deemed the FOR to be the higher and this is therefore used for the Pillar 1 calculation.

Capital resources

Main features of the Firm's Capital Resources are as follows:

Capital Item	£'000s
Tier 1 capital less innovative tier 1 capital	827
Tier 2 capital	827
Tier 3 capital	0
Total capital resources, net of deductions	827

Naya Capital Management UK Limited

Registered No: 07775443

Appendix 1 (continued) **Unaudited Pillar 3 Disclosure**

Risk management objectives & policies

Due to the nature, size and complexity of the Firm, Naya does not have an independent risk management function, however the Senior Management Group ("SMG") has appointed the Chief Operating Officer as the Risk Officer of Naya. The SMG which consists of the Chief Executive, and the Chief Operating Officer are responsible for the day to day management of the firm. In addition, they ensure that Naya has implemented an effective, on-going process to identify risks, to measure its potential impact against a broad set of assumptions and then to ensure that such risks are actively managed. The Risk Officer has the necessary authority, access to all relevant information and regular contact with other members of the SMG in order to provide them with updates so that they can take prompt remedial action where needed. The Risk Officer is a member of the Investment Manager's Risk Committee. A review is conducted at least annually of the effectiveness of Naya's system of internal controls. The review covers all material controls, including financial, operational and compliance controls.

Naya has clearly documented policies and procedures, which are designed to minimise risks to the Firm and all staff are required to confirm that they have read and understood them. Naya undertakes an Internal Capital Adequacy Assessment Process ("ICAAP"), at least annually, which is the process through which it determines that it is able to identify and manage its key risks on an on going basis and that it has sufficient capital in respect of such risks. The process is forward looking and is an integral part of the management of the Firm.

The Firm's ICAAP includes an assessment of the design and performance of the internal controls in place to mitigate risks, the probability of the risk occurring, the potential financial and reputational impact, and the adequacy of the Firm's capital base. If necessary the Firm would allocate extra capital to the relevant risk, but this has not been deemed necessary. The Firm has concluded that its Tier 1 capital is sufficient to cover its Pillar 1 and Pillar 2 requirements.

Risks

Below we consider, for each separate category of risk, the strategies and processes to manage the risks:

Operational Risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk. This risk has been assessed as material and has been considered further in the Firm's ICAAP.

Naya Capital Management UK Limited

Registered No: 07775443

Appendix 1 (continued) **Unaudited Pillar 3 Disclosure**

Market Risk

Market risk is the risk of any impact upon the Firm's financial condition due to fluctuations in values of, or income from, assets or in interest or exchange rates. Naya does not maintain a trading book; therefore the only market risk to which the Firm is exposed is foreign exchange risk on accounts receivable, which is not assessed to be material.

Credit & Counterparty Risk

Credit risk is defined as the risk of loss caused by the failure of a counterparty to perform its contractual obligations. A factor which may contribute to increased credit risk is concentration of assets held with a single counterparty. Given the nature of the relationship between Naya and its client(s), it is very unlikely that there is any credit risk. If the fund failed to meet its obligations to Naya this would either indicate that the relationship was irreparably damaged or the fund was not in the financial position to meet its obligation. In these circumstances it is likely that Naya would wind down.

Business Risk

Business risk is any risk to the firm arising from changes in its business, including the risk that the firm may not be able to carry out its business plan and its desired strategy. This has been assessed as a material risk and has been considered further in the Firm's ICAAP.

Liquidity Risk

Liquidity risk is defined as the risk that the Firm, although solvent, either does not have sufficient available resources to enable it to meet its obligations as they fall due, or can secure them only at excessive cost. The Firm conducts, at least annually, a liquidity assessment to ensure that it meets the liquidity requirements in BIPRU 12.

Securitisation Risk

Securitisation risk is the risk that the capital resources held by a firm in respect of assets which it has securitised are inadequate having regard to the economic substance of the transaction, including the degree of risk transfer achieved. Naya does not securitise assets, therefore, the risk is considered to be nil.

Insurance Risk

Insurance Risk is the inherent uncertainty as to the occurrence, amount and timing of insurance liabilities. Naya does not undertake any insurance business.

Naya Capital Management UK Limited

Registered No: 07775443

Appendix 1 (continued) **Unaudited Pillar 3 Disclosure**

Reputational Risk

Reputational risk is defined as the risk of damage to the Firm's reputation that could lead to negative publicity, costly litigation, a decline in the customer base or the exit of key employees and therefore directly or indirectly to a loss of revenue. This risk applies to the Firm and has been considered further in the Firm's ICAAP.

Pension Obligation Risk

Pension obligation risk is defined as the risk to a firm caused by its contractual or other liabilities to or with respect to a pension scheme (whether established for its employees or those of a related company or otherwise). It also means the risk that the firm will make payments or other contribution to or with respect to a pension scheme because of a moral obligation or because the firm considers that it needs to do so for some other reason. Naya does not run a defined benefit pension scheme. Consequently this risk has been assessed as being nil.

Interest Rate Risk arising from non-trading book activities

Interest rate risk is defined as the potential for losses or gains from fluctuations in interest rates. Naya does not have any debt and does not rely on cash in the bank to generate income. Therefore it is not relevant.

Concentration Risk

Concentration risk is defined as exposure to sectoral, geographic, liability and asset concentrations. The Firm does not trade on its own account and has no principal positions. Therefore it is not exposed to concentration risk.

Residual Risk

Residual risk is the risk of loss arising from Naya's exposure to residual risks that may result from the partial performance or failure of credit risk mitigation techniques for reasons that are unconnected with their intrinsic value, e.g. the risk that credit risk mitigation techniques used by the firm prove less effective than expected. The Firm does not use credit risk mitigation techniques therefore this risk is not applicable.

Group Risk

Group risk is defined as the risk that the financial position of a firm may be adversely affected by its relationships (financial or non-financial) with other entities in the same group or by risks which may affect the financial position of the whole group, for example reputational contagion. Naya is not part of a group, therefore this risk is not applicable.

Naya Capital Management UK Limited

Registered No: 07775443

Appendix 1 (continued) **Unaudited Pillar 3 Disclosure**

Remuneration

Naya must comply with the remuneration rules as set out in Article 14 of the Alternative Investment Fund Managers Directive ("AIFMD") and SYSC 19B of the FCA Handbook ("the AIFM Remuneration Code"), as well as SYSC 19C ("the BIPRU Remuneration Code"). The purpose of the Code is to ensure that firms have risk focused remuneration policies, which are consistent with and promote effective risk management and do not expose themselves to excessive risk. We have reviewed all existing employment contracts to ensure they comply with the Code.

The SMG is responsible for setting the Remuneration Policy Statement for all staff. The Remuneration Code can be applied in a proportionate way. As such the SMG has determined that the following rules are not proportionate to Naya and have not implemented these detailed rules:

SYSC 19B 1.17 – Retained units, shares and other instruments;

SYSC 19B.1.18 – Deferral; and

SYSC 19B.1.19, 19B 1.20 – Performance adjustment

Variable remuneration is not based solely on the financial performance of the individual. The SMG also considered the individuals overall (non-financial) performance to the whole team and the overall results of the AIFs, other managed account and the Firm. The performance of the individual is assessed over the entire year.

FCA guidance makes clear that for a firm such as Naya, which is a full-scope UK AIFM that is also a BIPRU firm, that where it complies with the requirements of SYSC 19B it will also comply with SYSC 19C and that the FCA will not require the firm to demonstrate compliance with SYSC 19C separately.

Given the nature and small size of our business, remuneration for all personnel is set by the Naya's SMG. Naya formally reviews the performance of all Partners and employees and based thereon determines for each the overall level of remuneration and the split of that between base salary, bonus according to the LLP Agreement and any discretionary additions in compliance with the FCA Rules on remuneration. Given that Naya has only one business area, investment management, all remuneration disclosed in our audited financial statements is from this business area.

Naya Capital Management UK Limited

Registered No: 07775443

Appendix 2 **Unaudited UK Stewardship Code Disclosure**

COMMITMENT TO THE UK STEWARDSHIP CODE

Under Rule 2.2.3R of the Financial Conduct Authority's ("FCA") Conduct of Business Sourcebook, Naya Capital Management UK Limited ("Naya" or "the Firm"), to the extent it is managing investments for a professional client (as defined by the FCA), is required to include a disclosure about the nature of its commitment to the UK Financial Reporting Council's Stewardship Code (the "Code") or, where it does not commit to the Code, explain its considered choice based on the firm's investment approach. The Code is a voluntary code and sets out a number of principles relating to engagement by investors in UK-listed companies.

The Firm invests in a variety of asset classes in a variety of jurisdictions globally and exposure to U.K. listed companies is chiefly achieved through investment in (non-voting) financial derivative positions. Therefore, whilst Naya generally supports the objectives that underlie the Code, the nature of the financial instruments it uses to execute its strategy do not allow it to formally engage with investee companies through voting rights. The Firm has therefore chosen not to commit to the Code at this time.