

AQR CAPITAL MANAGEMENT (EUROPE) LLP
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

Registered Number OC364574

FRIDAY



LD9 *L3F9UL3F* 29/08/2014 #42
COMPANIES HOUSE

AQR CAPITAL MANAGEMENT (EUROPE) LLP

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

CONTENTS	PAGES
Designated members and advisers	1
Members' report	2 to 4
Independent auditor's report to the members	5 to 6
Profit and loss account	7
Balance sheet	8
Cash flow statement	9
Notes to the financial statements	10 to 17

AQR CAPITAL MANAGEMENT (EUROPE) LLP

DESIGNATED MEMBERS AND ADVISERS

YEAR ENDED 31 DECEMBER 2013

Designated members	R Montgomerie (Resigned on 31 December 2013) A Ilmanen (Appointed on 31 December 2013) AQR Capital Management (UK Services) Limited
Members	A Ilmanen C Vaughn (Resigned on 31 December 2013)
Registered office	20-22 Bedford Row London United Kingdom WC1R 4JS
Auditor	Baker Tilly UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB

AQR CAPITAL MANAGEMENT (EUROPE) LLP

MEMBERS' REPORT

YEAR ENDED 31 DECEMBER 2013

The members present their report and the financial statements of the limited liability partnership for the year ended 31 December 2013.

Principal activities and business review

The principal activities of the LLP during the year were that of provision of insurance mediation services and investment marketing and investor relations services. The LLP is authorised and regulated by the Financial Conduct Authority (successor of the Financial Services Authority) in the United Kingdom.

As at 31 December 2013, the LLP has applied to the FCA to withdraw the permissions related to the insurance mediation services component of the business.

The LLP earns substantially all of its turnover from affiliated entities, the majority of which is earned pursuant to a cost plus transfer pricing arrangement with its parent entity, AQR Capital Management LLC. This arrangement provides a consistent and predictable stream of revenues to the LLP and allows the LLP to manage its capital base and cash flow effectively.

The turnover in the year increased from £4,666,115 in 2012 to £7,672,287 in 2013. The significant increase in turnover principally reflects the higher cost plus reimbursements from AQR Capital Management LLC, and is indicative of the expanded effort on the part of the AQR Capital Management LLC to grow its investment management business in the United Kingdom and more generally in the European region.

Assets Under Management ("AUM") and Annual Fee Base ("AFB") of AQR Capital Management LLC sourcing from the European Region, two metrics by which asset management firms measure themselves, have grown year over year as a result of client wins sourcing from the LLP's marketing efforts.

The members consider these outcomes to be a very positive result when considering the start-up nature of the LLP and remain hopeful that such early successes will continue into 2014 and beyond.

The LLP's financial position at year end was in line with expectations and our expectation is that our financial position going forward will remain strong owing to our unique revenue stream and the support of AQR Capital Management LLC. Working capital is being maintained at suitable levels and additional capital is available via AQR Capital Management LLC if and when the need arises.

The LLP remains well positioned to attract additional investors to AQR Capital Management LLC's suite of investment products during 2014 as it expands the services undertaken during prior years.

Principal risks and uncertainties

The members of the LLP assess the main risks for the forthcoming year as follows:

- The LLP's revenue base is very concentrated and economic difficulties at AQR Capital Management LLC level, sourcing from poor investment results or other events, could expose the LLP to credit risk.
- the LLP could be adversely affected by regulatory compliance failures, adverse effect of changes in laws and regulations applicable to its business.

Results for the year and allocation to members

The profit for the year available for distribution to members was £2,368,162 (2012: £1,595,271).

AQR CAPITAL MANAGEMENT (EUROPE) LLP

MEMBERS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2013

Designated members

The following were designated members during the year:

AQR Capital Management (UK Services) Limited
R Montgomerie (Resigned on 31 December 2013)
A Ilmanen (Appointed on 31 December 2013)

Policy with respect to members' drawings and subscription and repayments of amounts subscribed or otherwise contributed by members

Members are permitted to make drawings in anticipation of profits which will be allocated to them. The amount of such drawings is set in each financial year, taking into account the anticipated cash needs of the LLP.

Any profits are shared among the members under the terms of the Limited Liability Partnership Agreement dated 29 June 2011.

Each member's subscription to the capital of the LLP is determined by the Limited Liability Partnership Agreement dated 29 June 2011. The members have no right directly or indirectly to withdraw or receive back any part of the amount standing to the credit of their Capital Contribution Account except with the consent of the managing member.

Any member may contribute further capital to the LLP by agreement with the managing member.

Disclosure of information to auditors

So far each person who was a member at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow members, each member has taken all the steps that he is obliged to take as a member in order to make himself aware of any relevant audit information to establish that the auditor is aware of that information.

Members' responsibilities

The members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulations.

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law as applied to limited liability partnerships the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the limited liability partnership and of the profit or loss of the limited liability partnership for that year.

In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 limited liability partnership will continue in business.

AQR CAPITAL MANAGEMENT (EUROPE) LLP

MEMBERS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2013

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


In so far as the members are, individually, aware,

- there is no relevant audit information of which the limited liability partnership's auditor is unaware, and
- each member has taken all steps that they ought to have taken as a member to make themselves aware of any relevant audit information and to establish that the limited liability partnership's auditor is aware of that information.

Auditor

Baker Tilly Audit Limited (previously known as RSM Tenon Audit Limited) ceased trading on 31st March 2014. The members, having been notified of the cessation of trade of Baker Tilly Audit Limited, appointed Baker Tilly UK Audit LLP as Auditor on 1 April 2014 to fill the casual vacancy. In accordance with the Companies Act 2006 a resolution proposing the appointment of Baker Tilly UK Audit LLP as Auditor will be put to the members.

Signed on behalf of the members


A Imanen
Designated member

Approved by the members on 23.4.2014

AQR CAPITAL MANAGEMENT (EUROPE) LLP
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AQR
CAPITAL MANAGEMENT (EUROPE) LLP

YEAR ENDED 31 DECEMBER 2013

We have audited the financial statements of AQR Capital Management (Europe) LLP for the year ended 31 December 2013 on pages 7 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an auditor's 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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement set out on pages 3 to 4, the members 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2013 and of its 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

AQR CAPITAL MANAGEMENT (EUROPE) LLP

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AQR
CAPITAL MANAGEMENT (EUROPE) LLP *(continued)***

YEAR ENDED 31 DECEMBER 2013

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare the financial statements in accordance with the small LLP's regime.

Malcolm Pirouet, Senior Statutory Auditor

For and on behalf of

Baker Tilly UK Audit LLP

Baker Tilly UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date: **24 April 2014**

AQR CAPITAL MANAGEMENT (EUROPE) LLP

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2013

		2013	2012
	Note	£	£
Turnover	2	7,672,287	4,666,115
Administrative expenses		<u>(5,304,125)</u>	<u>(3,070,844)</u>
Profit for the financial year before members' remuneration and profit shares available for discretionary division among members		<u>2,368,162</u>	<u>1,595,271</u>

The LLP's turnover and expenses all relate to continuing operations.

There were no recognised gains or losses other than the results for the year as set out above.

The notes on pages 10 to 17 form part of these financial statements.

AQR CAPITAL MANAGEMENT (EUROPE) LLP

Registered Number OC364574

BALANCE SHEET**31 DECEMBER 2013**

		2013	2012
	Note	£	£
Fixed assets			
Tangible assets	6	73,641	154,582
Investments	7	9,613	9,613
		<u>83,254</u>	<u>164,195</u>
Current assets			
Debtors	8	3,919,930	2,199,784
Cash at bank		<u>1,376,803</u>	<u>324,126</u>
		5,296,733	2,523,910
Creditors: Amounts falling due within one year	9	<u>(3,609,330)</u>	<u>(1,965,250)</u>
Net current assets		<u>1,687,403</u>	<u>558,660</u>
Total assets less current liabilities		<u>1,770,657</u>	<u>722,855</u>
Net assets attributable to members		<u>1,770,657</u>	<u>722,855</u>
Represented by:			
Loans and other debts due to members			
Other amounts	13	1,733,657	671,855
Equity			
Members' other interests - members' capital	14	<u>37,000</u>	<u>51,000</u>
		<u>1,770,657</u>	<u>722,855</u>
Total members' interests			
Loans and other debts due to members	13	1,733,657	671,855
Members' other interests	14	<u>37,000</u>	<u>51,000</u>
		<u>1,770,657</u>	<u>722,855</u>

These accounts were approved by the members and authorised for issue on and are signed on their behalf by:


A Ilmanen
Designated member 23.4.2014

The notes on pages 10 to 17 form part of these financial statements.

AQR CAPITAL MANAGEMENT (EUROPE) LLP

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2013

		2013		2012	
	Note	£	£	£	£
Net cash inflow from operating activities	15		2,385,610		1,660,671
Capital expenditure					
Payments to acquire tangible fixed assets		(12,573)		(213,129)	
Net cash outflow from capital expenditure			(12,573)		(213,129)
Transactions with members and former members					
Payments to members		(1,320,360)		(1,123,416)	
Net cash outflow from transactions with members and former members			(1,320,360)		(1,123,416)
Increase in cash	15		<u>1,052,677</u>		<u>324,126</u>

The notes on pages 10 to 17 form part of these financial statements.

AQR CAPITAL MANAGEMENT (EUROPE) LLP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of financial instruments and in accordance with applicable UK accounting standards and the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' issued in March 2010 (SORP 2010).

Consolidation

The limited liability partnership was, at the end of the year, a subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006 as modified by the Limited Liability Partnerships Regulations 2001, is not required to produce, and has not published, consolidated accounts.

Turnover

The turnover shown in the profit and loss account represents the value of all services provided during the period net of Value Added Tax. Income in relation to insurance mediation services and investment marketing and investor relations services are recognised in the period during which the related services are performed.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Leasehold Property	- over term of lease
Equipment	- 3 years straight line

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Members' participation rights

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with FRS 25 (IAS 32) Financial Instruments: Disclosure and Presentation and UITF abstract 39 Members' shares in co-operative entities and similar instruments. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the LLP.

Amounts subscribed or otherwise contributed by members, for example members' capital, are classed as equity if the LLP has an unconditional right to refuse payment to members. If the LLP does not have such an unconditional right, such amounts are classified as liabilities.

AQR CAPITAL MANAGEMENT (EUROPE) LLP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

1. Accounting policies *(continued)*

Where profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense in the Profit and Loss Account in the relevant year. To the extent that they remain unpaid at the year end, they are shown as liabilities in the Balance Sheet.

Conversely, where profits are divided only after a decision by the LLP or its representative, so that the LLP has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the Profit and Loss Account and are equity appropriations in the Balance Sheet.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment.

All amounts due to members that are classified as liabilities are presented in the Balance Sheet within 'Loans and other debts due to members' and are charged to the Profit and Loss Account within 'Members' remuneration charged as an expense'. Amounts due to members that are classified as equity are shown in the Balance Sheet within 'Members' other interests'.

Pension costs

The LLP operates a defined contribution pension scheme and the pension charge represents the amounts payable by the LLP to the fund in respect of the year. The assets of the scheme are held separately from those of the LLP in an independently administered fund.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities and transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Taxation

No provision has been made for taxation in the financial statements. Each member is exclusively liable for any tax liabilities arising out of their interest in the LLP, which will be assessed on the individual members and not the LLP.

AQR CAPITAL MANAGEMENT (EUROPE) LLP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the limited liability partnership.

An analysis of turnover is given below:

	2013 £	2012 £
Overseas	<u>7,672,287</u>	<u>4,666,115</u>

3. Operating profit

Operating profit is stated after charging:

	2013 £	2012 £
Depreciation of owned fixed assets	93,514	58,547
Auditor's remuneration		
- as auditor	12,000	10,500
- for other services	<u>84,472</u>	<u>37,684</u>
Operating lease costs:		
- Other	152,513	123,875
Net loss on foreign currency translation	<u>15,625</u>	<u>-</u>

Auditor's fees

The fees charged by the auditor can be further analysed under the following headings for services rendered:

	2013 £	2012 £
Audit	12,000	10,500
Taxation	44,290	23,000
Business consultancy	<u>40,182</u>	<u>14,684</u>
	<u>96,472</u>	<u>48,184</u>

AQR CAPITAL MANAGEMENT (EUROPE) LLP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

4. Employee information

The aggregate payroll costs were:

	2013 £	2012 £
Wages and salaries	493,306	812,276
Social security costs	67,904	11,073
Other pension costs	12,755	2,813
	<u>573,965</u>	<u>826,162</u>

The average number of persons, including members with contracts of employment, employed by the limited liability partnership during the year:

	2013 No	2012 No
Number of staff	<u>4</u>	<u>2</u>

5. Information in relation to members

	2013 No	2012 No
The average number of members during the year was	<u>4</u>	<u>4</u>
	2013 £	2012 £
The average members remuneration during the year was	<u>-</u>	<u>-</u>

6. Tangible fixed assets

	Leasehold Property £	Equipment £	Total £
Cost or valuation			
At 1 January 2013	186,866	26,263	213,129
Additions	-	12,573	12,573
At 31 December 2013	<u>186,866</u>	<u>38,836</u>	<u>225,702</u>
Depreciation			
At 1 January 2013	53,742	4,805	58,547
Charge for the year	83,178	10,336	93,514
At 31 December 2013	<u>136,920</u>	<u>15,141</u>	<u>152,061</u>
Net book value			
At 31 December 2013	<u>49,946</u>	<u>23,695</u>	<u>73,641</u>
At 31 December 2012	<u>133,124</u>	<u>21,458</u>	<u>154,582</u>

AQR CAPITAL MANAGEMENT (EUROPE) LLP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

7. Investments

Subsidiary company

£

Cost

At 1 January 2013 and 31 December 2013

9,613

Net book value

At 31 December 2013 and 31 December 2012

9,613

At the balance sheet date the company holds 100% of the share capital in the following entity.

Subsidiary undertakings

	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
AQR Capital Management (DK Service) ApS	Denmark	Ordinary shares	100%	Provision of investment management marketing services
				2013
				£
Aggregate Capital and reserves				192,277
Profit for the period				127,395

8. Debtors

	2013	2012
	£	£
Trade debtors	141,351	102,304
Amounts owed by group undertakings	3,542,411	1,881,351
VAT recoverable	9,429	6,000
Other debtors	144,799	180,320
Prepayments and accrued income	81,940	29,809
	<u>3,919,930</u>	<u>2,199,784</u>

The debtors above include the following amounts falling due after more than one year:

	2013	2012
	£	£
Other debtors	<u>129,320</u>	<u>129,320</u>

Other debtors falling due after more than one year relates to a rent security deposit.

AQR CAPITAL MANAGEMENT (EUROPE) LLP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

9. Creditors: Amounts falling due within one year

	2013	2012
	£	£
Amounts owed to group undertakings	2,915,663	1,284,803
PAYE and social security	44,626	25,812
Other creditors	23	23
Accruals and deferred income	649,018	654,612
	<u>3,609,330</u>	<u>1,965,250</u>

10. Pensions

The LLP makes contributions to certain employees' pension plans and the charge represents the amounts payable by the LLP to the pension plans in respect of the year amounts to £12,755 (2012: £2,813). Contributions outstanding at the year end amount to £3,395 (2012: £1,013).

11. Commitments under operating leases

At 31 December 2013 the limited liability partnership had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings 2013 £	Land and buildings 2012 £
Operating leases which expire:		
Within 2 to 5 years	<u>150,444</u>	<u>150,444</u>

12. Related party transactions

In the opinion of the members there is no controlling party as defined by financial reporting Standard No 8 "Related party disclosures".

During the year, the LLP charged £7,402,136 (2012: £4,416,500) for services provided to AQR Capital Management LLC, a company incorporated in United States of America and the immediate parent undertaking of AQR Capital Management (UK Services) Limited. At the balance sheet date, AQR Capital Management LLP was owed £3,453,592 (2012: £1,881,351) from AQR Capital Management LLC.

During the year, the LLP charged £270,151 (2012: £249,615) for services provided to AQR Re Limited, a company incorporated in Bermuda which is an affiliated entity. At the balance sheet date, AQR Capital Management LLP was owed £141,261 (2012: £102,304) from AQR Re Limited.

During the period, AQR Capital Management (DK Services) ApS, a company incorporated in Denmark and a wholly owned subsidiary of the LLP, charged the LLP £3,041,113 (2012: £1,428,511) for overhead recharges. At the balance sheet date, the LLP owed £2,906,050 (2012: £1,284,813) to AQR Capital Management (DK Services) ApS.

13. Loans and other debts due to members

	2013	2012
	£	£
Amounts owed to members in respect of profits	<u>1,733,657</u>	<u>671,855</u>

AQR CAPITAL MANAGEMENT (EUROPE) LLP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

14. Members' interests

	Members' other interests		Total members' other interests		Other debts due to members	Total
	Members' capital (classified as equity) £	Other reserves £	£	£	£	£
Balance at 1 January 2013	51,000	-	51,000	671,855	722,855	
Profit for the financial year available for discretionary division amongst members		2,368,162	2,368,162		2,368,162	
Members' interests after profit for the year	51,000	2,368,162	2,419,162	671,855	3,091,017	
Other division of profits		(2,368,162)	(2,368,162)	2,368,162		
Repayments of capital	(14,000)		(14,000)		(14,000)	
Drawings				(1,306,360)	(1,306,360)	
Balance at 31 December 2013	37,000	-	37,000	1,733,657	1,770,657	
Represented by:						
Amounts due to members				1,733,657		

15. Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2013	2012
	£	£
Operating profit	2,368,162	1,595,271
Depreciation	93,514	58,547
Increase in debtors	(1,720,146)	(1,676,226)
Increase in creditors	1,644,080	1,683,079
Net cash inflow from operating activities	2,385,610	1,660,671

Reconciliation of net cash flow to movement in net funds

	2013	2012
	£	£
Increase in cash in the period	1,052,677	324,126
Movement in net funds in the period	1,052,677	324,126
Net funds at 1 January 2013	324,126	-
Net funds at 31 December 2013	1,376,803	324,126

AQR CAPITAL MANAGEMENT (EUROPE) LLP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

15. Notes to the cash flow statement (continued)

Analysis of changes in net funds

	At 1 January 2013 £	Cash flows £	At 31 December 2013 £
Net cash:			
Cash in hand and at bank	324,126	1,052,677	1,376,803
Net funds	<u>324,126</u>	<u>1,052,677</u>	<u>1,376,803</u>

16. Ultimate parent company

The LLP's immediate parent undertaking is AQR Capital Management (UK Services) Limited by virtue of holdings 81% interest in the LLP. The LLP's ultimate parent undertaking is AQR Capital Management Group LP, a company incorporated in Delaware, United States of America.

The smallest group in which the results of the LLP are consolidated is that headed by AQR Capital Management (UK Services) Limited and the largest group in which the results of the LLP are consolidated is that headed by AQR Capital Management Group LP.