

Registered number: 341167

GXO Logistics Ireland Limited

Directors' Report and Financial Statements

For the Year Ended 31 December 2023

GXO Logistics Ireland Limited

Company Information

Directors	Mr B Le Goff Mr G Williams Mr R Cawston Mr D Thomas (resigned 14 June 2024)
Company secretary	EFC Registrars Limited
Registered number	341167
Registered office	EFC Registrars Limited 3 Burlington Road Dublin 4
Independent auditors	RSM Ireland Business Advisory Limited Trinity House Charleston Road Ranelagh Dublin 6
Bankers	HSBC Bank Plc Irish Branch 1 Grand Canal Square Grand Canal Harbour Dublin 2
Solicitors	EFC Solicitors 3 Burlington Road Dublin 4

GXO Logistics Ireland Limited

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GXO Logistics Ireland Limited

Directors' Report For the Year Ended 31 December 2023

The directors present their annual report and the audited financial statements of GXO Logistics Ireland Limited ("the company") for the year ended 31 December 2023.

Principal activities

The principal activity of the company is the provision of logistics management services, warehousing and road transport.

There has been no significant change in those activities during the year. The directors believe the business is operating adequately and do not foresee any significant changes in the coming year.

Results and dividends

The results of the year's trading, the financial position of the company and the transfer to reserves are shown in the financial statements.

The company's profit for the year, before taxation, amounted to €585k (2022 : €777k).

The directors recommend that no final dividend be paid. (2022: €Nil).

Business review

Fair review of the business

During the year, turnover decreased by €750k due to the decreased volumes from the existing customers. Operating profit of €473k in 2023, was lower by €311k than in 2022.

The company's key financial and other performance indicators during the year were as follows:

	Unit	2023	2022
Revenue	€000	13,942	14,692
Profit after tax	€000	493	685
Shareholders' funds	€000	2,134	1,641
Average employee numbers		57	56

Principal risks and uncertainties

The management of the business and the execution of the company strategy are subject to the following risks:

Russia/ Ukraine conflict

The recent conflict in Ukraine has limited direct impact on the business as the company has no direct trading links with Russia or Ukraine. Indirect effects on the company are primarily cost increases from energy, fuel costs and underlying inflationary pressures. However, the directors will continue to monitor the risks associated with the conflict.

Employment of disabled persons

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

GXO Logistics Ireland Limited

**Directors' Report (continued)
For the Year Ended 31 December 2023**

Employee involvement

The intermediate parent has developed arrangements to keep employees informed on matters that concern them and on the progress of the business, and in many units formal team briefing is used. The views of employees are taken into account in making decisions that are likely to affect their interests. Communication with employees continues through regular group and company newsletters.

The company's policies for recruitment, training, career development and promotion of employees are based on the suitability of the individual and give those who are disabled equal treatment with the able bodied. In addition, the company does not discriminate against employees or potential employees on the basis of race, colour, nationality, ethnic or national origin, religion, political beliefs, sex or marital status.

Future developments

Despite economic uncertainties, the directors are confident that wins already secured puts the company in a strong position to deliver organic growth in 2024 and beyond.

Non adjusting events after the financial period

There are no material post balance sheet events that require adjustment or disclosure in the financial statements.

Directors

The directors, who held office at any time during the financial year, were as follows:

Mr B Le Goff
Mr G Williams
Mr R Cawston
Mr D Thomas (resigned 14 June 2024)

Directors, secretary and their interests

The directors and secretary who held office at 31 December 2023 had no interests in the shares, debentures or loan stock of the company. Furthermore the interest of the directors and the secretary in the shares of the ultimate parent company, GXO Logistics, Inc. are less than 1% in nominal value of the issued voting share capital of that entity and so in line with Section 329 of the Companies Act 2014 the company has availed of the exemption not to disclose those interests.

GXO Logistics Ireland Limited

Directors' Report (continued) For the Year Ended 31 December 2023

Financial instruments

Objectives and policies

The GXO Logistics Europe Group, headed by the company's immediate parent, GXO Logistics Europe SAS and the company, through its activities, is exposed to a range of financial risks. These risks can be categorised as credit risk, liquidity risk, market risk and cash flow risk. The financial risks of the company are managed through the GXO Logistics Europe Group's centralised treasury function which acts within clearly defined policies approved by the Board of GXO Logistics Europe SAS. These policies are designed to reduce the financial risks relating to the funding, interest rate and currency exchange rate exposure and credit risk. Transactions of a speculative nature are not permitted and the treasury function does not operate as a profit centre.

Credit risk, liquidity risk, market risk and cash flow risk

The GXO Logistics Europe Group manages the exposures to these risks as follows:

Credit Risk

The main credit risk lies with trade receivables. It is the intermediate parent's policy that all significant customers are subject to credit verification procedures prior to commencement of trading. Trade receivable balances are monitored by senior management on an on-going basis with the result that the exposure to bad debts is limited. Management have estimated the provision for doubtful debts based on prior experience and their assessment of the current economic environment. Concentration of credit risk with respect to trade receivables is limited due to the customer base being large and unrelated. Credit risk on bank balances and short-term deposits is limited as they are held with authorised banks with credit rating approved by the European board.

Liquidity Risk

Liquidity risk is the risk that the GXO Logistics Europe Group will not be able to meet its financial obligations as they fall due. The parent's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the GXO Logistics Europe Group's reputation. The intermediate parent board has agreed an appropriate liquidity risk management framework for the management of the GXO Logistics Europe Group's short, medium and long-term funding and liquidity management requirements. The intermediate parent manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Market Risk and Cash Flow Risk

The Group's main exposure to risk is through foreign currency exchange rates and interest rates, with the principal risk from market interest rate movements arising from the internal and external borrowings. The majority of the borrowings are at variable interest rates. The company will, by the decisions made by its parent, enter into arrangements that hedge interest rate and exchange rate risk at a GXO Logistics Europe Group level. ~~The company has not applied hedge accounting and therefore exchange differences and fair value movements on the derivative asset are recognised in the profit and loss account as comprehensive income.~~

Political donations

During the year the company made no political donations and did not incur any political expenditure (2022: €Nil).

GXO Logistics Ireland Limited

**Directors' Report (continued)
For the Year Ended 31 December 2023**

Going concern

The directors have adopted the going concern basis in preparing these accounts after assessing the principal risks, having prepared cashflow forecasts for the period to 31 December 2025, based on which the directors expect an increase in turnover in comparison with the previous year mainly due to robustness of the customer base.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of the immediate parent company, the directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future and are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due through the period from the date of approval of the financial statements to 31 December 2023.

Additionally, GXO Logistics Europe SAS, the immediate parent, has confirmed its willingness and ability to support the company if needed. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at c/o EFC Registrars Limited, 3 Burlington Road, Dublin 4, Republic of Ireland.

Audit committee statement

The company has decided not to establish an Audit Committee as the ultimate parent company has an established Audit Committee that oversee all group entities operations.

Relevant audit information

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the company's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the company's statutory auditors are unaware.

Reappointment of auditor

The auditors, RSM Ireland Business Advisory Limited t/a RSM Ireland, have expressed their willingness to continue in office in accordance with section 383(2) of the Companies Act 2014.

This report was approved by the board on 15 November 2024

and signed on its behalf.



Mr G Williams
Director



Mr R Cawston
Director

GXO Logistics Ireland Limited

**Directors' Responsibilities Statement
For the Year Ended 31 December 2023**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare the financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and Financial Reporting Standard 101 'Reduced Disclosure Framework'.

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company for the financial year end date, of the profit or loss for that financial year and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are 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.

On behalf of the board



Mr G Williams
Director



Mr R Cawston
Director

GXO Logistics Ireland Limited

Independent auditor's report to the members of GXO Logistics Ireland Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of GXO Logistics Ireland Limited ("the company") for the year ended 31 December 2023 which comprise the profit or loss account, the balance sheet, the statement of changes in equity, and the related notes, including the summary of significant accounting policies set out in note 2. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and Financial Reporting Standard 101 'Reduced Disclosure Framework' issued in the United Kingdom by the Financial Reporting Council.

In our opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

GXO Logistics Ireland Limited

Independent auditor's report to the members of GXO Logistics Ireland Limited (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited, and financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Responsibilities of director for the financial statements

As explained more fully in the directors' responsibilities statement on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as he determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

GXO Logistics Ireland Limited

Independent auditor's report to the members of GXO Logistics Ireland Limited (continued)


As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company, to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. 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 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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Ronan Gilmartin
For and on behalf of
RSM Ireland Business Advisory Limited
Statutory Audit Firm
Trinity House
Charleston Road
Ranelagh
Dublin 6

Date: 18 November 2024

GXO Logistics Ireland Limited

Profit and Loss Account
For the Year Ended 31 December 2023

	Note	2023 €000	2022 €000
Revenue	4	13,942	14,692
Consumables used		(9,306)	(9,019)
Staff costs	8	(2,911)	(2,481)
Depreciation and amortisation expense	11,12	(556)	(562)
Other expenses		(696)	(1,846)
Operating profit	5	<u>473</u>	<u>784</u>
Finance income	6	131	18
Finance costs	7	(19)	(25)
Profit before tax		<u>585</u>	<u>777</u>
Income tax charge	10	(92)	(92)
Profit for the year		<u><u>493</u></u>	<u><u>685</u></u>

The above results were derived from continuing operations.

The company has no other comprehensive income other than the results for the year as set out above.

The notes on pages 12 to 30 form part of these financial statements.

GXO Logistics Ireland Limited

**Balance Sheet
As at 31 December 2023**

	Note	2023 €000	2022 €000
Non-current assets			
Property, plant and equipment	11	4	3
Right of use assets	12	1,658	2,175
Loans to group undertakings (due after more than one year)	13	1,500	1,500
		<u>3,162</u>	<u>3,678</u>
Current assets			
Trade and other debtors	13	2,478	1,081
Income tax asset		36	38
Cash at bank and in hand		617	1,641
		<u>3,131</u>	<u>2,760</u>
Creditors: Amounts falling due within one year	14	(2,716)	(2,674)
Deferred income		(44)	(175)
Current portion of long term lease liabilities		(555)	(549)
		<u>(3,315)</u>	<u>(3,398)</u>
Creditors: Amounts falling due after more than one year			
Long term lease liabilities		(844)	(1,399)
		<u>2,134</u>	<u>1,641</u>
Net assets			
Capital and reserves			
Called up share capital	16	50	50
Profit and loss account		2,084	1,591
		<u>2,134</u>	<u>1,641</u>
Shareholders' funds			

The financial statements were approved and authorised for issue by the board on 15 November 2024.


Mr G Williams
Director


Mr R Cawston
Director

The notes on pages 12 to 30 form part of these financial statements.

GXO Logistics Ireland Limited

**Statement of Changes in Equity
For the Year Ended 31 December 2023**

	Called up share capital	Profit and loss account	Total equity
	€000	€000	€000
At 1 January 2023	50	1,591	1,641
Profit for the year	-	493	493
Total comprehensive income for the year	-	493	493
At 31 December 2023	50	2,084	2,134

**Statement of Changes in Equity
For the Year Ended 31 December 2022**

	Share capital	Profit and loss account	Total equity
	€000	€000	€000
At 1 January 2022	50	906	956
Profit for the year	-	685	685
Total comprehensive income for the year	-	685	685
At 31 December 2022	50	1,591	1,641

The notes on pages 12 to 30 form part of these financial statements.

GXO Logistics Ireland Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

1. General information

These financial statements comprising the profit and loss account, balance sheet, statement of changes in equity and the related notes constitute the financial statements of GXO Logistics Ireland Limited for the financial year ended 31 December 2023.

The registered office is EFC Registrars Limited, 3 Burlington Road, Dublin 4. The nature of the company's operations and its principal activities are set out in the Directors' Report. The company's registration number is 341167.

The financial statements of GXO Logistics Ireland Limited were approved and authorised for issue by the Board of Directors on 15 November 2024.

2. Accounting policies

Statement of compliance

The company financial statements have been prepared in accordance with International Financial Reporting Standards including standards and interpretations issued by the International Accounting Standards Board and Irish statute comprising of the Companies Act 2014.

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements, and estimates with a significant risk of material judgement in the next year, are discussed in note 3.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. The presentation currency of these financial statements is Euro. All amounts in the financial statements have been rounded to the nearest €1,000.

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2014 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The company has not elected to apply the balance sheet format requirements of paragraphs 54 to 76 of IAS 1 'Presentation of Financial Statements'.

The financial statements are prepared on the historical cost basis except financial instruments which are classified as fair value through the profit or loss.

GXO Logistics Ireland Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

Summary of disclosure exemptions

In these financial statements, the company is considered to be a qualifying entity to apply FRS 101 and is consolidated within the accounts of its parent undertaking as described in note 21. The company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Preparation of a cash flow statement;
- The requirements of paragraph 58 of IFRS 16
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more wholly owned members of the GXO Logistics, Inc. Group;
- Presentation of comparative reconciliations for property, plant and equipment and intangible assets;
- Disclosure of key management personnel compensation;
- Capital management disclosures; and
- Disclosures in respect of standards in issue not yet effective.

The following disclosure exemptions have also been adopted, as equivalent disclosures are provided in the intermediate and ultimate parent consolidated financial statements.

- Reduced financial instruments disclosures relating to IFRS 7;
- The requirements of paragraphs 134(d) to 134(f) and 1 35(c) to 1 35(e) of IAS 36 Impairment of Assets; and
- The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement.

Going concern

The directors have adopted the going concern basis in preparing these accounts after assessing the principal risks, having prepared cashflow forecasts for the period to 31 December 2025 based on which the directors expect an increase in turnover in comparison with the previous year mainly due to robustness of the customer base.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of the immediate parent company, the directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future and are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due through the period from the date of approval of the financial statements to 31 December 2023.

Additionally, GXO Logistics Europe SAS, the immediate parent, has confirmed its willingness and ability to support the company if needed. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2023 have had a material effect on the financial statements.

At the date of authorisation of these financial statements there were no new or revised IFRSs, amendments or interpretations in issue but not yet effective that are potentially relevant for the company and which have not yet been applied.

Finance income and costs policy

Interest income and expenses are reported on an accrual basis using the effective interest method.

GXO Logistics Ireland Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2023**

2. Accounting policies (continued)

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange differences arising on translations are recognised in the profit and loss account.

Current and deferred income tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax balances are not discounted.

Tangible fixed assets

Property, plant and equipment is stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold land	- Not depreciated
Freehold and long leasehold buildings	- 2% to 4% per annum (freehold and long leasehold) or term of lease (short leasehold)
Furniture, fittings and equipment	- 4 years
Plant and machinery	- 10 - 15 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

GXO Logistics Ireland Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract asset.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as long-term liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. ~~Impairment losses are recognised in profit or loss~~

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

GXO Logistics Ireland Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

Defined contribution pension obligation

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Financial instruments

Initial recognition

Financial assets and financial liabilities comprise all assets and liabilities reflected in the balance sheet, although excluding tangible assets, deferred tax assets, prepayments, deferred tax liabilities and employee benefits plan.

The company recognises financial assets and financial liabilities in the balance sheet when, and only when, the company becomes party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value. Financial liabilities are initially recognised at fair value, representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.

All regular way purchases and sales of financial assets and financial liabilities classified as fair value through profit or loss ("FVTPL") are recognised on the trade date, i.e. the date on which the company commits to purchase or sell the financial assets or financial liabilities. All regular way purchases and sales of other financial assets and financial liabilities are recognised on the settlement date, i.e. the date on which the asset or liability is received from or delivered to the counterparty. Regular way purchases or sales are purchases or sales of financial assets that require delivery within the time frame generally established by regulation or convention in the market place.

Subsequent to initial measurement, financial assets and financial liabilities are measured at either amortised cost or fair value.

Classification and measurement

Financial instruments are classified at inception into one of the following categories, which then determine the subsequent measurement methodology:

Financial assets are classified into one of the following three categories:

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income (FVTOCI); or
- financial assets at fair value through the profit or loss (FVTPL).

Financial liabilities are classified into one of the following two categories:

- financial liabilities at amortised cost; or
- financial liabilities at fair value through the profit or loss (FVTPL).

GXO Logistics Ireland Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2023**

2. Accounting policies (continued)

Financial instruments (continued)

The classification and the basis for measurement are subject to the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, as detailed below:

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If either of the above two criteria is not met, the financial assets are classified and measured at fair value through the profit or loss (FVTPL).

If a financial asset meets the amortised cost criteria, the company may choose to designate the financial asset at FVTPL. Such an election is irrevocable and applicable only if the FVTPL classification significantly reduces a measurement or recognition inconsistency.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investments that is not held for trading, the company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

If an equity investment is designated as FVTOCI, all gains and losses, except for dividend income, are recognised in other comprehensive income and are not subsequently included in the profit and loss account.

Financial assets at fair value through the profit or loss (FVTPL)

Financial assets not otherwise classified above are classified and measured as FVTPL.

Financial liabilities at amortised cost

All financial liabilities, other than those classified as financial liabilities at FVTPL, are measured at amortised cost using the effective interest rate method.

Financial liabilities at fair value through the profit or loss

Financial liabilities not measured at amortised cost are classified and measured at FVTPL.

GXO Logistics Ireland Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

Financial instruments (continued)

Derecognition

Financial assets

The company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire,
- it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of the consideration received is recognised as a gain or loss in the profit or loss.

Any cumulative gain or loss recognised in OCI in respect of equity investment securities designated as FVTOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the company is recognised as a separate asset or liability.

The company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised.

When the company derecognises transferred financial assets in their entirety, but has continuing involvement in them then the entity should disclose for each type of continuing involvement at the reporting date:

- The carrying amount of the assets and liabilities that are recognised in the entity's balance sheet and represent the entity's continuing involvement in the derecognised financial assets, and the line items in which those assets and liabilities are recognised;
- The fair value of the assets and liabilities that represent the entity's continuing involvement in the derecognised financial assets;
- The amount that best represents the entity's maximum exposure to loss from its continuing involvement in the derecognised financial assets, and how the maximum exposure to loss is determined; and
- The undiscounted cash outflows that would or may be required to repurchase the derecognised financial assets or other amounts payable to the transferee for the transferred assets.

Financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

Modification of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to the cash flows from the original financial asset are deemed to expire. In this case the original financial asset is derecognised and a new financial asset is recognised at either amortised cost or fair value.

If the cash flows are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the company recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the profit and loss account.

GXO Logistics Ireland Limited

Notes to the Financial Statements
For the Year Ended 31 December 2023

2. Accounting policies (continued)

Financial instruments (continued)

Modification of financial assets and financial liabilities (continued)

Financial liabilities

If the terms of a financial liabilities are modified, the company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual obligations from the cash flows from the original financial liabilities are deemed to expire. In this case the original financial liabilities are derecognised and new financial liabilities are recognised at either amortised cost or fair value.

If the cash flows are not substantially different, then the modification does not result in derecognition of the financial liabilities. In this case, the company recalculates the gross carrying amount of the financial liabilities and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the profit and loss account.

Impairment of financial assets

Measurement of Expected Credit Losses

The company recognises loss allowances for expected credit losses (ECL) on financial instruments that are not measured at FVTPL, namely:

- Financial assets that are debt instruments
- Accounts and other receivables; and
- Loan commitments issued.

The company classifies its financial instruments into stage 1, stage 2 and stage 3, based on the applied impairment methodology, as described below:

Stage 1: for financial instruments where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired on origination, the company recognises an allowance based on the 12-month ECL.

Stage 2: for financial instruments where there has been a significant increase in credit risk since initial recognition but they are not credit-impaired, the company recognises an allowance for the lifetime ECL.

Stage 3: for credit-impaired financial instruments, the company recognises the lifetime ECL.

The company measures loss allowances at an amount equal to the lifetime ECL, except for the following, for which they are measured as a 12-month ECL:

- debt securities that are determined to have a low credit risk (equivalent to investment grade rating) at the reporting date; and
- other financial instruments on which the credit risk has not increased significantly since their initial recognition.

The company considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'.

A 12-month ECL is the portion of the ECL that results from default events on a financial instrument that are probable within 12 months from the reporting date.

Provisions for credit-impairment are recognised in the profit and loss account and are reflected in accumulated provision balances against each relevant financial instruments balance.

GXO Logistics Ireland Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2023**

2. Accounting policies (continued)

Financial instruments (continued)

Evidence that the financial asset is credit-impaired include the following:

- Significant financial difficulties of the borrower or issuer;
- A breach of contract such as default or past due event;
- The restructuring of the loan or advance by the company on terms that the company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for the security because of financial difficulties; or
- There is other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the company, or economic conditions that correlate with defaults in the company.

For trade receivables, the company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Leases

Definition

A lease is a contract, or a part of a contract, that conveys the right to use an asset or a physically distinct part of an asset ("the underlying asset") for a period of time in exchange for consideration. Further, the contract must convey the right to the company to control the asset or a physically distinct portion thereof. A contract is deemed to convey the right to control the underlying asset if, throughout the period of use, the company has the right to:

- Obtain substantially all the economic benefits from the use of the underlying asset; and
- Direct the use of the underlying asset (e.g. direct how and for what purpose the asset is used)

Where contracts contain a lease coupled with an agreement to purchase or sell other goods or services (i.e., non-lease components), the company has made an accounting policy election, by class of underlying asset, to account for both components as a single lease component.

Initial recognition and measurement

The company initially recognises a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term.

The lease liability is measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments, purchase options at exercise price (where payment is reasonably certain), expected amount of residual value guarantees, termination option penalties (where payment is considered reasonably certain) and variable lease payments that depend on an index or rate.

The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the company's initial direct costs (e.g., commissions) and an estimate of restoration, removal and dismantling costs.

GXO Logistics Ireland Limited

Notes to the Financial Statements
For the Year Ended 31 December 2023

2. Accounting policies (continued)

Leases (continued)

Subsequent measurement

After the commencement date, the company measures the lease liability by:

- Increasing the carrying amount to reflect interest on the lease liability;
- Reducing the carrying amount to reflect the lease payments made; and
- Re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments or on the occurrence of other specific events.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest charges are included in finance cost in the profit and loss account, unless the costs are included in the carrying amount of another asset applying other applicable standards. Variable lease payments not included in the measurement of the lease liability, are included in operating expenses in the period in which the event or condition that triggers them arises.

The related right-of-use asset is accounted for using the Cost model in IAS 16 and depreciated and charged in accordance with the depreciation requirements of IAS 16 Property, Plant and Equipment as disclosed in the accounting policy for Property, Plant and Equipment. Adjustments are made to the carrying value of the right of use asset where the lease liability is re-measured in accordance with the above. Right of use assets are tested for impairment in accordance with IAS 36 Impairment of assets as disclosed in the accounting policy in impairment.

Lease modifications

If a lease is modified, the modified contract is evaluated to determine whether it is or contains a lease. If a lease continues to exist, the lease modification will result in either a separate lease or a change in the accounting for the existing lease.

The modification is accounted for as a separate lease if both:

- The modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If both of these conditions are met, the lease modification results in two separate leases, the unmodified original lease and a separate lease. The company then accounts for these in line with the accounting policy for new leases.

If either of the conditions are not met, the modified lease is not accounted for as a separate lease and the consideration is allocated to the contract and the lease liability is re-measured using the lease term of the modified lease and the discount rate as determined at the effective date of the modification.

For a modification that fully or partially decreases the scope of the lease (e.g., reduces the square footage of leased space), IFRS 16 requires a lessee to decrease the carrying amount of the right-of-use asset to reflect partial or full termination of the lease. Any difference between those adjustments is recognised in profit or loss at the effective date of the modification.

For all other lease modifications which are not accounted for as a separate lease, IFRS 16 requires the lessee to recognise the amount of the re-measurement of the lease liability as an adjustment to the corresponding right-of-use asset without affecting profit or loss.

GXO Logistics Ireland Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

Leases (continued)

Short term and low value leases

The company has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e., short-term leases). The company has made an accounting policy election on a lease-by-lease basis, not to recognise lease assets on leases for which the underlying asset is of low value.

Lease payments on short term and low value leases are accounted for on a straight line bases over the term of the lease or other systematic basis if considered more appropriate. Short term and low value lease payments are included in operating expenses in the profit and loss account.

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration receivable, excluding discounts, rebates, VAT and other sales taxes and duty. Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and revenue can be reliably measured. In practice this means that revenue is generally recognised when service is rendered.

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Financial Statements in conformity with IFRS requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the period end and the reported amounts of revenues and expenses during the reporting period. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing 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 future periods if the revision affects both current and future periods.

The critical accounting policies which involve significant estimates, assumptions or judgements, the actual outcome of which could have a material impact on the company's results and financial position outlined below, are as follows:

Valuation of lease liabilities and right of use assets

The application of IFRS 16 requires management to make judgements that impact the valuation of lease liabilities and the valuation of right of use assets. The following critical judgements relating to leases have been considered:

- **Assessing whether a contract is or contains a lease** - At the inception of a contract, management determine whether the contract is or contains a lease. Management assess whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration;
- **Discount rate** - Determining the incremental borrowing rate requires management to consider how much the Group would have to pay to borrow over a similar term, with a similar security, and the funds necessary to obtain an asset of a similar value to the right of use asset in a similar environment; and

GXO Logistics Ireland Limited

Notes to the Financial Statements
For the Year Ended 31 December 2023

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

Valuation of lease liabilities and right of use assets (continued)

- Lease term - Determining the lease term requires management to consider all facts and circumstances that create an economic incentive to exercise an extension or termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment.

Estimating provision for expected credit losses of trade receivables

The company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the company applies a simplified approach in calculating ECLs. Therefore, the company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The company assesses ECL based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Estimating credit losses for loan receivables

For these receivables, management assesses on a forward-looking basis the expected credit loss using the general model. The impairment methodology applied depends on whether there has been a significant increase in credit risk by reference to independent credit reports. For those where the credit risk has not increased significantly since initial recognition of the financial asset or balances repayable on demand, twelve month expected credit losses are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses are recognised. Management estimates a probability weighted amount to be recovered after evaluating an unbiased range of possible scenarios. Management also considers if funding from the wider group is to be provided to enable respective group entities to settle the amounts due to the company.

4. Revenue

An analysis of the company's revenue for the year from continuing operations is as follows:

	2023	2022
	€000	€000
Rendering of services in the Republic of Ireland	13,942	14,692

5. Operating profit

The operating profit is stated after charging:

	2023	2022
	€000	€000
Depreciation expense	1	7
Depreciation on right of use assets	555	555
Auditor's remuneration	25	20
Foreign exchange losses	140	188
Expense on short term leases over one month	1,283	1,247

GXO Logistics Ireland Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2023**

6. Interest receivable and similar income

	2023 €000	2022 €000
Interest from related parties	131	18
	<u>131</u>	<u>18</u>

7. Finance costs

	2023 €000	2022 €000
Interest expense on leases	19	25
	<u>19</u>	<u>25</u>

8. Staff numbers and costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2023 €000	2022 €000
Wages and salaries	2,594	2,176
Social security costs	284	270
Pension costs, defined contribution scheme	33	35
	<u>2,911</u>	<u>2,481</u>

The company operates a defined contribution pension scheme. The pension cost charge, as disclosed above, represents contributions payable by the company to the fund.

The average monthly number of employees, including the directors, during the year was as follows:

	2023 No.	2022 No.
Warehouse and drivers	46	47
Administration and support	11	9
	<u>57</u>	<u>56</u>

9. Directors' remuneration

The directors of the company received no direct remuneration (2022: €Nil) for their services to the company as the service they provide to this company are incidental to the GXO Logistics, Inc. Group management roles they fulfil.

GXO Logistics Ireland Limited

Notes to the Financial Statements
For the Year Ended 31 December 2023

10. Income tax

Tax charged/(credited) in the profit and loss account

	2023 €000	2022 €000
Current taxation		
Irish corporation tax	92	96
Irish corporation tax adjustment to prior periods	-	(4)
Total current tax	<u>92</u>	<u>92</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022: lower than) the standard rate of corporation tax in Ireland of 12.5% (2022 - 12.5%). The differences are explained below:

	2023 €000	2022 €000
Profit before tax	<u>585</u>	<u>777</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2022 - 12.5%)	73	97
Effects of:		
Decrease in current tax from adjustment for prior periods	-	(4)
Other tax effects for reconciliation between accounting profit and tax receipt	16	(1)
Expenses not deductible for tax purposes	4	-
Depreciation on assets not qualifying for tax depreciation	(1)	-
Total tax charge for the year	<u>92</u>	<u>92</u>

GXO Logistics Ireland Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2023**

11. Property, plant and equipment

	Land and buildings €000	Furniture, fittings and equipment €000	Plant and equipment €000	Total €000
Cost or valuation				
At 1 January 2023	79	34	20	133
Additions	-	-	2	2
At 31 December 2023	<u>79</u>	<u>34</u>	<u>22</u>	<u>135</u>
Depreciation				
At 1 January 2023	79	34	17	130
Charge for the year	-	-	1	1
At 31 December 2023	<u>79</u>	<u>34</u>	<u>18</u>	<u>131</u>
Net book value				
At 31 December 2023	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
At 31 December 2022	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>

GXO Logistics Ireland Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2023**

12. Right of use assets

	Property €000
Cost or valuation	
At 1 January 2023	5,350
Additions	38
At 31 December 2023	<u>5,388</u>
Depreciation	
At 1 January 2023	3,175
Charge for the year	555
At 31 December 2023	<u>3,730</u>
Net book value	
At 31 December 2023	<u>1,658</u>
At 31 December 2022	<u>2,175</u>

GXO Logistics Ireland Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2023**

13. Debtors

	2023 €000	2022 €000
Due after more than one year		
Loan notes	1,500	1,500
	<u>1,500</u>	<u>1,500</u>

Details of non-current trade and other debtors

Non-current debtors above include a loan receivable from GXO Logistics Europe SAS of €1,500k (2022: 1,500k). The loan bears interests at ESTR (EURO short term rate) plus a margin of 1.25% per annum. The loan has a maturity date of 4th February 2025.

Pledged as collateral

Included within is €Nil (2022: €Nil) held as collateral.

	2023 €000	2022 €000
Due within one year		
Trade receivables	945	466
Amounts owed by group companies (Note 20)	244	243
Accrued income	1,149	225
Prepayments	47	27
Other receivables	93	120
	<u>2,478</u>	<u>1,081</u>

Amounts due from group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

14. Creditors

	2023 €000	2022 €000
Trade creditors	1,329	916
Accrued expenses	1,263	1,433
Amounts owed to group companies (Note 20)	-	162
Social security and other taxes	61	86
Other creditors	63	77
	<u>2,716</u>	<u>2,674</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are payable on demand.

GXO Logistics Ireland Limited

Notes to the Financial Statements
For the Year Ended 31 December 2023

15. Leases

Lease liabilities maturity analysis

A maturity analysis of lease liabilities based on undiscounted gross cash flow is reported in the table below:

	2023 €000	2022 €000
Less than one year	569	569
2 years	569	569
3 years	284	569
4 years	-	284
Total lease liabilities (undiscounted)	<u>1,422</u>	<u>1,991</u>

Total cash outflows related to leases

Total cash outflows related to leases are presented in the table below:

	2023 €000	2022 €000
Payment		
Lease liability	569	569
Interest payable	19	25
Short term leases	1,283	1,247
Total cash outflow	<u>1,871</u>	<u>1,841</u>

16. Called-up share capital presented as equity

	2023 €000	2022 €000
Authorised		
150,000 (2022 - 150,000) Ordinary shares shares of €1.00 each	<u>150</u>	<u>150</u>
Allotted, called up and fully paid		
50,000 (2022: 50,000) Ordinary shares shares of €1.00 each	<u>50</u>	<u>50</u>

17. Reserves

Called - up share capital represents the nominal value of shares that have been issued.

The profit and loss account represents cumulative gains and losses recognised in the profit and loss account, net of transfers to/ from other reserves and dividends paid.

GXO Logistics Ireland Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2023**

18. Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was €Nil (2022: €Nil).

19. Contingent liabilities

No transactions or balances requiring disclosure have been identified.

20. Related party transactions

There have been no related party transactions entered into between the company and not wholly owned members of the GXO Logistics, Inc. Group in the current or prior year.

The directors have taken advantage of the exemptions available under IAS 24- 'Related Party Disclosures' not to disclose transactions with group companies in the financial statements.

21. Parent and ultimate parent undertaking

The company is controlled by its immediate parent company, GXO Logistics Europe SAS, a company incorporated in France, which is a member of the GXO Logistics, Inc. Group.

The ultimate parent is GXO Logistics, Inc.

Relationship between entity and parents

The parent of the largest group in which these financial statements are consolidated is GXO Logistics, Inc., incorporated in the USA.

The address of GXO Logistics, Inc. is: 2 American Lane, Greenwich, Connecticut, 06831 - USA.

A copy of these accounts can be obtained from the GXO Logistics website: www.gxo.com.

The parent of the smallest group in which these financial statements are consolidated is GXO Logistics Europe SAS, incorporated in France.

The address of GXO Logistics Europe SAS is: 115-123 avenue Charles de Gaulle Immeuble Le France 92200 Neuilly-sur-Seine France.

22. Non adjusting events after the financial year

There are no material post balance sheet events that require adjustment or disclosure in the financial statements.