

## **S2M Dublin Light Rail Limited**

Directors' report and financial statements for the period from  
23 September 2019 (date of incorporation) to 31 December 2020

**S2M DUBLIN LIGHT RAIL LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**for the period from 23 September 2019 (date of incorporation) to 31 December 2020**

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## S2M DUBLIN LIGHT RAIL LIMITED

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### COMPANY INFORMATION

#### DIRECTORS

J. Vieira  
*(appointed 23 September 2019, resigned 05 April 2023)*  
M. Morrell  
*(appointed 23 September 2019, resigned 16 September 2021)*  
F. Vaz  
*(appointed 23 September 2019, resigned 5 April 2023)*  
P. Pinto  
*(appointed 11 February 2020, resigned 15 April 2024)*  
S. Egan  
*(appointed 16 September 2021, resigned 5 April 2023)*  
R. Champenois  
*(appointed 5 April 2023)*  
M. Guerra  
*(appointed 24 July 2024)*  
A. Queiros  
*(appointed 24 July 2024)*

#### COMPANY SECRETARY

A. Gleeves  
*(appointed 23 September 2019, resigned 8 January 2020)*  
K. Amzah  
*(appointed 8 January 2020, resigned 23 February 2021)*  
M. Morell  
*(appointed 23 February 2021, resigned 16 September 2021)*  
K. Voelkin  
*(appointed 16 September 2021)*

#### REGISTERED OFFICE

Luas Depot,  
Red Cow,  
Clondalkin,  
Dublin 22.

#### REGISTERED NUMBER OF INCORPORATION

657516

#### SOLICITORS

Philip Lee,  
5th Floor Rear, Connaught House,  
1 Burlington Road,  
Dublin 4.

#### AUDITORS

Ernst & Young,  
Chartered Accountants,  
Harcourt Centre,  
Harcourt Street,  
Dublin 2.

## **S2M DUBLIN LIGHT RAIL LIMITED**

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### **DIRECTORS' REPORT**

**for the period from 23 September 2019 (date of incorporation) to 31 December 2020**

The directors present herewith their report and audited financial statements for the period from 23 September 2019 (date of incorporation) to 31 December 2020.

#### *PRINCIPAL ACTIVITIES AND REVIEW OF THE DEVELOPMENT OF THE BUSINESS*

The company was incorporated on 23 September 2019. It is a joint venture (JV) between Efacec Engenharia e Sistemas, S.A. (51%) and Transdev Dublin Light Rail Limited (TDLR) (49%) with the purpose of delivering a single contract to Transdev Dublin Light Rail Limited (TDLR) from 1 December 2019 for a period of 6 years, until 30 November 2025. As the operations only commenced on 1 December 2019, being the first day of the contract, the present report represents events during the first 13 months of the contract.

The principal activity of the company is the performance of the system elements of the Luas Network Infrastructure maintenance in Dublin. S2M Dublin Light Rail Limited (S2M) was created as a special purpose vehicle to deliver effective infrastructure maintenance and expertise on the Luas system on behalf of TDLR through the subcontract.

#### *PRINCIPAL RISKS AND UNCERTAINTIES*

The directors consider that the following are the principal risk factors that could materially and adversely affect the company's future operating profits or financial position. The company has controls in place to limit each of these potential exposures and management and the board regularly review, reassess and seek to mitigate the associated risks.

- The nature of the contract to manage the infrastructure for the light rail system may limit the company's capacity to react quickly and effectively to general economic changes and other factors which may affect its performance under that contract. The contract considers an indexation formula which includes an energy factor to mitigate the risk. The indexation formula is updated once a year in January of each year of the contract, based on index results from the prior year.
- The indexation formula regarding the energy implies a risk linked to the volatility of the market the company assumes on the cost. The index is based on the wholesale market traded day ahead; therefore, no hedging product exists to mitigate the impact.
- In December 2019, a novel strain of coronavirus ("COVID-19") was reported in Wuhan, China. As the epidemic evolved in the early months of 2020 many countries detected imported cases and local transmission of COVID-19. On 11 March 2020 the World Health Organization ('WHO') declared COVID-19 a pandemic. The COVID-19 pandemic and the resulting restrictions both globally and in Ireland have significantly impacted the economy. COVID 19 has impacted our supply chain for spare parts for the maintenance of the infrastructure and has resulted in some delays in attending the work orders, providing a material adverse impact on our activity.
- The integration of maintenance functions from the previous Luas contract into the business as required under the new contract, may take time to embed. The company provided an initial transformation plan to TDLR, but it was significantly impacted by external and unforeseeable factors delaying all the proposed actions. The priority of the business between March 2020 and the financial period end, was to maintain operational delivery despite the significant impacts of those factors including staff absences, supply chain delays, restrictions on contractors, etc

## **S2M DUBLIN LIGHT RAIL LIMITED**

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### **DIRECTORS' REPORT**

**for the period from 23 September 2019 (date of incorporation) to 31 December 2020 (Continued)**

#### *PRINCIPAL RISKS AND UNCERTAINTIES (Continued)*

##### *Credit risk*

The Board does not consider credit risk to be significant. There is a contract in place with TDLR which is a subcontract to Transport Infrastructure Ireland ('TII') and the National Transport Authority ('NTA') for the maintenance of the Luas light rail system in Dublin including payment terms which have been met in the past. The company has guaranteed revenue under the terms of the Base Yearly Agreement.

##### *Price risk*

While the Board does not view price risk to be significant it does recognise that CPI is a factor used in revenue calculations under the terms of the agreement. This will result in key costs increasing disproportionately to income. The Board monitors cash flows and seeks to identify opportunities to ensure revenues exceed costs.

##### *Foreign currency risk*

The company purchases parts from UK providers paying them in GBP. The evolution of the GBP rate is an accepted risk to the company.

##### *Liquidity risk*

Liquidity risk is the risk that the Company will encounter in realising assets or otherwise raising funds to meeting commitments. The exposure to liquidity risk is monitored on an ongoing basis.

#### *NON-FINANCIAL PERFORMANCE INDICATORS*

The company's measures of non-financial performance are quantity of preventive and corrective work orders achieved and pending per period.

**Preventative maintenance work order target** – This is a monthly target that relates to the number of preventative work orders scheduled in the month that are also on the agreed annual maintenance plan. Our target for the month is to achieve above 98%.

**Corrective maintenance work order target** – This is a focus to reduce a massive backlog of historical corrective work orders. The aim is to reduce this to a level where we plateau and the number remains at a consistent threshold.

#### *FINANCIAL PERFORMANCE INDICATORS*

The company's key measures of financial performance are revenue growth, EBITDA (earnings before interest, taxation, depreciation and amortisation) and profit/loss after taxation.

##### *Revenue*

The company's revenue for 13 months to 31 December 2020 is €5,935,954. December 2019 was the first month of operation of the company.

##### *EBITDA*

Profit before interest, taxation, depreciation and amortization is €739,411 for the period from 23 September 2019 (date of incorporation) to 31 December 2020.

## **S2M DUBLIN LIGHT RAIL LIMITED**

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### **DIRECTORS' REPORT**

**for the period from 23 September 2019 (date of incorporation) to 31 December 2020 (Continued)**

#### *FINANCIAL PERFORMANCE INDICATORS (Continued)*

##### *Profit after taxation*

Profit after taxation is €646,984 for the for the period from 23 September 2019 (date of incorporation) to 31 December 2020.

#### *FINANCIAL INSTRUMENTS*

The company's principal financial instruments are related parties as amounts are owed to/from the shareholders and trade creditors. The company has not entered into any derivative transactions such as interest rate swaps or financial foreign currency contracts and does not apply hedge accounting.

#### *RESULTS FOR THE YEAR AND STATE OF AFFAIRS AT 31 DECEMBER 2020*

The Statement of Comprehensive Income for the period from 23 September 2019 (date of incorporation) to 31 December 2020 and the Statement of Financial Position at that date are set out on pages 12 and 14. The profit for the for the period from 23 September 2019 (date of incorporation) to 31 December 2020 before taxation amounted to €739,411. After deducting taxation of €92,427 an amount of €646,984 is transferred to reserves.

#### *DIVIDENDS AND RETENTION*

No dividend was paid during the period and the directors do not propose the payment of a final dividend.

#### *DIRECTORS*

The current directors are as listed on page 2 and, unless indicated, have served throughout the period.

#### *DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES*

The directors and secretary who held office at 31 December 2020 had no interests in shares in, or debentures of, the company or any group undertaking of the company at the end of the financial period, or at the beginning of the financial period (or date of appointment, if later) requiring disclosure in the Directors' Report under section 329 of the Companies Act 2014.

#### *DISCLOSURE OF INFORMATION TO THE AUDITOR*

So far as the directors at the date of approving this report are 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 the company's auditor, the directors have taken all the steps they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of the information.

## **S2M DUBLIN LIGHT RAIL LIMITED**

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### **DIRECTORS' REPORT**

**for the period from 23 September 2019 (date of incorporation) to 31 December 2020 (Continued)**

#### *FUTURE DEVELOPMENTS OF THE BUSINESS*

The company's contract with the Transdev Dublin Light Rail Limited for the maintenance of the Luas light rail system in Dublin will expire at the end of November 2025. The company's sub-contract can be extended as notified by Transdev Dublin Light Rail Limited.

#### *POLITICAL DONATIONS*

The company did not make any political donations during the period from 23 September 2019. (date of incorporation) to 31 December 2020.

#### *GOING CONCERN*

The company's business activities, together with the factors likely to affect its future development, its financial position and its principal risks are described in the previous paragraphs of this report. The response to the impact of COVID-19 is set out in the Principal Risks and Uncertainties section above. It is the directors' view, that COVID-19 will have a material adverse impact on the company's performance during the period.

The financial statements have been prepared on a basis other than that of a going concern. The directors' assessment of the company's going concern position is set out in note 1(b).

#### *ACCOUNTING RECORDS*

The directors believe that they have complied with the requirements of sections 281 to 285 of the Companies Act 2014, with regard to accounting records. To achieve this, the directors have appointed appropriate accounting personnel who report to the Board in order to ensure that those requirements are complied with.

The books and accounting records are maintained at the Luas Depot, Red Cow, Clondalkin, Dublin 22, D22 C5P3.

#### *IMPORTANT EVENTS SINCE THE YEAR END*

The initial integration plan was delayed due to COVID-19 restrictions introduced in March 2020. Following the easing of COVID-19 impacts in early 2022, a business transformation plan was developed and launched to deliver the delayed integrations and improvements ensuring delivery of all performance obligations reducing performance deductions. The business transformation was delivered between March 2022 and the end of 2023 achieving the objectives originally set out.

All the maintenance staff transferred to TDLR in May 2021 and were seconded to S2M for infrastructure works. The payroll costs for the seconded staff will be recharged to the company.

## S2M DUBLIN LIGHT RAIL LIMITED

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### DIRECTORS' REPORT

for the period from 23 September 2019 (date of incorporation) to 31 December 2020 (Continued)

#### IMPORTANT EVENTS SINCE THE YEAR END (Continued)

The subcontract with TDLR for the maintenance of the infrastructure of the Luas network will expire in November 2025. The timeline has been extended to August 2026 to facilitate the tender process for a new contract, incorporating the operation and asset maintenance for the Luas light rail system. This is currently being tendered by Transport Infrastructure Ireland (TII)/National Transport Authority (NTA).

There were no other significant events between the Statement of Financial Position date and the date of signing of the financial statements, affecting the Company, which require adjustment to or disclosure in the financial statements.

#### AUDITORS

The auditors, Ernst & Young, Chartered Accountants, were appointed the first auditors to the company during the period and will continue in office in accordance with section 383(2) of the Companies Act 2014.

On behalf of the Board

Assinado por:



06CBD20AD69A4B8  
Miguel Angel Guerra  
Director

Signed by:



80A371D07F7240E  
Romain Champenois  
Director

Date: 16/1/2026

16/1/2026

## S2M DUBLIN LIGHT RAIL LIMITED

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### DIRECTORS' RESPONSIBILITIES STATEMENT

for the period from 23 September 2019 (date of incorporation) to 31 December 2020

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

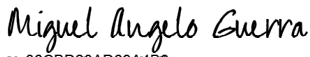
Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council ("the relevant financial reporting frameworks"). Under the law, the Directors must not approve the financial statements unless they are satisfied they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end and of the profit or loss of the company for the financial period 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 judgements and 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 reason 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 and financial position 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

Assinado por:  
  
Miguel Angel Guerra  
Director

Signed by:  
  
80A371D97C724DE...  
Romain Champenois  
Director

Date: 16/1/2026

16/1/2026



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF S2M DUBLIN LIGHT RAIL LIMITED**

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of S2M Dublin Light Rail Limited ('the Company') for the period ended 31 December 2020, which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland 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 2020 and of its profit for the period then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further 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 issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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.

#### **Emphasis of matter – Basis of preparation**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1(b) to the financial statements concerning the basis of accounting. The subcontract with Transdev Dublin Light Rail Limited for the maintenance of the infrastructure of the Luas network has been extended to the end of August 2026 to facilitate the tender process by Transport Infrastructure Ireland (TII)/National Transport Authority (NTA) for a new operations and maintenance contract. The Company has been informed by Transdev Dublin Light Rail Limited that it will not be subcontracted to provide these services after this date. Accordingly, the going concern basis of accounting is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1(b) to the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF S2M DUBLIN LIGHT RAIL LIMITED (Continued)**

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the directors' 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.

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**

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial period ended for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are 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 the 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 material misstatements in the directors' report.

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



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF S2M DUBLIN LIGHT RAIL LIMITED (Continued)**

### **Respective responsibilities**

#### **Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine 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.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [https://iaasa.ie/wp-content/uploads/docs/media/IAASA/Documents/audit-standards/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://iaasa.ie/wp-content/uploads/docs/media/IAASA/Documents/audit-standards/Description_of_auditors_responsibilities_for_audit.pdf).

This description forms part of our auditor's report.

#### **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.

Susan Lyne  
for and on behalf of  
Ernst & Young Chartered Accountants and Statutory Audit Firm

Dublin

Date: 19 January 2026

**S2M DUBLIN LIGHT RAIL LIMITED****STATEMENT OF COMPREHENSIVE INCOME**  
**for the period from 23 September 2019 (date of incorporation) to 31 December 2020**

	<i>Note</i>	<i>2020</i> €
Turnover	2	5,935,954
Cost of sales		(4,847,231)
Gross profit		1,088,723
Administrative expenses		(349,312)
Operating profit		739,411
Profit before taxation	4	739,411
Tax charge for the period	5	(92,427)
Profit for the period		646,984
Other comprehensive income		-
Total comprehensive income for the period		646,984

**S2M DUBLIN LIGHT RAIL LIMITED**

**STATEMENT OF CHANGES IN EQUITY**  
**for the period from 23 September 2019 (date of incorporation) to 31 December 2020**

	<i>Called-up share capital</i> €	<i>Retained earnings</i> €	<i>Total</i> €
At date of incorporation	100	-	100
Profit for the period		646,984	646,984
Other comprehensive income	-	-	-
	<u>100</u>	<u>646,984</u>	<u>647,084</u>
At 31 December 2020	<u><u>100</u></u>	<u><u>646,984</u></u>	<u><u>647,084</u></u>

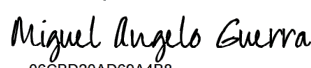
**S2M DUBLIN LIGHT RAIL LIMITED**

**STATEMENT OF FINANCIAL POSITION  
at 31 December 2020**

	<i>Note</i>	2020 €
ASSETS EMPLOYED		
CURRENT ASSETS		
Debtors	6	1,042,403
		<hr/>
		1,042,403
CREDITORS (amounts falling due within one year)	7	(395,319)
		<hr/>
NET CURRENT ASSETS		647,084
		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		647,084
		<hr/> <hr/>
CAPITAL AND RESERVES		
Called up share capital	8	100
Profit and loss account	9	646,984
		<hr/>
Shareholders' funds		647,084
		<hr/> <hr/>

Approved by the Board on:

Signed on behalf of the Board by:

Assinado por:  
  
06CBD20AD69A4B8...  
 Miguel Angel Guerra  
 Director  
 16/1/2026

Signed by:  
  
80A371D97C724DE...  
 Romain Champenois  
 Director  
 16/1/2026

**S2M DUBLIN LIGHT RAIL LIMITED****STATEMENT OF CASH FLOWS****for the period from 23 September 2019 (date of incorporation) to 31 December 2020**

	<i>Note</i>	<i>2020</i> €
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	10	(100)
		<hr/>
INVESTING ACTIVITIES		
Issue of share capital		100
		<hr/>
NET CASH INFLOW FROM INVESTING		100
		<hr/>
FINANCING ACTIVITIES		-
		<hr/>
INCREASE IN CASH AND CASH EQUIVALENTS		-
CASH AND CASH EQUIVALENTS AT DATE OF INCORPORATION	11	-
		<hr/>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	11	-
		<hr/> <hr/>

## S2M DUBLIN LIGHT RAIL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

1. ACCOUNTING POLICIES

(a) *Statement of compliance*

S2M Dublin Light Rail Limited is a private limited company incorporated in Ireland. The registered office is Luas Depot, Red Cow, Clondalkin, Dublin 22, with its principal place of business being the same as its registered address. The nature of the company's operations and principal activities are set out in the Directors' Report on pages 3 to 7.

The company's financial statements have been prepared in accordance with applicable accounting standards issued by the Financial Reporting Council including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Generally Accepted Accounting Practice in Ireland).

(b) *Basis of preparation*

The financial statements have been presented in euro (€) which is also the functional currency of the company.

All references to 2020 are for the financial period from 23 September 2019 (date of incorporation) ended 31 December 2020.

*Going concern:*

It is the directors' view, COVID-19 will have a material adverse impact on the company's performance during the period.

The subcontract with TDLR for the maintenance of the infrastructure of the Luas network has been extended to the end of August 2026 to facilitate the tender process by Transport Infrastructure Ireland (TII)/ National Transport Authority (NTA) for a new operations and maintenance contract. It is not expected that the Company will be subcontracted to provide these services after this date. Given this is within twelve months from the date of approval of these financial statements, accordingly, these financial statements have been prepared on a basis other than going concern.

Basis other than that of a going concern includes, where appropriate, writing down the company's assets to net realisable value and providing for any contractual commitments that have become onerous at the statement of financial position date. No adjustments were necessary in these financial statements to reduce assets to their realisable values. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such costs were committed at the statement of financial position date.

The directors are satisfied that it is appropriate to prepare these financial statements on a basis other than that of a going concern.

(c) *Significant judgements and estimates*

Given the nature of the company's operations no judgements or key sources of estimation uncertainty have been identified.

**S2M DUBLIN LIGHT RAIL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2020 (Continued)**

## 1. ACCOUNTING POLICIES (Continued)

*(d) Revenue recognition*

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is stated net of VAT and similar taxes and derives from the provision of services falling within the company's ordinary activities.

*Rendering of services:*

Turnover from the maintenance of the infrastructure of the Luas light rail system is recognised as services are performed under the terms of the subcontract with TDLR.

*(e) Deferred tax*

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the Statement of Financial Position date.

*(f) Foreign currencies*

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the financial year end date. All foreign exchange differences are taken to the Statement of Comprehensive Income.

*(g) Employee benefits**Pension costs:*

The company's employees are members of a defined contribution plan. A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Comprehensive Income in the periods during which services are rendered by employees. Differences between the amounts charged to the Statement of Comprehensive Income and payments made to the retirement benefit scheme are treated as assets or liabilities.

*Short term benefits:*

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

**S2M DUBLIN LIGHT RAIL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2020 (Continued)**

1. ACCOUNTING POLICIES (Continued)

(h) *Financial instruments*

*Cash and cash equivalents:*

Cash and cash equivalents in the Statement of Financial Position comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less.

*Short term debtors and creditors:*

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in other operating expenses.

(i) *Dividends*

Final dividends to the company's equity shareholders are recognised as a liability of the company when approved by the company's shareholders. Interim dividends are recognised when paid.

2. TURNOVER

Turnover, all of which arises from continuing operations, represents amounts derived from the provision of services by the company primarily to Transdev Dublin Light Rail Limited. All turnover arises in Ireland.

3. EMPLOYEE INFORMATION

The average number of persons employed by the company (including directors) during the period was made up as follows:

	<i>23 September 2019 to 31 December 2020 Number</i>
Operations	43
Administration	2
	<hr/>
	45
	<hr/> <hr/>

**S2M DUBLIN LIGHT RAIL LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2020 (Continued)**

3.	EMPLOYEE INFORMATION (Continued)	23 September 2019 to 31 December 2020
	The wages and salary costs comprise:	€
	Wages and salaries	3,103,485
	Social welfare costs	341,461
	Pension costs ( <i>note 12</i> )	39,301
		<u>3,484,247</u>

## 4. PROFIT BEFORE TAXATION

Another related company paid the directors' remuneration, and it was not recharged or the amount in respect of their services for this company was not separately identifiable for the period ended 31 December 2020.

## 5. TAX ON PROFIT

(a)	<i>Analysis of tax charge:</i>	23 September 2019 to 31 December 2020
		€
	Current tax:	
	Corporation tax on profit for the period	92,427
	Total current tax	<u>92,427</u>

**S2M DUBLIN LIGHT RAIL LIMITED****NOTES TO THE FINANCIAL STATEMENTS****31 December 2020 (Continued)**

## 5. TAX ON PROFIT (Continued)

*(b) Reconciliation of the expected tax charge at the standard rate to the actual tax charge at the effective rate*

The tax assessed for the period is different than the standard rate of corporation tax in Ireland of 12.5%. The differences are explained below:

	<i>23 September 2019 to 31 December 2020 €</i>
Profit before tax	739,411
	<hr/>
Profit multiplied by standard rate of corporation tax in Ireland of 12.5%	92,427
	<hr/>
Total tax charge for the period	<u>92,427</u>

*(c) Factors that may affect future tax charges*

The tax charge in future years will be affected by any changes made by Government to the rates of Irish corporation tax.

## 6. DEBTORS (amounts falling due within one year)

	<i>31 December 2020 €</i>
Amounts owed by joint venturers ( <i>note 13</i> )	1,002,920
Prepayments and accrued income	39,483
	<hr/>
	<u>1,042,403</u>

Amounts owed by joint venturers are due on demand.

**S2M DUBLIN LIGHT RAIL LIMITED****NOTES TO THE FINANCIAL STATEMENTS****31 December 2020 (Continued)**

7.	CREDITORS (amounts falling due within one year)	31 December 2020 €
	Amounts owed to joint venturers ( <i>note 13</i> )	59,788
	Trade creditors	82,584
	Accruals	105,815
	Corporation tax payable	52,576
	PAYE/PRSI	94,556
		<u>395,319</u>

The repayment terms of trade creditors vary between on demand and ninety days. No interest is payable on trade creditors.

Amounts due to related parties are unsecured, interest free and repayable on demand.

8.	CALLED UP SHARE CAPITAL	31 December 2020 €
	<i>Authorised:</i>	
	100,000 ordinary shares of €1 each	<u>100,000</u>
	<i>Allotted, called up and fully paid:</i>	
	100 ordinary shares of €1 each	<u>100</u>

On 16 October 2019, Transdev Dublin Light Rail Limited entered into a business agreement with Efacec Engenharia E Sistemas S.A. ('Efacec') to form a new legal entity, S2M Dublin Light Rail Limited. The company is a joint venture whereby 49% of share capital (49 shares) is owned by Transdev Dublin Light Rail Limited and Efacec owns the remaining 51% (51 shares). The total share capital is 100 ordinary shares valued at €1 each.

## 9. PROFIT AND LOSS ACCOUNT

Movements in the profit and loss account reserve for the period are detailed in the Statement of Changes in Equity.

**S2M DUBLIN LIGHT RAIL LIMITED****NOTES TO THE FINANCIAL STATEMENTS****31 December 2020 (Continued)**

## 10. RECONCILIATION OF PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	<i>23 September 2019 to 31 December 2020 €</i>
Profit before taxation	739,411
Increase in debtors	(1,042,403)
Increase in creditors	342,743
Corporation tax paid	(39,851)
	<hr/>
Net cash outflow from operating activities	<u>(100)</u>

## 11. CASH AND CASH EQUIVALENTS

	<i>At 23 September 2019 €</i>	<i>Cash flows €</i>	<i>At 31 December 2020 €</i>
Cash in hand and in bank	-	-	-
	<hr/>	<hr/>	<hr/>

## 12. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to €39,301.

The pension contributions payable to the fund at 31 December 2020 are €Nil.

## 13. PARENT UNDERTAKINGS AND CONTROLLING PARTIES AND RELATED PARTY TRANSACTIONS

The company's immediate controlling parties are Transdev Dublin Light Rail Limited, a company incorporated in Ireland with a registered office at Riverside One, Sir John Rogerson's Quay, Dublin 2 and Efacec Engenharia E Sistemas S.A. ('Efacec') with a registered office at Rua Eng. Federico Ulrich, Guardediras, 4470-907 Moreira da Maria, Portugal. Transdev Dublin Light Rail Limited ultimate parent is Rethmann SE & Co. KG and Efacec Engenharia E Sistemas S.A. ultimate parent is Mutares SE & Co. KGaA.

**S2M DUBLIN LIGHT RAIL LIMITED****NOTES TO THE FINANCIAL STATEMENTS****31 December 2020 (Continued)****13. PARENT UNDERTAKINGS AND CONTROLLING PARTIES AND RELATED PARTY TRANSACTIONS (Continued)**

The company provided services under the subcontract agreement to Transdev Dublin Light Rail Limited, joint venture party, totalling €5,901,760 and paid expenses on the company's behalf of €4,537,714. At 31 December 2020 TDLR owed a net balance of €968,727 to the company. Efacec Engenharia E Sistemas S.A. provided services of €59,788 to the company and received services of €34,193 from the company with a net balance payable of €25,595 at 31 December 2020.

*Key management personnel*

The directors are the senior employees who have authority and responsibility for planning, directing and controlling the activities of the company and are considered to be key management personnel. Remuneration in respect of these individuals is disclosed in note 5.

**14. FINANCIAL INSTRUMENTS**

*31 December*  
*2020*  
€

*Financial assets that are debt instruments measured at amortised cost:*

Amounts owed by joint venturers (note 13)	1,002,920
	1,002,920

*Financial liabilities measured at amortised cost:*

Trade creditors	82,584
Amounts owed by joint venturers (note 13)	59,788
	142,372

**15. EVENTS SINCE THE YEAR END**

The initial integration plan was delayed due to COVID-19 restrictions introduced in March 2020. Following the easing of COVID-19 impacts in early 2022, a business transformation plan was developed and launched to deliver the delayed integrations and improvements ensuring delivery of all performance obligations reducing performance deductions. The business transformation was delivered between March 2022 and the end of 2023 achieving the objectives originally set out.

All the maintenance staff transferred to TDLR in May 2021 and were seconded to S2M for infrastructure works. The payroll costs for the seconded staff will be recharged to the company.

## **S2M DUBLIN LIGHT RAIL LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS 31 December 2020 (Continued)**

#### **15. EVENTS SINCE THE YEAR END (Continued)**

The subcontract with TDLR for the maintenance of the infrastructure of the Luas network will expire in November 2025. The timeline has been extended to August 2026 to facilitate the tender process for a new contract, incorporating the operation and asset maintenance for the Luas light rail system. This is currently being tendered by Transport Infrastructure Ireland (TII)/ National Transport Authority (NTA).

There were no other significant events between the Statement of Financial Position date and the date of signing of the financial statements, affecting the Company, which require adjustment to or disclosure in the financial statements.

#### **16. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved and authorised for issue by the directors on 16 January 2026.