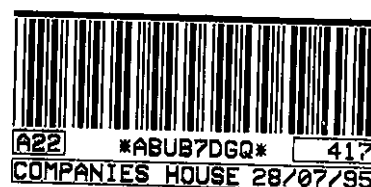


DATA LOGIC PROPERTIES LIMITED

Annual report
for the year ended 31 December 1994

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Directors and advisers

Executive directors

P R McKee

M R G Wood

Registered Auditors

Coopers & Lybrand
1 Embankment Place
London
WC2N 6NN

Secretary and registered office

M R G Wood
Queens House
College Road
Harrow
Middlesex
HA1 1YR

Bankers

National Westminster Bank Plc
208 Piccadilly
London
W1A 2DG

Registered number:

1917918

Directors' report for the year ended 31 December 1994

The directors present their report and the audited financial statements for the year ended 31 December 1994.

Principal activities

The profit and loss account for the year is set out on page 5.

The main activity of the company is property management, conducted entirely in the United Kingdom.

Review of business and future developments

The company has continued to manage certain properties on behalf of a fellow subsidiary undertaking throughout the whole of the year. All expenses of managing and maintaining the properties were charged to the fellow subsidiary concerned. The year end financial position of the company was satisfactory.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those 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;
- 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Dividends and transfer from reserves

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 1994 (1993 £Nil). The loss for the financial year of £1,536 will be transferred from reserves.

Directors

The directors of the company at 31 December 1994, both of whom were directors for the whole of the year ended on that date, are listed on page 1.

In accordance with the Articles of Association, Mr M R G Wood will retire by rotation at the next annual general meeting and, being eligible, will offer himself for re-election.

Directors' interests in shares of group companies

According to the register kept under section 325 of the Companies Act 1985, no director had any beneficial interest in the shares of the company, the company's holding company or a subsidiary of the company's holding company, either at the beginning or end of the year. There were no changes during the year.

Close company provisions

In the opinion of the directors, the close company provisions of the Income and Corporation Taxes Act 1988 do not apply to the company.

Auditors

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

By order of the board



M R G Wood
Company secretary

13th April 1995

Report of the auditors to the members of Data Logic Properties Limited

We have audited the financial statements on pages 5 to 11.

Respective responsibilities of directors and auditors

As described in the directors' report, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

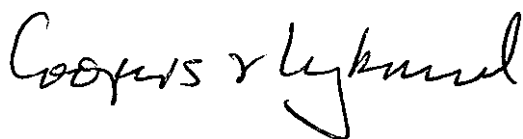
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand
Chartered Accountants and Registered Auditors

London

25 April 1995

**Profit and loss account
for the year ended 31 December 1994**

	Notes	12 mths to 31 Dec 1994 £	13 mths to 31 Dec 1993 £
Turnover - continuing operations	2	230,136	1,409,325
Cost of sales - continuing operations		219,914	1,402,754
		<hr/>	<hr/>
Gross profit		10,222	6,571
Operating expenses - continuing operations	3	25	32
		<hr/>	<hr/>
Operating profit - continuing operations		10,197	6,539
Net interest payable/(receivable) and similar charges/(income)	6	13,233	(657)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation	7	(3,036)	7,196
Tax (credit)/charge on (loss)/profit on ordinary activities	8	(1,500)	2,500
		<hr/>	<hr/>
(Loss)/retained profit for the year	13	(1,536)	4,696
		<hr/>	<hr/>

The company has no recognised gains and losses other than those included in the profits above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the (loss)/profit on ordinary activities before taxation and the (loss)/retained profit for the year stated above, and their historical cost equivalents.

Balance sheet
at 31 December 1994

	Notes	1994 £	1993 £
Current assets			
Debtors	9	367,070	86,749
Cash at bank and in hand		-	-
		<hr/>	<hr/>
		367,070	86,749
Creditors: amounts falling due within one year			
	10	363,839	81,982
		<hr/>	<hr/>
Total assets less current liabilities		3,231	4,767
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account	12	3,131	4,667
		<hr/>	<hr/>
Equity shareholders' funds	13	3,231	4,767
		<hr/>	<hr/>

The financial statements on pages 5 to 11 were approved by the board of directors on 13th April 1995 and were signed on its behalf by:


P R McKee
Director

Notes to the financial statements for the year ended 31 December 1994

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Cash flow statement

In accordance with the requirements of Financial Reporting Standard No 1 (FRS1), the immediate parent company will prepare consolidated financial statements including a cash flow statement dealing with the cash flows of the group. Accordingly, as allowed under FRS1, the company has not prepared a cash flow statement as part of its own financial statements.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of services supplied.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

2 Turnover

Turnover consists entirely of sales originating and made in the United Kingdom.

3 Operating expenses

	1994 12 mths £	1993 13 mths £
Continuing operations		
Administrative expenses	25	32
	<hr/>	<hr/>

4 Directors' emoluments

The directors did not receive any emoluments in respect of their services to the company.

5 Employee information

The average weekly number of persons, including executive directors, employed by the company during the year was as follows:

	1994 12 mths Number	1993 13 mths Number
By activity		
Property management - cost of sales	2	16
	<hr/>	<hr/>

The aggregate payroll costs of the above were as follows:

	1994 12 mths £	1993 13 mths £
Wages and salaries	-	225,112
Social security costs	-	18,501
Other pension costs	-	18,466
	<hr/>	<hr/>
	-	262,079
	<hr/>	<hr/>

6 Net interest payable/(receivable) and similar charges/(income)

	1994 12 mths £	1993 13 mths £
Interest payable and similar charges:		
On loans from parent company	13,233	-
Less: Other interest receivable and similar income		
On loans to parent company	-	657
	<hr/>	<hr/>
	13,233	(657)
	<hr/>	<hr/>

7 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging the following:

	1994 12 mths £	1993 13 mths £
Auditors remuneration - audit fees	-	-

Audit fees will be borne by the ultimate parent company.

8 Tax on (loss)/profit on ordinary activities

The (credit)/charge for taxation is made up as follows:

	1994 12 mths £	1993 13 mths £
On the (loss)/profit for the year		
Group relief at 33% (1993 33%)	(1,000)	2,500
Adjustments in respect of prior years:-		
Group relief	(500)	-
	<hr/>	<hr/>
	(1,500)	2,500
	<hr/>	<hr/>

9 Debtors: amounts falling due within one year

	1994 £	1993 £
Trade debtors	30,344	30,395
Amounts owing by group undertakings		
- parent company and fellow subsidiaries	330,143	50,439
Other debtors	500	-
Prepayments and accrued income	6,083	5,915
	<hr/>	<hr/>
	367,070	86,749
	<hr/>	<hr/>

10 Creditors: amounts falling due within one year

	1994 £	1993 £
Bank loans and overdrafts	244,275	25,570
Trade creditors	11,617	27,767
Amounts owed to group undertakings		
- parent company and fellow subsidiaries	105,725	2,500
Other creditors	2,222	26,145
	<hr/>	<hr/>
	363,839	81,982
	<hr/>	<hr/>

11 Called up share capital

	1994 £	1993 £
Authorised, allotted, called up and fully paid		
Ordinary shares of £1 each	£100	£100
	<hr/>	<hr/>

There has been no change during the year.

12 Profit and loss account

	£
At 1 January 1994	4,667
Loss for the year	(1,536)
	<hr/>
At 31 December 1994	3,131
	<hr/>

13 Reconciliation of movement in shareholders' funds

	1994 £	1993 £
Opening shareholders' funds	4,767	71
(Loss)/profit for the year	(1,536)	4,696
	<hr/>	<hr/>
Closing shareholders' funds	3,231	4,767
	<hr/>	<hr/>

14 Contingent liabilities

As part of the group banking arrangements Raytheon United Kingdom Limited and certain of its subsidiary companies, including Data Logic Properties Limited, have entered into composite guarantees with a third party under which there is a maximum potential contingent liability of £12,000,000, (1993 £17,400,000), of which £8,065,000 (1993 £7,742,000) was outstanding at 31 December 1994. The company has bank loans and overdrafts of £244,275 (1993 £25,570) outstanding which are included in this group contingent liability (note 10). The directors do not consider that any loss will arise to the company as a result of the above arrangements.

15 Ultimate parent company and other parent undertakings

The directors regard Raytheon Company, which is incorporated in the United States of America, as the ultimate parent company and Raytheon United Kingdom Limited, which is registered in England and Wales and for which consolidated financial statements are prepared, as the immediate parent company. Copies of the latest annual report of Raytheon Company may be obtained from Corporate Communications, Raytheon Company, 141 Spring Street, Lexington, Massachusetts 02173, USA.