



# Annual Report

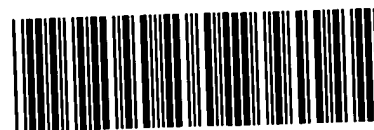
For the Year Ended 31 December 2025

Raytheon Systems Limited (Registered Number 00406809)



**Raytheon**  
UK

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## Directors and Advisers

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### Executive Directors

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Jennifer Gauthier  
Christophe James Gray  
Julie Anne Finlayson  
Chander Nijhon  
Sinead O'Donnell  
Bryan Rosselli

### Registered office

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Kao One  
Kao Park  
Harlow  
Essex  
England  
CM17 9NA

### Independent Auditors

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PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
WC2N 6RH

### Bankers

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JP Morgan Chase  
1 Chaseside  
Bournemouth  
Dorset  
BH7 7DA

# Strategic Report for the Year Ended 31 December 2025

The Directors present their Strategic Report for the year ended 31 December 2025 for Raytheon Systems Limited (the Company).

## Principal activities and review of business

Revenue for the year amounted to £517,651k (2024: £728,963k). The profit for the year, after taxation, amounted to £142,590k (2024: £221,628k). The net asset position amounted to £304,040k (2024: £456,140k). Cash including cash pool £200,010k (2024: £382,751k). New order bookings £326,795k (2024: £516,800k) These are considered to be the Key Performance indicators of the entity.

The Company during the fourth quarter of 2024, restarted work under contract with an ultimate Middle Eastern customer and began recognising revenue under this contract. In the prior period the Company recognised £239.8m of revenue associated with the restart of this contract and profit primarily related to the releases of inventory reserves and supplier obligations related to termination liabilities.

The operating subsidiaries of Raytheon Systems Limited are set out in note 10.

The principal activity of the Company is that of a major supplier of electronic systems, products, components, training and associated support services to the defence and commercial markets, both in the UK and overseas.

This activity embraces systems integration as well as the design, development and manufacture of a wide range of advanced electronic products and integrated systems including surveillance systems, airport radars, identification friend or foe systems, anti-jamming global navigation systems and power and control systems. The Directors anticipate that this activity will continue.

## Key performance indicators (KPI)

Key performance indicators are monitored and are documented in the Principal Activities and Review of business section. There are no KPI's beyond these.

## Business environment

The Company is a subsidiary of its ultimate parent, RTX Corporation. The Company operates in a number of core markets as set out in the strategy section below. The principal territories that the Company operates within are set out in note 2.

The Company met the challenges of a dynamic business environment in 2025 and performed well with solid execution driving strong operating results.

## Strategy

The Company will grow a profitable business, enabled by a highly skilled, motivated and engaged workforce where, via effective governance and consistent working practices, we deliver to our customers as a partner of choice.

We have six strategic objectives:

- Enhance our sovereign identity as a trusted and vital part of the UK government
- Build greater customer intimacy to shape their thinking
- Deliver a step change in our manufacturing and support services
- Focus our investment on the most promising market opportunities
- Exploit the use of AI to drive improvements in internal business processes and engineering capability for our customers
- Develop greater technology differentiators in the capabilities we offer our customers

The core markets are:

- National security
- Sensors
- Weapons
- Training transformation
- Intelligence surveillance & Reconnaissance
- Space.



## Strategic Report for the Year Ended 31 December 2025 (continued)

### Future outlook

Based on the size of the Company's order book, the level of highly liquid assets and credit quality of customers and counterparties, the Company is confident for strong growth in the coming years.

### Risk Management

The Company's multi-national operations expose it to a variety of risks that include changes in foreign currency exchange rates, credit, people, continuity, geopolitical, reputational and cyber risks. The Company has a process for identifying enterprise level risks. These risks are reviewed on a regular basis with the leadership team and mitigated as deemed appropriate.

#### Foreign exchange risk:

The Company mainly enters into contracts within the UK, US, Middle East and Continental Europe and has an international supply chain. The Company is exposed to foreign exchange risk primarily with respect to US dollars. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by using foreign currency forward contracts to manage the foreign exchange risk. These contracts are managed by a group Company, United Technologies Treasury Center (UTTC).

#### Credit risk:

The Company has implemented policies that require appropriate credit checks on potential customers before sales commence. The amount of exposure to any individual counterparty is subject to a limit which is reassessed periodically by the RTX Corporation Board of Directors.

#### People risk:

The Company recognises that its employees are key to delivering its strategy and business plan and focuses on developing the existing workforce and hiring talented people to meet current and future requirements.



#### Continuity risk:

The Company performed a cash flow sensitivity analysis to assess the impact a series of severe but plausible downside scenarios to the Company's working capital position. Following this analysis the Directors have concluded that the Company has adequate resources to operate as a going concern. Refer to the going concern note in the Directors' report and note 1 Accounting policies for further detail.

#### Geopolitical risk:

The Company recognises that due to the nature of our products we must obtain licences and authorisations from various government agencies. Our ability to obtain these licences and authorisations are subject to risks and uncertainties including changing government policies or delays in governmental approvals.

The Company has established strong and enduring relationships in its principal markets and is recognised as playing a key role in the industrial capability of each of the countries in which it operates. Government customers have sophisticated procurement and security organisations with which the company can have long standing relationships with well established and understood terms of business.

#### Reputational risk:

The Company is subject to various regulations and the business reputation could be negatively affected if the Company fails to comply with these. The Company has implemented procedures to help ensure regulations are met and adhered to.

#### Cyber risk:

As a defence contractor the Company is the target of advanced and persistent cyber-attacks from a variety of assailants. We believe the Company has implemented appropriate measures and controls and have invested in resources to appropriately identify and monitor these threats and mitigate potential risks.

#### Financial risk:

Liquidity risk and capital risk are managed on a group-wide basis by the Company's ultimate parent company, RTX Corporation, which is incorporated in the United States of America. The Company operates under the Internal Group Cash Management Agreements, with Silver Aero Limited and UT (UK) Limited, which are cash pool arrangements. Silver Aero Limited and UT (UK) Limited are part of the RTX Corporation Group. Silver Aero Limited and UT (UK) Limited's liquidity is managed as part of the liquidity management for the ultimate parent company, RTX Corporation. The Company operates in accordance with funding policies controlled by the executive Directors of the ultimate parent company.

## Strategic Report for the Year Ended 31 December 2025 (continued)

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### Directors' Duties – compliance with s.172(1) of the Companies Act 2006.

Section 172 of the Companies Act 2006 ("s.172") requires the Directors to promote the success of the Company for the benefit of the members and in doing so have regard to the interests of stakeholders including customers, employees, suppliers, and the wider community in which it operates. The Board is focused on its responsibilities under s.172(1) (a – f) of the Companies Act 2006, and the impact of the business on key stakeholder groups is considered on a regular basis. We have outlined our considerations of these areas below:

#### Risk Management

We supply electronic systems, products, components and associated support services to the defence and commercial markets, both in the UK and overseas, often in highly regulated environments. As we grow the business for our stakeholders it is vital that we effectively identify, evaluate, manage, and mitigate the risks we face. For details of our strategy, see the 'Risk Management' section above.

#### Shareholders

We believe that good governance enhances shareholder value and goes beyond simply complying with legal requirements. It means grounding governance practices in a culture of integrity, accountability, transparency, and the highest ethical standards. The strategy outlined above is aligned to the strategy of our ultimate parent company to ensure decisions of the Company meet the needs of the shareholders.

#### Employees

Our goal is to maintain both a strong workforce and a culture where every employee can thrive and do the best work of their lives. We strive to provide employees with industry-leading benefits and exciting professional challenges and opportunities. We invest in our employees' long-term growth, and we maintain a highly engaged workforce that delivers the best business performance possible.

The health, safety and well-being of our employees is one of our primary considerations in the way we conduct our business. To support and develop a safe working environment we recognise the importance of regular inspections, safety training, encouraging near miss non-injury reporting with open two-way communications.

We continue to invest in evolving our Culture, at a minimum our employee experience a safe working environment in which they can strive to do the best work of their lives.

We are benchmarked externally to enable us to continue to invest in, and develop, our talent. Examples of external benchmarks include renewed Gold Award Winner of the UK Government's Armed Forces Covenant and UK Government recognising the Company as an employer with Disability Confident Level 2. All this investment is critical in attracting and maintaining a rich talent base across the UK. We enable employees safely to voluntarily share data about themselves that enable us to support their individual needs as a good employer.

#### Customers and suppliers

We are committed to working with our suppliers to provide the best and most affordable products. A prime enabler for this is Raytheon CORE (Customer Oriented Results and Excellence) management system. This initiative drives continuous improvement where experienced individuals work with our suppliers to drive down costs and identify and mitigate risks. These actions are also utilised to ensure the customers receive value for money and competitively priced products and services.

#### Community and environment

As a UK employer we recognise the importance of community, environment and how we can positively impact the areas in which we operate. We are positively impacting our communities by:

- Building a more disability smart business to support the Government in reducing the disability employment gap.
- Forward Steps programme, which supports paid volunteering hours within the communities in which our employees work and live.
- STEM careers, supporting local schools to engage with young people and participate in our Quadcopter challenge.
- Commitments to reduce our carbon emissions and water consumptions as well as sourcing our energy from renewable sources.
- Building a considered and forward-thinking approach to Health and Wellbeing across our business.

We support educational initiatives that inspire and support the next generation of scientists, engineers, and business professionals.

## Strategic Report for the Year Ended 31 December 2025 (continued)

### Climate related financial disclosure statement Section 414CB companies Act 2006

This Climate Related Financial Disclosure Statement relates to Raytheon Systems Limited (hereinafter referred to as the "Company") for the financial year ended 31 December 2025.

The report has been prepared for the same reporting entity and reporting period as the Company's statutory financial statements. In preparing this statement, the Company has incorporated relevant climate related information disclosed by RTX Corporation, the Company's ultimate parent undertaking ("RTX" or "Ultimate Parent"). Additional details about RTX's climate related information are publicly available in the 2025 RTX CDP report.

As a subsidiary of a U.S.-based multinational company, climate-related risks and opportunities for the Company are currently monitored, managed and overseen by the Ultimate Parent through a centralized governance approach. The Company relies on the Ultimate Parent's processes, controls and procedures to provide disclosures about its climate-related risks and opportunities that are useful to primary users of this annual report. Accordingly, where necessary to contextualize the Company's Directors' oversight and governance, information pertaining to the Ultimate Parent has been included herein. Currently, this Climate Related Financial Disclosure Statement is included within the Company's statutory reporting and is filed with UK Companies House, where it is available on the public register.

See below for information relating to Sections 414CB (2A) (a)-(d). Since the climate-related risks and opportunities are not deemed material to the Company, the Directors consider Sections 414CB (2A) (e)-(h) not necessary for an understanding of the Company's business.

### Governance Systems

The Company has governance systems in place to assist in identifying, assessing, and managing the impacts of climate change on its operations. Many of these systems cascade from the Ultimate Parent. The RTX Board of Directors and its committees oversee climate-related matters. The Governance and Public Policy Committee (GPPC) oversees strategy, performance and goals relating to the environment and sustainability. To that end, it is briefed periodically (at least annually) by RTX Senior Leadership, including the Executive Vice President of Operations & Supply Chain, on sustainability performance, key initiatives and goals, including climate-related matters.

The Finance Committee and, in certain cases, the full Board of Directors, review and approve significant capital investments, such as capital expenditures for research and development of sustainable technologies.

The Audit Committee oversees the Enterprise Risk Management (ERM) program, which is designed to identify, prioritize, and manage significant risks to our businesses, including climate risks.



RTX's Internal Audit function leads the ERM program and works with RTX's businesses in the identification, understanding, prioritization and management of risks. The Audit Committee and the full Board of Directors are briefed on significant ERM risks. There are various functions and committees at the enterprise (RTX), Raytheon business unit, and the Company levels responsible for and assisting in identifying and managing various aspects of climate risks and impacts. These functions and committees ultimately report to RTX Senior Leadership and include the Operations & Supply Chain Council, the Environmental, Health & Safety leadership team, Risk Management, Technology & Global Engineering, Facility Operations, and Business Resilience and Crisis Management organization.

### Climate-Related Risk and Opportunity Identification and Assessment

The Company uses several risk management processes to identify and assess climate-related risks and opportunities, including ERM; Business Resilience and Crisis Management (BRCM) program; and long-range strategic planning.

- The annual ERM process involves consulting with business units, subsidiaries, and functional organizations to identify and assess top risks through structured inputs, reviews, and mitigation planning. Risks are identified and reported up through the group. Top risks are compiled and briefed to the RTX Board of Directors and communicated to business unit senior leaders.

## Strategic Report for the Year Ended 31 December 2025 (continued)

### Climate-Related Risk and Opportunity Identification and Assessment (continued)

- As part of the Company's BRCM program, certain sites conduct Threat and Vulnerability Assessments (TVAs) to identify, assess, and manage different types of site-specific risks, including physical risks associated with climate change, and develop Incident Response Plans to address potential risks. The assessments are conducted every two years at key sites. Key sites are sites identified as critical based on any or all the following criteria: size, scope, complexity, intellectual property, key personnel and dollar value.

The Company also uses the RTX-led annual long-range strategic planning process to identify and manage climate risks. The annual plans are a central mechanism for assessing changes in customer priorities and setting business-level priorities in the Company's operations, technology, research and development investment, and funding priorities. Identification and assessment of climate-related risks are integrated into the Company's overall risk management processes.

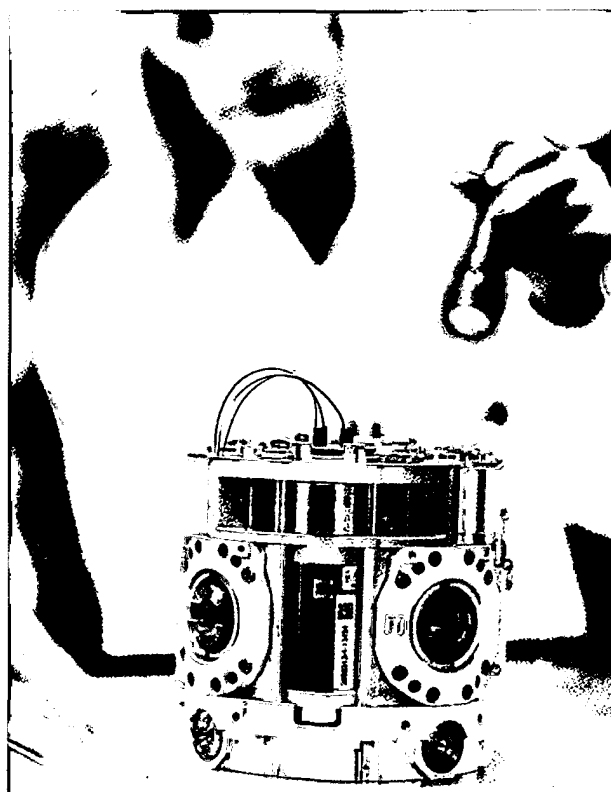
### Climate-Related Risks and Opportunities

Listed below are climate-related risks and opportunities relevant to the operations of the Company. These were assessed over the short-term (present - 2030), medium-term (2031 - 2040), and long-term (2041 - 2050).

**Market / Technology Transition Risks** – These are risks associated with increasing customer demands for products, services and technologies focused on addressing climate change, transitioning to lower emission technologies, including low to no-carbon products and services, use of alternative energy sources and other sustainable technologies, and lower carbon operations. As a result, we continue to invest in new technologies and capabilities and devote management and other resources to these matters. Likely time horizon of risk: medium- and long-term.

**Regulatory / Policy Transition Risks** – Current and emerging environmental and climate-related laws, regulations, or other policies in the UK and elsewhere, such as regulations on greenhouse gas emissions, carbon pricing, energy taxes, product efficiency standards, and mandatory climate disclosures, could increase the Company's operational and compliance expenditures. The Company may experience rising energy and raw material costs, along with expenses related to manufacturing adjustments. Additionally, the Company might incur further expenditures for new investments in product designs and facility upgrades. Likely time horizon of risk: medium- and long-term.

**Climate-Related Opportunities** – A potential opportunity is in the development and/or expansion of products and services



that address climate change, such as low-emission products, or products and services related to climate adaptation and resiliency solutions. The Company is well-positioned to be a leader in sustainable technologies and capture new business opportunities.

RTX and its business units continue to pursue their technology roadmaps and invest substantial amounts in research and development. Likely time horizon of opportunity: medium- and long-term.

None of these risks and opportunities are deemed financially material to the Company due to the nature of its operations. However, the Company, together with its parent companies, plans to continue monitoring these risks and opportunities and enhancing its assessment methodologies over time as improved techniques are established.

The streamlined Energy and Carbon Reporting is included on page 11.

On behalf of the Board

Julie Anne Finlayson, Director  
29 June 2026



# Directors' Report for the Year Ended 31 December 2025

The Directors present their report and the audited financial statements for the year ended 31 December 2025.

## Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

- Barbara J Borgonovi (Resigned 4 February 2025)
- Julie Anne Finlayson (Appointed 14 July 2025)
- Jennifer Gauthier (Appointed 4 February 2025)
- Christophe James Gray
- Mike Guinan (Resigned 31 January 2025)
- Chander Nijhon
- Sinead O'Donnell
- John Reilly (Resigned 14 July 2025)
- Bryan Rosselli.

Edwin Coe Secretaries Limited was appointed secretary on 11 September 2025.

## Directors' interests in shares of the Company

According to the register kept under section 808 of the Companies Act 2006, no Director had any beneficial interest in the shares of the Company either at the beginning or end of the year. There were no changes in Directors' interests during the year.

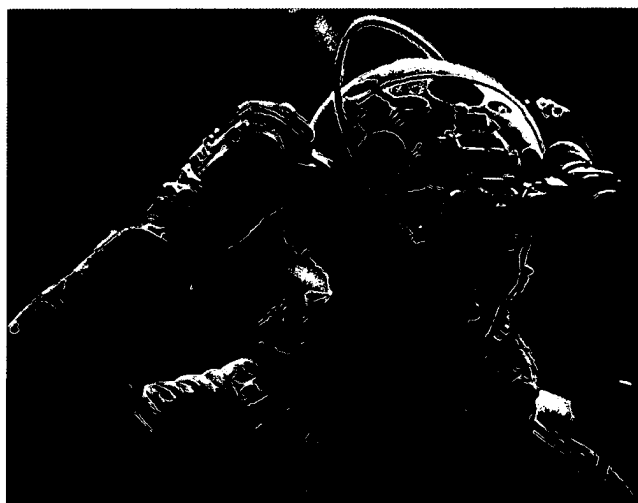
## Going concern

The financial statements have been prepared on the basis that the Company is a going concern. The Directors believe that the cash flow forecasts support this assumption. The Directors have undertaken reviews of the business financial forecasts, to assess whether the Company has adequate resources to continue in operational existence for at least twelve months from the date of signing these financial statements and continue to adopt the going concern basis of accounting.

For assessing going concern, the Directors considered a period to December 2027 against the base case budget. The Directors also considered severe but plausible downside scenarios which are sensitivities run against the base case budget which include a reduction in revenues to assess the impact on the Company's working capital position. In each scenario the Company would have access to intergroup facilities for the necessary funds.

As disclosed in note 12 Trade and other receivables, in 2022 the Company entered into the Internal Group Cash Management Agreements with Silver Aero Limited and UT (UK) Limited.

This results in the Company's cash balances being transferred into a cash pool arrangement. Following entering this Internal Group Cash Management Agreement, the Company meets its day to day working capital requirements through this cash pooling arrangement of Silver Aero Limited and UT (UK) Limited which is centrally managed by our ultimate parent undertaking.



The Directors have considered a number of factors, including the terms of the cash pool arrangement, current balance sheet position and available liquidity as well as the principal and emerging risks affecting the broader RTX group in assessing the Company's ability to access the cash pool arrangement

Based on the Directors' assessment of the recoverability of financial assets, the Directors are of the opinion that the Company has adequate resources to continue in operational existence to enable the Company to meet its day to day working capital requirements through this cash pooling arrangement for a period of at least 12 months from the date of signing the Company's financial statements for the year ended 31 December 2025 and therefore the going concern basis has been adopted in preparing the financial statements.

## Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

## Financial risk management

This has been outlined in the Strategic Report.

## Future developments

These have been outlined in the Strategic Report.

## Branch

The company has a branch in Saudi Arabia.

## Directors' Report for the Year Ended 31 December 2025 (continued)

### Employee engagement and wellbeing

The Company continued its policy of providing regular information on Company performance, business activities and related matters to all employees. Smaller groups of employees, including senior employee representatives, attend regular business reviews, at which opportunity is given to question the Company on business performance, plans and strategies. Committees, which include employee representation, continued to operate and provide regular consultation in the particular areas of safety, the extension and development of technological change and the operation of an employee suggestion scheme.

The Company is committed to achieving equal opportunities and complying with anti-discrimination legislation and employees are encouraged to train and develop their careers. Company policy is to offer the opportunity to benefit from fair employment, without regard to gender, sexual orientation, marital status, race, religion or belief, age or disability and full and fair consideration is given to the employment of disabled persons for all suitable jobs.

The Company has people policies in place to support the wellbeing of all of our workforce and provide any additional workplace adjustments and support for people with disabilities and other long term health conditions including where an employee becomes disabled or develops a long term health condition during their employment. Employees with disabilities and other long term health conditions are supported in accessing training, development and promotion opportunities. We also provide training, guidance and resources to our manager community on how best to support these colleagues in their role within the company and are a level 3 disability confident employer.

### Streamlined Energy and Carbon Reporting

The Streamlined Energy and carbon Reporting is included on page 11.

### Dividends

On 22 September 2025, the Company received dividends of £73,319k from Raytheon Australia Ltd and £1,297k from Raytheon Deutschland GmbH.

On 18 December 2025 the Company paid dividends to Raytheon United Kingdom Limited of £289,400k (2024: £nil). As at the date of signing the Directors do not recommend a final dividend for 2025.

### Contingent liabilities

The Directors do not consider that material loss will arise to the Company as a result of indemnities and guarantees relating to the due performance of contracts, see note 22.

### Payment policies

The Company operates procedures to ensure that suppliers are paid on time. In particular, the Company seeks:

- To agree terms of payments with suppliers when agreeing the terms of the transaction;
- To ensure that suppliers are made aware of the agreed terms of payment; and
- To abide by the terms of payment.

### Research and development

The Company is heavily committed to research and development activities in all areas of its business which include a number of specialised fields in which it is a market leader.

The procedures include arrangements for accelerated payments of small suppliers. Payments are made to suppliers in accordance with specific terms agreed with suppliers. As such, the Company believes that disclosure of creditor days does not provide a meaningful measure of compliance with payment terms.

### Disclosure of information to auditors

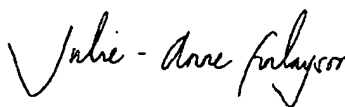
In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Independent Auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as Auditors and a resolution to reappoint them will be proposed at the forthcoming directors meeting.

On behalf of the Board



Julie Anne Finlayson  
Director  
29 June 2026

# Streamlined Energy and Carbon Reporting

## Methodology

As a large, unquoted organisation, Raytheon Systems Limited is required to report its energy use and carbon emissions in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

The data detailed in this table represents emissions and energy use for which Raytheon Systems Limited is responsible, including electricity use on our sites and fuel used in vehicles on company business.

Emissions have been calculated in line with the requirements of the Greenhouse Gas Protocol Corporate Standard.

Emission factors have been sourced from the 2025 UK Government Conversion Factors for Company Reporting. Any estimates included in emissions totals are derived from actual data extrapolated to cover missing periods or from Raytheon-specific benchmarks. There are no active overseas operations.

The 2024 comparison year emissions relating to rental vehicles have been restated (+20%) to reflect changes in data quality and to ensure consistency with the basis of reporting in the current year.

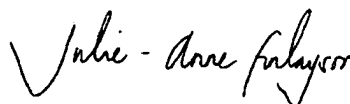
| Streamlined Energy & Carbon reporting disclosure for the period 1 January 2025 to 31 December 2025                                                                                                               |                             |                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|--------------------------------|
|                                                                                                                                                                                                                  | Current Reporting Year 2025 | Comparison Reporting Year 2024 |
| Emissions from combustion of gas (Scope 1) / tCO <sub>2</sub> e                                                                                                                                                  | 1,935                       | 2,118                          |
| Emissions from combustion of fuel on-site for transport and energy purposes (Scope 1) / tCO <sub>2</sub> e                                                                                                       | 142                         | 157                            |
| Emissions from business travel in rental cars or employee - owned vehicles where company is responsible for purchasing the fuel (Scope 3) / tCO <sub>2</sub> e                                                   | 238                         | 228                            |
| Emissions from purchase of electricity purchased for own use (Scope 2, location-based) / tCO <sub>2</sub> e                                                                                                      | 2,049                       | 2,370                          |
| Emissions from purchase of electricity for transport purposes (Scope 2, location-based) / tCO <sub>2</sub> e                                                                                                     | 6                           | 4                              |
| <b>Total gross emissions based on above / tCO<sub>2</sub>e</b>                                                                                                                                                   | <b>4,370</b>                | <b>4,877</b>                   |
| Total energy consumption used to calculate emissions / kWh                                                                                                                                                       | 23,548,563                  | 24,271,738                     |
| Intensity ratio: tCO <sub>2</sub> e gross figure based from mandatory fields above, per ft <sup>2</sup>                                                                                                          | 0.0084                      | 0.0093                         |
| Emissions from other activities which the company own or control including operation of facilities (Scope 1) / tCO <sub>2</sub> e                                                                                | 46                          | 96                             |
| Emissions from electricity related to extraction, production, and transportation of fuels consumed in the generation of electricity for which the company does not own or control (Scope 3) / tCO <sub>2</sub> e | 792                         | 780                            |
| Emissions from generation of electricity that is consumed in a transmission and distribution system for which the company does not own or control (Scope 3) / tCO <sub>2</sub> e                                 |                             |                                |
| Emissions from extraction and production of purchased fuels for which the company does not own or control (Scope 3) / tCO <sub>2</sub> e                                                                         | 359                         | 392                            |
| <b>Total gross Scope 1, Scope 2 (location) &amp; Scope 3 emissions / tCO<sub>2</sub>e</b>                                                                                                                        | <b>5,567</b>                | <b>6,145</b>                   |

## Energy Efficiency

For the year 2025 Raytheon Systems Limited completed the following energy efficiency project:

- At the Harlow site, the process of converting fluorescent light fittings to LED began. The ground floor conversion was partially completed, and the remainder of the site is due to be converted in 2026.

On behalf of the Board



Julie Anne Finlayson  
Director  
29 June 2026

## Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

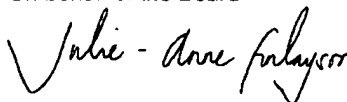
Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently.
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements.
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

On behalf of the Board



Julie Anne Finlayson  
Director  
29 June 2026



# **Independent auditors' report to the members of Raytheon Systems Limited**

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

### **Opinion**

In our opinion, Raytheon Systems Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise:

- the Statement of Financial Position as at 31 December 2025;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements which include a description of the significant accounting policies.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## **Conclusions relating to going concern**

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 when the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

## **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

## **Strategic Report and Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

## **Responsibilities for the financial statements and the audit**

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

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### ***Auditors' 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 auditors' 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 (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to defence procurement and export controls, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as relevant tax legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in judgements and accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance, including consideration of any known or suspected instances of non-compliance with laws and regulations and fraud;

- Reviewing minutes of meetings of those charged with governance;
- Performing procedures over unusual journal entries;
- Challenging assumptions made by management in determining their judgements and accounting estimates;
- Designing audit procedures to incorporate unpredictability into our testing; and
- Review of financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### ***Use of this report***

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

*Robert Wilkinson*

Robert Wilkinson (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
29 June 2026



## Statement of Comprehensive Income for the year ended 31 December 2025

|                                                    |      | 2025      | 2024      |
|----------------------------------------------------|------|-----------|-----------|
|                                                    |      | Total     | Total     |
|                                                    | Note | £'000     | £'000     |
| <b>Revenue</b>                                     | 2    | 517,651   | 728,963   |
| Cost of sales                                      |      | (436,016) | (539,177) |
| <b>Gross profit</b>                                |      | 81,635    | 189,786   |
| Distribution costs                                 |      | (5,375)   | (5,449)   |
| Administrative expenses                            |      | (23,374)  | (33,029)  |
| <b>Operating profit</b>                            |      | 52,886    | 151,308   |
| Income from shares in group undertakings           | 4    | 74,616    | 60,182    |
| Net finance income                                 | 4    | 15,739    | 13,720    |
| <b>Profit before taxation</b>                      | 5    | 143,241   | 225,210   |
| Income tax expense                                 | 6    | (651)     | (3,582)   |
| <b>Profit for the financial year</b>               |      | 142,590   | 221,628   |
| <b>Other comprehensive expense</b>                 |      |           |           |
| Actuarial loss on pension scheme                   | 16   | (7,054)   | (6,305)   |
| Movement in deferred tax relating to pension asset | 7    | 1,764     | 1,576     |
| <b>Total comprehensive income for the year</b>     |      | 137,300   | 216,899   |

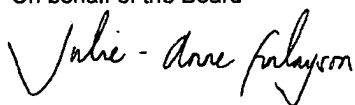
The notes on pages 20 to 36 form an integral part of these financial statements.

## Statement of Financial Position as at 31 December 2025

|                                                                        |      | 2025      |         | 2024      |         |
|------------------------------------------------------------------------|------|-----------|---------|-----------|---------|
|                                                                        | Note | £'000     | £'000   | £'000     | £'000   |
| <b>Fixed assets</b>                                                    |      |           |         |           |         |
| Intangible assets                                                      | 8    | 2,300     |         | 2,645     |         |
| Property, plant and equipment                                          | 9    | 30,095    |         | 31,934    |         |
| Investments                                                            | 10   | 167,861   |         | 167,861   |         |
|                                                                        |      |           | 200,256 |           | 202,440 |
| <b>Current assets</b>                                                  |      |           |         |           |         |
| Inventories                                                            | 11   | 10,150    |         | 13,524    |         |
| Trade and other receivables                                            | 12   | 331,727   |         | 519,945   |         |
| Cash and cash equivalents                                              |      | 1,207     |         | 1,684     |         |
| Pension asset                                                          | 16   | 10,355    |         | 18,758    |         |
|                                                                        |      | 353,439   |         | 553,911   |         |
| Trade and other payables: amounts falling due within one year          | 13   | (186,085) |         | (194,902) |         |
| <b>Net current assets</b>                                              |      |           | 167,354 |           | 359,009 |
| <b>Total assets less current liabilities</b>                           |      |           | 367,610 |           | 561,449 |
| Trade and other payables: amounts falling due after more than one year | 14   | (105)     |         | (125)     |         |
| <b>Provisions for liabilities</b>                                      | 15   | (63,465)  |         | (105,184) |         |
| <b>Net assets</b>                                                      |      |           | 304,040 |           | 456,140 |
| <b>Equity</b>                                                          |      |           |         |           |         |
| Called up share capital                                                | 17   | 240,042   |         | 240,042   |         |
| Retained earnings                                                      |      | 63,998    |         | 216,098   |         |
| <b>Total equity</b>                                                    |      |           | 304,040 |           | 456,140 |

The notes on pages 20 to 36 form an integral part of these financial statements. The Financial Statements on pages 17 to 36 were authorised for issue by the Board of Directors and signed on its behalf by:

On behalf of the Board



Julie Anne Finlayson  
Director  
29 June 2026

## Statement of Changes in Equity for the year ended 31 December 2025

|                                                | Called up share capital | Retained earnings | Total equity     |
|------------------------------------------------|-------------------------|-------------------|------------------|
|                                                | £'000                   | £'000             | £'000            |
| <b>Balance as at 1 January 2024</b>            | <b>240,042</b>          | <b>(801)</b>      | <b>239,241</b>   |
| Profit for the financial year                  | -                       | 221,628           | 221,628          |
| Other comprehensive expense for the year       | -                       | (4,729)           | (4,729)          |
| <b>Total comprehensive income for the year</b> | <b>-</b>                | <b>216,899</b>    | <b>216,899</b>   |
| <b>Balance as at 31 December 2024</b>          | <b>240,042</b>          | <b>216,098</b>    | <b>456,140</b>   |
| Profit for the financial year                  | -                       | 142,590           | 142,590          |
| Dividend paid                                  | -                       | (289,400)         | (289,400)        |
| Other comprehensive expense for the year       | -                       | (5,290)           | (5,290)          |
| <b>Total movement for the year</b>             | <b>-</b>                | <b>(152,100)</b>  | <b>(152,100)</b> |
| <b>Balance as at 31 December 2025</b>          | <b>240,042</b>          | <b>63,998</b>     | <b>304,040</b>   |

The notes on pages 20 to 36 form an integral part of these financial statements.

# Notes to the Financial Statements for the year ended 31 December 2025

## Note 1. Principal accounting policies

### General information

Raytheon Systems Limited is a major supplier of electronic systems, products, components and associated support services to the defence and commercial markets, both in the United Kingdom and overseas. The Company is a private Company limited by shares and is incorporated, registered and domiciled in the United Kingdom. The address of its registered office is Kao One, Kao Park, Harlow, Essex, England, CM17 9NA.

### Statement of compliance

The individual financial statements of Raytheon Systems Limited have been prepared in compliance with United Kingdom Accounting Standards, comprising Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

### Summary of significant accounting policies

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.

### Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, except for where required, certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the Companies Act 2006. The preparation of financial statements in conformity with FRS 102 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.

### Going concern

The financial statements have been prepared on the basis that the Company is a going concern. The Directors believe that the cash flow forecasts support this assumption. The Directors have undertaken reviews of the business financial forecasts, to assess whether the Company has adequate resources to continue in operational existence for at least twelve months from the date of signing these financial statements and continue to adopt the going concern basis of accounting.

For assessing going concern, the Directors considered a period to December 2027 against the base case budget. The Directors also considered severe but plausible downside scenarios which are sensitivities run against the base case budget which include a reduction in revenues to assess the impact on the Company's working capital position. In each scenario the Company would have access to intergroup facilities for the necessary funds.

As disclosed in note 12 Trade and other receivables, in 2022 the Company entered into the Internal Group Cash Management Agreements with Silver Aero Limited and UT

(UK) Limited. This results in the Company's cash balances being transferred into a cash pool arrangement. Following entering this Internal Group Cash Management Agreement, the Company meets its day to day working capital requirements through this cash pooling arrangement of Silver Aero Limited and UT (UK) Limited which is centrally managed by our ultimate parent undertaking.

The Directors have considered a number of factors, including the terms of the cash pool arrangement, current balance sheet position and available liquidity as well as the principal and emerging risks affecting the broader RTX group in assessing the Company's ability to access the cash pool arrangement.

Based on the Directors' assessment of the recoverability of financial assets, the Directors are of the opinion that the Company has adequate resources to continue in operational existence to enable the Company to meet its day to day working capital requirements through this cash pooling arrangement for a period of at least 12 months from the date of signing the Company's financial statements for the year ended 31 December 2025 and therefore the going concern basis has been adopted in preparing the financial statements.

### Exemptions for qualifying entities under FRS 102

The Company is a qualifying entity as per FRS 102, as it is a member of a group that prepares publicly available financial statements, in which that member is consolidated. The Company has taken advantage of the following disclosure exemptions of FRS 102 paragraph(s):

- 1.12 (a) of section 1 - reconciliation of the number of shares outstanding at the beginning and end of the prior year
- 1.12 (b) of section 1 - statement of cash flows
- 1.12 (c) of section 1 - financial instruments as the information is included in the consolidated financial statements
- 1.12 (e) of section 1 - key management compensation in total
- 33.1 (a) and 33.7 of section 33 - related party transactions disclosures
- The requirements of 29.28(b) and section 29.29 of Section 29 – International Tax Reform – Pillar Two Model Rules.

## Note 1. Principal accounting policies (continued)

### Accounting judgements and estimation uncertainty

In applying its accounting policies, the Company has made estimates and assumptions concerning the future, which may differ from the related actual outcomes around revenue recognition, defined benefit obligations, onerous contract provisions and taxation. 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. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

### Estimates and assumptions

#### Revenue recognition

The Company estimates the contract price at contract inception, including any variable consideration, and updates the estimates each reporting period for any changes in circumstances.

The Company uses the input method to recognise revenue over the life of the contract for both product and service revenue. Under the input method, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. The Company has a standard and disciplined quarterly Estimate at Completion (EAC) process in which management reviews the progress and execution of performance obligations. Revenue is recorded proportionately as costs are incurred. Estimates of revenue, costs or extent of progress are reviewed through the EAC process.

The Company also has Time and Material contracts where revenue is recognised based on billings. The input method may be used where this is not materially different to revenue recognised based on billings.

#### Defined benefit obligations

The Defined benefit pension scheme accounting valuation is prepared by an independent actuary. The liabilities of the pension scheme are valued based on a number of actuarial assumptions relating to the future. These key assumptions are assessed regularly according to market conditions and data available to management. Further information is provided in note 16.

The asset recognised in the statement of financial position in respect of the defined benefit plan is the fair value of the plan assets at the reporting date less the present value of the defined benefit obligation at the end of the reporting date. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds and that have terms approximating the estimated period of the future payments ('discount rate').

#### Onerous contract provision

As a consequence of various governments lifting licencing bans in August 2024, some of which have been in place since 2020, and the subsequent issuance of critical licences and

regulatory approvals, the Company in 2024 restarted work under contract with an ultimate Middle Eastern customer and has continued to perform under this contract through 2025.

As a result of the macroeconomic changes between initial contract award in 2017, the restart of the programme in 2024 and through the work performed on the contract in 2025 the contract continues to be forecast to be a loss-making contract. The remaining contract loss provision at the year ending 31 December 2025 is £45.3m (2024: £86.7m). During the year £35.3m has been released from the provision as more information has become available in regards to the expected costs to deliver the contract. This provision will be utilised over the remaining lifecycle of the contract.

Material changes in the estimates of revenue and costs, including allowances for technical and other risks could affect the valuation of this contract loss provision; however, the volume, scale, complexity and long-term nature of the contract mean that potential sensitivities would be wide ranging.

### Consolidated financial statements

The Company is a wholly owned subsidiary of Raytheon United Kingdom Limited and of its ultimate parent RTX Corporation. It is included in the consolidated financial statements of RTX Corporation which are publicly available. Therefore, the Company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are the Company's separate financial statements.

#### Revenue recognition

The revenue of the Company is generated by providing various goods and services to a variety of customers. These goods and services include training, state-of-the-art electronics, mission systems and other capabilities in the areas of National Security, Sensors, Weapons, Training, Intelligence Surveillance & Reconnaissance and Space.

The Company determines the appropriate revenue recognition for its contracts with customers by analysing the type, terms and conditions of each contract or arrangement with a customer. The Company defines "product" revenue as revenue from activities that are associated with the design, development or production of tangible assets, the delivery of software code or a specific capability. Service revenue is revenue associated with service contracts, which are those that do not provide for physical or electronic delivery of a Raytheon-produced or manufactured deliverable, software code or capability design.

The Company estimates the contract price at contract inception, including any variable consideration, and updates the estimates each reporting period for any changes in circumstances. Contract modification resulting in change orders are accounted for as it were part of the original contract. Accordingly, a cumulative revenue catch-up adjustment is accounted for at the time of contract modification.

## Note 1. Principal accounting policies (continued)

The Company uses the input method to recognise revenue over the life of the contract for both product and service revenue. Under the input method, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. The Company has a standard and disciplined quarterly Estimate at Completion (EAC) process in which management reviews the progress and execution of performance obligations. Revenue is recorded proportionately as costs are incurred. Estimates of revenue, costs or extent of progress are reviewed through the EAC process. Where circumstances change, any resulting impact is recognised in profit and loss in the period where the circumstances arise. Where it is probable that a loss will arise from a contract, the excess of total costs over revenue is recognised as an expense immediately. Consideration is due to the Company upon completion of agreed milestones and the payment terms within the individual contracts.

### Amounts recoverable on contracts

*Amounts recoverable on contracts* represents the cumulative revenue recognised on a contract less billing to date. *Payments on account* represents a situation where billings to date exceed revenue recognised on a contract to date.

### Pension asset

The asset recognised in the statement of financial position in respect of the defined benefit plan is the fair value of the plan assets at the reporting date less the present value of the defined benefit obligation at the end of the reporting date. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds and that have terms approximating the estimated period of the future payments ('discount rate').

### Employee 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.

### Taxation

Taxation expense for the year comprises current and deferred taxes recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred taxation assets and liabilities are not discounted.

### Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax

assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

### Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Provisions are established where appropriate based on amounts expected to be paid to the tax authorities.

In June 2025, a review was conducted of the accounting for the sharing of tax losses as group relief within the RTX group for nil value and in particular the potential for deemed distributions where the company has insufficient distributable reserves during the relevant accounting period. It was determined that there would be no deemed distribution in respect of the transfer of tax losses until the group relief allocation for the relevant year becomes final 2 years after the accounting period in which the tax losses arise. The Company had positive distributable reserves when the FY 2022 and FY2023 group relief allocations became final, in FY2024 and FY2025. The Company also surrendered tax losses for nil consideration during the years 2020 to 2023. The Company did not have sufficient distributable reserves at the time the deemed distributions for 2020 to 2021 were finalised in FY 2022 and FY 2023 respectively. However, since the Company was in a positive distributable reserves position as of FY 2024, this matter has been remediated such that no further action is required.

### Intangible assets

**Computer software** - Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of between three and ten years, on a straight-line basis. Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired. Useful life of Enterprise Resource Planning software is a maximum of 10 years all other software is four years.

**Goodwill** - Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values of the Company's interest in identified net assets, liabilities and contingent liabilities acquired. Goodwill is amortised on a straight-line basis over its expected useful life. Goodwill acquired prior to transition to FRS 102 will continue to be amortised over 10 years. Where it

# Notes to the Financial Statements for the year ended 31 December 2025

## Note 1. Principal accounting policies (continued)

is not possible to make a reliable estimate of useful life, goodwill will be amortised over a period not exceeding 5 years.

Goodwill is assessed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable. Impairment losses are charged to the statement of comprehensive income.

### Tangible Assets

Expenditure on tangible fixed assets is capitalised at cost plus any incidental costs of acquisition.

**Depreciation and residual values** - Land is not depreciated. Depreciation is calculated to write off the cost of fixed assets on a straight-line basis or a reducing balance basis over the expected useful economic lives of the assets concerned which are as follows:

|                                        |                                                             |
|----------------------------------------|-------------------------------------------------------------|
| Leasehold land and buildings           | Lesser of period of lease or useful life of the improvement |
| Freehold buildings                     | 30 Years                                                    |
| Fixture, fittings, tools and equipment | 7-10 Years                                                  |
| Plant and machinery                    | 7-10 Years                                                  |
| Aircraft                               | 10 Years                                                    |

**Assets in the course of construction** - Assets in the course of construction are stated at cost. These assets are not depreciated until available for use.

**Operating leased assets** - Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

**Lease incentives** - Incentives received to enter into an operating lease are credited to the statement of comprehensive income on a straight-line basis over the period of the lease. The Company has taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS 102 (1 January 2014) and continues to credit such lease incentives to the statement of comprehensive income over the lease term or, if shorter, over the period to the first review date on which the rent is adjusted to market rates.

### Impairment of non-financial assets

At each statement of financial position date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit). Impairment losses are charged to the statement of comprehensive income if required.

### Investments

Investments in subsidiary companies are held at cost less accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the statement of comprehensive income.

### Inventories

Inventories are stated at the lower of cost and net realisable value. Inventories are recognised as an expense in the period in which the related revenue is recognised. Cost is determined on the First In First Out method. The cost includes the purchase price and transport and handling costs directly attributable to bringing the inventory to its present location and condition. The cost of manufactured finished goods and work in progress includes design costs, raw materials, direct labour and other direct costs and related production overheads (based on normal operating capacity).

Where necessary, provision is made for obsolete, slow moving and defective stocks. At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the statement of comprehensive income. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the statement of comprehensive income.

### Cash and cash equivalents

Cash and cash equivalents includes cash at bank and other short-term highly liquid investments with original maturities of three months or less which are readily accessible at an earlier date if deemed necessary. The Company operates within a cash pool arrangement with the wider Group. Cash and cash equivalents held in the cash pool arrangement are included within debtors. Amounts falling due within one year per the repayment terms of the agreement.

### Government grants

Grants that relate to specific capital expenditure are treated as deferred income which is then credited to the statement of comprehensive income over the related asset's useful life. Revenue-based grants are credited to the statement of comprehensive income in the same period as the corresponding expenditure is charged.

### Research and development expenditure

Research and development expenditure is expensed in the year in which it is incurred.

### Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be estimated reliably.

# Notes to the Financial Statements for the year ended 31 December 2025

## Note 1. Principal accounting policies (continued)

### Financial instruments

As a qualifying entity under FRS 102, Raytheon Systems Limited is able to take an exemption from presenting financial instrument disclosure requirements of FRS 102 sections 11 and 12, as a result of equivalent disclosures being included in the ultimate parent company (RTX Corporation) Group financial statements which consolidate the entity.

### Financial assets

Basic financial assets, including trade and other receivables, amounts owed by Group undertakings, cash and cash equivalents and amounts recoverable on contracts are recognised at transaction price.

### Derivatives

The Company enters into forward foreign exchange contracts, with a group company, which are derivatives and are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the statement of comprehensive income. The Company does not currently apply hedge accounting for foreign exchange derivatives.

### Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally

enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds. Preference shares are classified as equity when the entity has an unconditional right to avoid settling a contractual obligation.

### Distributions to equity holders

Dividends and other distributions to the Company's shareholder are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholder. These amounts are recognised in the statement of changes in equity.

### Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned. The Company has taken advantage of the disclosure exemption of FRS 102 and therefore has not disclosed key management personnel compensation in total.

## Note 2. Revenue

|                              | 2025           | 2024           |
|------------------------------|----------------|----------------|
|                              | £'000          | £'000          |
| United Kingdom               | 300,076        | 473,242        |
| North America                | 201,488        | 202,436        |
| Asia/Pacific                 | 1,214          | 5,831          |
| South America                | 131            | 1,445          |
| Middle East and North Africa | 1,604          | 12,816         |
| Rest of Europe               | 13,138         | 33,193         |
| <b>Total</b>                 | <b>517,651</b> | <b>728,963</b> |

| Principal activities                         | 2025           | 2024           |
|----------------------------------------------|----------------|----------------|
|                                              | £'000          | £'000          |
| Intelligence Surveillance and Reconnaissance | 35,811         | 57,183         |
| National Security                            | 52,070         | 85,620         |
| Sensors                                      | 58,516         | 55,335         |
| Space                                        | 1,661          | 1,345          |
| Training                                     | 74,876         | 53,304         |
| Weapons                                      | 294,717        | 476,176        |
| <b>Total</b>                                 | <b>517,651</b> | <b>728,963</b> |



# Notes to the Financial Statements for the year ended 31 December 2025

## Note 3. Directors' emoluments and employee information

|                                 | 2025  | 2024  |
|---------------------------------|-------|-------|
|                                 | £'000 | £'000 |
| <b>Directors' remuneration</b>  |       |       |
| Aggregate remuneration          | 970   | 1,159 |
| Compensation for loss of office | 240   | -     |
| Pension costs                   | 50    | 64    |

The aggregate remuneration of the highest paid director was £441k (2024: £283k). Pension contributions made on behalf of the highest paid director in the UK were £14k (2024: £19k). The pension costs attributable to other Directors during the year were £36k (2024: £45k). The highest paid director exercised share options during the year.

Some Directors' emoluments are borne by a fellow Group Company and have not been recharged. It is deemed impractical to allocate their remuneration between related parties for the purpose of disclosure.

The monthly average number of persons, including Executive Directors, employed by the Company during the year was as follows:

| <b>Employee Numbers</b>       | 2025         | 2024         |
|-------------------------------|--------------|--------------|
| By activity                   | No.          | No.          |
| Manufacturing and engineering | 1,311        | 1,302        |
| Marketing                     | 33           | 31           |
| Administration                | 561          | 574          |
| <b>Total</b>                  | <b>1,905</b> | <b>1,907</b> |

The aggregate payroll costs of the above were as follows:

|                       | 2025           | 2024           |
|-----------------------|----------------|----------------|
|                       | £'000          | £'000          |
| Wages and salaries    | 106,856        | 105,236        |
| Social security costs | 13,735         | 11,742         |
| Other pension costs   | 9,514          | 9,415          |
| <b>Total</b>          | <b>130,105</b> | <b>126,393</b> |

The Company provides a defined contribution scheme for some employees. The amounts recognised as an expense for the scheme were £9,514k (2024: £9,415k). The Company encourages employees to be involved in the overall profitability of the Company through a performance related bonus and share options.

## Notes to the Financial Statements for the year ended 31 December 2025

### Note 4. Finance and other income and expenses

|                                                        | 2025          | 2024          |
|--------------------------------------------------------|---------------|---------------|
|                                                        | £'000         | £'000         |
| <b>Interest receivable and similar income</b>          |               |               |
| On bank deposits and other interest income             | 2             | 6             |
| Net interest income on pension scheme assets (note 16) | 968           | 1,191         |
| On loans to group undertakings                         | 14,785        | 12,658        |
| <b>Total</b>                                           | <b>15,755</b> | <b>13,855</b> |
| <b>Income from shares in group undertakings</b>        |               |               |
| Dividends received                                     | 74,616        | 60,182        |

The Company received dividend income from Raytheon Australia Ltd of £73,319k (2024: £nil), Raytheon Canada Ltd £nil (2024: £58,038k), Raytheon Deutschland GmbH £1,297k (2024: £2,104k), Northern Space and Security Limited £nil (2024: £21k) and Raytheon Systems France S.A.R.L. £nil (2024: £19k).

|                                              | 2025      | 2024       |
|----------------------------------------------|-----------|------------|
|                                              | £'000     | £'000      |
| <b>Interest payable and similar expenses</b> |           |            |
| Other interest expense                       | 16        | 135        |
| <b>Total</b>                                 | <b>16</b> | <b>135</b> |

### Note 5. Profit before taxation

| <b>Profit before tax is stated after charging the following:</b>                  | 2025    | 2024  |
|-----------------------------------------------------------------------------------|---------|-------|
|                                                                                   | £'000   | £'000 |
| Depreciation of property, plant and equipment                                     | 6,301   | 6,984 |
| Amortisation of goodwill                                                          | 345     | 345   |
| Auditors' remuneration: audit fees                                                | 437     | 482   |
| Taxation compliance services *                                                    | 9       | 11    |
| Operating lease and short-term rentals for plant and machinery and motor vehicles | 511     | 633   |
| Operating lease rentals for land and buildings                                    | 2,444   | 2,742 |
| Research and development costs                                                    | 6,325   | 4,251 |
| Profit in derivative fair value changes                                           | (3,747) | (471) |

\* Fees payable to the companies auditors for other services. In addition to those tax services disclosed above, during the year our auditors provided £47k (2024: £43k) of tax compliance services to a subsidiary of Raytheon Systems Limited. These were paid for by Raytheon Systems Limited before being recharged directly to the subsidiary.

# Notes to the Financial Statements for the year ended 31 December 2025

## Note 6. Income tax expense

The tax charge is based on the taxable profit for the year and comprises:

|                                                | 2025           | 2024         |
|------------------------------------------------|----------------|--------------|
|                                                | £'000          | £'000        |
| <b>Current tax charge</b>                      |                |              |
| Overseas tax for the year                      | 69             | 3,023        |
| Adjustments in respect of prior years          | 1,598          | 897          |
| <b>Total current tax</b>                       | <b>1,667</b>   | <b>3,920</b> |
| <b>Deferred taxation</b>                       |                |              |
| Origination and reversal of timing differences |                |              |
| Prior year                                     | 140            | 463          |
| Current year                                   | (819)          | (631)        |
| Deferred tax: pensions                         | (337)          | (170)        |
| <b>Total deferred tax</b>                      | <b>(1,016)</b> | <b>(338)</b> |
| <b>Tax on profit</b>                           | <b>651</b>     | <b>3,582</b> |

The tax assessed for the year is lower (2024: lower) than the standard rate of the corporation tax in the UK.

|                                                                                                                       | 2025       | 2024         |
|-----------------------------------------------------------------------------------------------------------------------|------------|--------------|
|                                                                                                                       | £'000      | £'000        |
| Profit before taxation                                                                                                | 143,241    | 225,210      |
| Profit before taxation multiplied by the standard rate of corporation tax in the UK in 2025:<br>25.00% (2024: 25.00%) | 35,810     | 56,303       |
| <b>Effects of:</b>                                                                                                    |            |              |
| Research and development not taxed                                                                                    | 27         | (637)        |
| Expenses not deductible for tax purposes                                                                              | 155        | 495          |
| Capital allowances in excess of depreciation                                                                          | 457        | 612          |
| Pension contributions in excess of net pension cost                                                                   | 337        | 170          |
| Group relief                                                                                                          | (17,195)   | (42,068)     |
| Derivative fair value not taxed                                                                                       | (937)      | 171          |
| Adjustments in respect of prior years – current tax                                                                   | 1,598      | 897          |
| Income not taxed                                                                                                      | (18,654)   | (15,046)     |
| Foreign taxes                                                                                                         | 69         | 3,023        |
| Deferred tax                                                                                                          | (1,016)    | (338)        |
| <b>Total tax charge</b>                                                                                               | <b>651</b> | <b>3,582</b> |

In the Autumn Statement in November 2022, the government confirmed the increase in corporation tax rate to 25% from April 2023. Relevant deferred taxes at the balance sheet date have been measured using this enacted tax rate.

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023. The Company has applied the exception allowed by an amendment to IAS 12 to recognising and disclosing information about deferred tax assets and liabilities related to top-up income taxes.

The group is within the scope of the OECD Pillar Two model rules, which came into effect from 1 January 2024. Under the legislation, the group is liable to pay a top-up tax in the UK for the difference between the GloBE effective tax rate for each jurisdiction it operates in and the 15% minimum rate. In addition, top-up taxes are payable locally where qualifying domestic minimum top-up taxes have been legislated and are in effect.

The Company has continued to apply the exception from recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to Section 29 of FRS102 amendments in July 2023.

If the company were to have a Pillar Two top up tax liability under the Domestic Top-up Tax, the group intends to make an election such that this liability would be transferred to another UK group company.

## Notes to the Financial Statements for the year ended 31 December 2025

### Note 7. Deferred taxation

Deferred taxation accounted for in the statement of financial position of deferred taxation are:

|                                          | 2025 £'000<br>Pension | 2025 £'000<br>AGA | 2025 £'000<br>TOTAL | 2024 £'000<br>Pension | 2024 £'000<br>AGA | 2024 £'000<br>TOTAL |
|------------------------------------------|-----------------------|-------------------|---------------------|-----------------------|-------------------|---------------------|
| <b>Movement in Deferred Tax</b>          |                       |                   |                     |                       |                   |                     |
| Opening Balance                          | (4,689)               | (2,505)           | (7,194)             | (6,435)               | (2,673)           | (9,108)             |
| Movement - profit for the financial year | 337                   | 679               | 1,016               | 170                   | 168               | 338                 |
| Movement - other Comprehensive income    | 1,764                 | -                 | 1,764               | 1,576                 | -                 | 1,576               |
| Closing deferred tax liability           | (2,588)               | (1,826)           | (4,414)             | (4,689)               | (2,505)           | (7,194)             |

Deferred tax is calculated at the rates that will be in force in the respective years to the extent those rates have been substantively enacted.

### Note 8. Intangible assets

|                                 | Goodwill     | Computer Software | Total         |
|---------------------------------|--------------|-------------------|---------------|
|                                 | £'000        | £'000             | £'000         |
| <b>Cost</b>                     |              |                   |               |
| At 1 January 2024               | 4,745        | 12,798            | 17,543        |
| At 31 December 2024             | 4,745        | 12,798            | 17,543        |
| <b>At 31 December 2025</b>      | <b>4,745</b> | <b>12,798</b>     | <b>17,543</b> |
| <b>Accumulated amortisation</b> |              |                   |               |
| At 1 January 2024               | 1,755        | 12,798            | 14,553        |
| Charge for the year             | 345          | -                 | 345           |
| At 31 December 2024             | 2,100        | 12,798            | 14,898        |
| Charge for the year             | 345          | -                 | 345           |
| <b>At 31 December 2025</b>      | <b>2,445</b> | <b>12,798</b>     | <b>15,243</b> |
| <b>Net book value</b>           |              |                   |               |
| <b>At 31 December 2025</b>      | <b>2,300</b> | <b>-</b>          | <b>2,300</b>  |
| <b>At 31 December 2024</b>      | <b>2,645</b> | <b>-</b>          | <b>2,645</b>  |

## Notes to the Financial Statements for the year ended 31 December 2025

### Note 9. Property, plant and equipment

|                                 | Land and<br>buildings | Plant, Machinery,<br>Fixtures, Fittings, Tools<br>and Equipment | Aircraft      | Assets in the<br>course of<br>construction | Total          |
|---------------------------------|-----------------------|-----------------------------------------------------------------|---------------|--------------------------------------------|----------------|
|                                 | £'000                 | £'000                                                           | £'000         | £'000                                      | £'000          |
| <b>Cost</b>                     |                       |                                                                 |               |                                            |                |
| At 1 January 2024               | 30,002                | 76,783                                                          | 10,350        | 4,880                                      | 122,015        |
| Additions                       | -                     | -                                                               | -             | 2,113                                      | 2,113          |
| Transfers                       | 1,253                 | 2,005                                                           | -             | (3,258)                                    | -              |
| At 31 December 2024             | 31,255                | 78,788                                                          | 10,350        | 3,735                                      | 124,128        |
| Additions                       | -                     | -                                                               | -             | 5,912                                      | 5,912          |
| Disposals                       | -                     | -                                                               | -             | (700)                                      | (700)          |
| Transfers                       | -                     | 3,323                                                           | -             | (3,323)                                    | -              |
| <b>At 31 December 2025</b>      | <b>31,255</b>         | <b>82,111</b>                                                   | <b>10,350</b> | <b>5,624</b>                               | <b>129,340</b> |
| <b>Accumulated depreciation</b> |                       |                                                                 |               |                                            |                |
| At 1 January 2024               | 20,749                | 62,391                                                          | 2,070         | -                                          | 85,210         |
| Charge for the year             | 1,103                 | 4,846                                                           | 1,035         | -                                          | 6,984          |
| At 31 December 2024             | 21,852                | 67,237                                                          | 3,105         | -                                          | 92,194         |
| Impairment                      | -                     | -                                                               | 750           | -                                          | 750            |
| Charge for the year             | 1,010                 | 4,303                                                           | 988           | -                                          | 6,301          |
| <b>At 31 December 2025</b>      | <b>22,862</b>         | <b>71,540</b>                                                   | <b>4,843</b>  | <b>-</b>                                   | <b>99,245</b>  |
| <b>Net book value</b>           |                       |                                                                 |               |                                            |                |
| <b>At 31 December 2025</b>      | <b>8,393</b>          | <b>10,571</b>                                                   | <b>5,507</b>  | <b>5,624</b>                               | <b>30,095</b>  |
| At 31 December 2024             | 9,403                 | 11,551                                                          | 7,245         | 3,735                                      | 31,934         |

Included in the net book value of land and buildings above at 31 December 2025 are £890k of leasehold improvements (2024: £1,152k). The remainder of this balance comprises freehold land and buildings. Leasehold improvements for the Company are all in respect of short leaseholds. Transfers relate to assets that were in the course of construction that were stated at cost for which construction was completed during the year and the asset become available for use.

# Notes to the Financial Statements for the year ended 31 December 2025

## Note 10. Investments

|                                     | 2025    | 2024    |
|-------------------------------------|---------|---------|
|                                     | £'000   | £'000   |
| <b>Shares in group undertakings</b> |         |         |
| At 1 January                        | 167,861 | 167,882 |
| Impairment of investment            | -       | (21)    |
| At 31 December                      | 167,861 | 167,861 |

Northern Space & Security Limited was struck off on 12th March 2024 after paying a dividend of £21k to Raytheon Systems Limited. The company was impaired by £21k to £nil during 2024.

The Company owns 99.99% of Raytheon Global Technology India Private Limited. The remaining 0.01% is owned by Raytheon United Kingdom Limited, the immediate parent of Raytheon Systems Limited.

The Company owns the entire issued share capital of Raytheon Australia Ltd, Raytheon Canada Ltd, and Raytheon Deutschland GmbH.

The following table lists the direct subsidiaries of the Company as at 31 December 2025.

| Name of Company                                  | Nature of business | Country of incorporation | Descriptions of shares held                                                                        |
|--------------------------------------------------|--------------------|--------------------------|----------------------------------------------------------------------------------------------------|
| Raytheon Australia Ltd                           | Electronics        | Australia                | 10,477,047 fully paid ordinary shares                                                              |
| Raytheon Canada Ltd                              | Electronics        | Canada                   | 24,300 class "A" preference shares and 2,500 common shares                                         |
| Raytheon Global Technology India Private Limited | Electronics        | India                    | 1,649,835 ordinary shares of INR 10                                                                |
| Raytheon Deutschland GmbH                        | Electronics        | Germany                  | One share in the nominal amount of DM 28,000,000 and one share in the nominal amount of DM 100,000 |
| Rays of Light Trading & General Services LLC     | Non trading        | Iraq                     | Share capital 2,000,000 IQD                                                                        |

Registered address:

|                                                   |                                                                                                  |
|---------------------------------------------------|--------------------------------------------------------------------------------------------------|
| Raytheon Australia Ltd:                           | Brindabella Business Park, 4 Brindabella Circuit, Pialligo ACT 2609, Australia                   |
| Raytheon Canada Ltd:                              | 360 Albert Street, Suite 1640, Ottawa, Ontario, K1R 7X7, Canada                                  |
| Raytheon Global Technology India Private Limited: | 811, New Delhi House, Barakhamba Road, Connaught Place, New Delhi, Central Delhi DL 110001 India |
| Raytheon Deutschland GmbH:                        | Kulturstrasse 105, Freisin 85356, Germany                                                        |
| Rays of Light Trading & General Services LLC:     | Hay Al Wahida, Section 904, Street 68, Villa 1, Baghdad                                          |

The Directors believe that the carrying value of the investments is supported by future cash flows. In addition to the companies listed above, Raytheon Systems Limited owns the entire issued share capital of Raytheon Limited (dormant). The Company owns less than 1% of Raytheon Systems France S.A.R.L.

## Notes to the Financial Statements for the year ended 31 December 2025

### Note 11. Inventories

|                               | 2025          | 2024          |
|-------------------------------|---------------|---------------|
|                               | £'000         | £'000         |
| Raw materials and consumables | 3,993         | 3,210         |
| Work in progress              | 8,832         | 12,929        |
| Provision for impairment      | (2,675)       | (2,615)       |
| <b>Total</b>                  | <b>10,150</b> | <b>13,524</b> |

Inventory consists of both strategic purchases made to obtain favourable pricing arrangements and advance purchases made to mitigate product availability risk.

### Note 12. Trade and other receivables

|                                                      | 2025           | 2024           |
|------------------------------------------------------|----------------|----------------|
|                                                      | £'000          | £'000          |
| <b>Amounts falling due within one year:</b>          |                |                |
| Trade receivables                                    | 217            | 727            |
| Amounts owed by group undertakings                   | 35,005         | 23,862         |
| Cash pool loan and interest with Silver Aero Limited | 191,060        | 378,538        |
| Cash pool loan and interest with UT (UK) Limited     | 7,743          | 2,529          |
| Other receivables                                    | -              | 44             |
| Corporation tax                                      | 12,673         | 7,655          |
| Amounts recoverable on contracts *                   | 77,358         | 101,562        |
| Prepayments and accrued income                       | 7,671          | 5,028          |
| <b>Total</b>                                         | <b>331,727</b> | <b>519,945</b> |

Included within amounts owed by group undertakings are the foreign exchange contract derivatives measured at fair value at £3,368k (2024: creditor £379k). The increase in fair values of £3,747k (2024 decrease: £471k) is recognised in Administrative costs. Fair value was determined using valuation techniques that utilise an observable input in valuing the derivatives of forward exchange rates for GBP: USD, GBP: CAD, GBP: EUR and GBP: SAR

Amounts owed by group undertakings are unsecured and repayable on demand.

The Company has signed Internal Group Cash Management Agreements with Silver Aero Limited ("Pool Leader-GBP Cash Pool") and UT (UK) Limited ("Pool Leader-USD UK Cash Pool").

Each Pool Leader Loan Balance bears interest at a rate per annum equal to the Reference Interest Rate plus a margin per annum (the "Loan Margin") determined by the Pool Leader. The Loan Margin may be adjusted from time to time if such change is necessary from an economic perspective (e.g. in order to reflect changes of the refinancing costs of the Pool Leader or in case of the adjustment of the Reference Interest Rate).

The Silver Aero cash pool utilizes a reference rate of Sterling Base Rate as published from time to time (such as by Reuters), plus a margin of 0.25% per annum.

The UT (UK) Limited cash pool utilizes a reference rate of Secured Overnight Financing Rate (SOFR) plus a margin of 0.26% per annum.

These cash pooling arrangements are repayable on demand.

\*Of the £77,358k (2024: £101,562k) amounts recoverable on contract, £17,530k (2024: £12,731k) was billed as of the balance sheet date and £59,828k (2024: £88,831k) was unbilled at this date.

Prepayments and accrued income are predominately driven by payments in advance for facilities, rent, employee benefits and DT subscriptions.

## Notes to the Financial Statements for the year ended 31 December 2025

### Note 13. Trade and other payables: amounts falling due within one year

|                                    | 2025           | 2024           |
|------------------------------------|----------------|----------------|
|                                    | £'000          | £'000          |
| Payments received on account       | 116,140        | 141,591        |
| Trade payables                     | 22,713         | 16,919         |
| Amounts owed to group undertakings | 2,282          | 1,938          |
| Taxation and social security       | 3,289          | 2,384          |
| Accruals and deferred income       | 41,661         | 32,070         |
| <b>Total</b>                       | <b>186,085</b> | <b>194,902</b> |

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. Accruals and deferred income are predominately costs incurred yet to be invoiced.

Payments received on account are advance payments from customers.

Also included within Accruals and deferred income is £6,272k (2024: £3,542k) related to VAT.

Payments received on account are advance payments from customers.

### Note 14. Trade and other payables: amounts falling due after more than one year

|                   | 2025       | 2024       |
|-------------------|------------|------------|
|                   | £'000      | £'000      |
| Government grants | 105        | 125        |
| <b>Total</b>      | <b>105</b> | <b>125</b> |

### Note 15. Provisions for liabilities

|                               | 2025<br>£'000<br>Deferred<br>tax | 2025<br>£'000<br>Contract<br>loss<br>provision | 2025<br>£'000<br>TOTAL | 2024<br>£'000<br>Deferred tax | 2024<br>£'000<br>Contract<br>loss<br>provision | 2024<br>£'000<br>TOTAL |
|-------------------------------|----------------------------------|------------------------------------------------|------------------------|-------------------------------|------------------------------------------------|------------------------|
| <b>Movement in provisions</b> |                                  |                                                |                        |                               |                                                |                        |
| Opening balance               | 7,194                            | 97,990                                         | 105,184                | 9,108                         | 3,918                                          | 13,026                 |
| (Credit)/charge for year      | (2,780)                          | (24,109)                                       | (26,889)               | (1,914)                       | 98,443                                         | 96,529                 |
| Utilised during the year      | -                                | (14,830)                                       | (14,830)               | -                             | (4,371)                                        | (4,371)                |
| Closing balance               | 4,414                            | 59,051                                         | 63,465                 | 7,194                         | 97,990                                         | 105,184                |

The contract loss provisions represent the Company's best estimate of foreseeable expected losses under various contractual agreements.



# Notes to the Financial Statements for the year ended 31 December 2025

## Note 16. Pension asset

The Raytheon Systems Limited Pension Scheme (RSLPS) is a final salary defined benefit scheme operated by the Company in the UK for staff and Directors. A full actuarial valuation for the scheme was carried out at 5 April 2021 and updated to 31 December 2025 by a qualified independent actuary. The projection continues to be based on membership data at 5 April 2021 as this member data was still used for the statutory funding valuation at 5 April 2024 due to the scheme being fully insured with a bulk annuity buy-in policy as explained below).

This projection involves rolling forward the results at the earlier date allowing for interest on the liabilities, the accrual of further benefits by active members, the actual benefits paid out and an estimate of the effect of any changes in the actuarial assumptions.

We have assumed that all other experience during the projection, apart from actual inflation, investment returns, contributions, benefit payments, administration expenses and insurance premiums, has been in line with the assumptions made at the start of the year.

The pension expense charged to the statement of comprehensive income makes no allowance for the actuarial gains and losses during the year. Actuarial gains and losses are recognised in other comprehensive income in the year that they occur.

During December 2023, the Company and the trustees of the Scheme transacted a buy-in policy with an insurance company called Just Group PLC. This policy provides income into the Scheme that is equal to the benefits due to be paid out to Scheme members. The policy will therefore remove all financial and demographic risk to the Company associated with the Scheme. (The exception to this is the cost of GMP equalisation, which has not yet been insured. It is likely to be insured by paying a top-up premium to Just Retirement Limited in due course.)

Also, over the course of 2023, the Scheme was closed to future accrual and the link between past service benefits and current salary was broken for active members. There is therefore no expected service cost for financial years from 1 January 2024 onward.

In accordance with paragraph 28.22 of FRS 102, the Company are of the view that they are able to recognise a plan surplus as a defined benefit plan asset as they believe they will be able to recover the surplus on the death of the last member. Hence, the disclosures have not been adjusted for any surplus that may arise.

|                                             | 2025     | 2024     |
|---------------------------------------------|----------|----------|
|                                             | £'000    | £'000    |
| <b>Change in defined benefit obligation</b> |          |          |
| Benefit obligation at beginning of year     | 345,326  | 374,127  |
| Interest cost                               | 18,290   | 17,469   |
| Benefit payments from plan assets           | (25,544) | (20,376) |
| Effects of changes in assumptions           | 832      | (27,125) |
| Effects of experience adjustments           | 1,072    | 1,231    |
| Benefit obligation at end of year           | 339,976  | 345,326  |

|                                                | 2025     | 2024     |
|------------------------------------------------|----------|----------|
|                                                | £'000    | £'000    |
| <b>Change in fair value of plan assets</b>     |          |          |
| Fair value of plan assets at beginning of year | 364,084  | 399,870  |
| Interest income on plan assets                 | 19,258   | 18,660   |
| Actuarial loss on plan assets                  | (5,150)  | (32,199) |
| Benefits paid                                  | (25,544) | (20,376) |
| Administrative expenses                        | (2,317)  | (1,871)  |
| Fair value of plan assets at end of year       | 350,331  | 364,084  |

# Notes to the Financial Statements for the year ended 31 December 2025

## Note 16. Pension asset (continued)

|                                                                  | 2025      | 2024      |
|------------------------------------------------------------------|-----------|-----------|
|                                                                  | £'000     | £'000     |
| <b>Amounts recognised in the statement of financial position</b> |           |           |
| Defined benefit obligation                                       | (339,976) | (345,326) |
| Fair value of plan assets                                        | 350,331   | 364,084   |
| Funded status                                                    | 10,355    | 18,758    |
| Deferred tax                                                     | (2,588)   | (4,689)   |
| Net funded status                                                | 7,767     | 14,069    |

|                                                                                        | 2025     | 2024     |
|----------------------------------------------------------------------------------------|----------|----------|
|                                                                                        | £'000    | £'000    |
| <b>Cost relating to defined benefit plan</b>                                           |          |          |
| Interest expense on DBO                                                                | 18,290   | 17,469   |
| Interest income on plan assets                                                         | (19,258) | (18,660) |
| Total net interest income                                                              | (968)    | (1,191)  |
| Administrative expenses and/or taxes (not reserved within DBO)                         | 2,317    | 1,871    |
| Total pension cost recognised in the profit and loss                                   | 1,349    | 680      |
| Effect of changes in assumptions                                                       | 832      | (27,125) |
| Effect of experience adjustments                                                       | 1,072    | 1,231    |
| Return on plan assets (excluding interest income)                                      | 5,150    | 32,199   |
| Total remeasurements included in other comprehensive income                            | 7,054    | 6,305    |
| Total pension expense recognised in the profit and loss and other comprehensive income | 8,403    | 6,985    |

|                                      | 2025    | 2024    |
|--------------------------------------|---------|---------|
|                                      | £'000   | £'000   |
| <b>Plan assets</b>                   |         |         |
| Fair value of plan assets:           |         |         |
| Cash and cash equivalents            | 5,649   | 2,574   |
| Equity Instruments *                 | -       | 8,048   |
| Debt instruments *                   | 1,012   | 3,054   |
| Real estate *                        | 7,652   | 9,103   |
| Buy in policy with insurance company | 336,018 | 341,305 |
| Total                                | 350,331 | 364,084 |

\*Asset categories held through pooled investment vehicles.

|                              | 2025   | 2024     |
|------------------------------|--------|----------|
|                              | £'000  | £'000    |
| Actual return on plan assets | 14,108 | (13,539) |

## Notes to the Financial Statements for the year ended 31 December 2025

### Note 16. Pension asset (continued)

|                                                                                           | 2025            | 2024            |
|-------------------------------------------------------------------------------------------|-----------------|-----------------|
| <b>Weighted average assumptions used to determine benefit obligations at 31 December:</b> |                 |                 |
| Discount rate                                                                             | 5.50%           | 5.50%           |
| Rate of pensionable salary increase                                                       | 1.00%           | 1.00%           |
| RPI inflation rate                                                                        | 2.90%           | 3.10%           |
| CPI inflation rate                                                                        | 2.50%           | 2.60%           |
| Assumed life expectancy on retirement at age 65                                           | Years           | Years           |
| Retiring today (member aged 65)                                                           | 22.1(M)/24.0(F) | 21.4(M)/23.5(F) |
| Retiring in 20 years (member aged 45 today)                                               | 23.3(M)/25.5(F) | 22.7(M)/25.0(F) |

|                                                                                                                                            | 2025            | 2024            |
|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| <b>Weighted average assumptions used to determine cost relating to defined benefit plans within the Statement of Comprehensive Income:</b> |                 |                 |
| Discount rate                                                                                                                              | 5.50%           | 4.80%           |
| Rate of salary increase                                                                                                                    | 1.00%           | 1.00%           |
| RPI inflation rate                                                                                                                         | 3.10%           | 3.10%           |
| CPI inflation rate                                                                                                                         | 2.60%           | 2.50%           |
| Assumed life expectancy on retirement at age 65:                                                                                           | Years           | Years           |
| Retiring today (member aged 65)                                                                                                            | 21.4(M)/23.5(F) | 21.4(M)/23.5(F) |
| Retiring in 20 years (member aged 45 today)                                                                                                | 22.7(M)/25.0(F) | 22.7(M)/24.9(F) |

#### Contributions

The Company expects to contribute £nil (2024: £nil) to the plan during the annual year beginning after the reporting year.

### Note 17. Called up share capital

|                                                | 2025    | 2024    |
|------------------------------------------------|---------|---------|
|                                                | £'000   | £'000   |
| Authorised, allotted, called up and fully paid |         |         |
| 720,000,000 (2024: 720,000,000)                | 180,000 | 180,000 |
| A Preferred shares of £0.25 each               |         |         |
| 179,712,000 (2024: 179,712,000)                | 60,042  | 60,042  |
| Ordinary shares of £0.3341 each                |         |         |
|                                                | 240,042 | 240,042 |

"A preferred shares" have a preference on return of capital equal to the nominal value of the number of the "A preferred shares" held. Ordinary shares rank behind "A preferred shares" on return of capital. All other rights attached to the shares are equal. During 2025 the Company paid a dividend of £289,400k (2024: £nil).

### Note 18. Capital commitments

|                                                                                                            | 2025  | 2024  |
|------------------------------------------------------------------------------------------------------------|-------|-------|
|                                                                                                            | £'000 | £'000 |
| Capital expenditure that has been contracted for but has not been provided for in the financial statements | 1,967 | 4,184 |

# Notes to the Financial Statements for the year ended 31 December 2025

## Note 19. Financial commitments

At 31 December annual amounts payable under non-cancellable operating leases which fall due are as follows:

|                            | 2025          | 2024         |
|----------------------------|---------------|--------------|
|                            | £'000         | £'000        |
| Within one year            | 2,622         | 2,056        |
| Between two and five years | 6,781         | 5,611        |
| After five years           | 635           | 1,470        |
| <b>Total</b>               | <b>10,038</b> | <b>9,137</b> |

## Note 20. Ultimate Parent Company and other parent undertakings

As at 31 December 2025, the Directors regarded RTX Corporation (formerly known as Raytheon Technologies Corporation), which is incorporated in the United States of America, as the ultimate controlling party and ultimate parent company.

RTX Corporation is the smallest and largest group to consolidate these financial statements.

Copies of the latest annual report may be obtained from Corporate Communications, RTX Corporation, 1000 Wilson Blvd. Arlington, VA 22209. The immediate parent is Raytheon United Kingdom Limited.

## Note 21. Related party transactions

The Company is exempted under the terms of FRS 102 (Related Party Disclosures) from disclosure of related party transactions with fellow subsidiaries or its ultimate parent company as it is a wholly owned subsidiary of RTX Corporation. Consolidated financial statements of the Company's ultimate controlling company, RTX Corporation, which is incorporated in the United States of America, are publicly available for inspection.

## Note 22. Contingent liabilities

Contingent liabilities in respect of indemnities and guarantees relating to the due performance of contracts amount to £1,004k (2024: £990k).

The Directors do not consider that a loss will arise to the Company from these contracts as a result of the above arrangements.

At the date of signing the financial statements, the directors considered an ongoing legal case between Virgin Media Limited v NTL Pension Trustees II Limited where an appeal against the High Court ruling in July 2024 was unsuccessful. The ruling means the directors are now further considering the potential impact of this judgement on the company's defined benefit pension scheme and have included this as a contingent liability in these financial statements until further details are known.

On 29 April 2026, the Pension Schemes Act 2026 was implemented. This legislation allows scheme actuaries to provide retrospective written actuarial confirmation for amendments made between 6 April 1997 and 5 April 2016 where actuarial approval was not obtained at the time. While the Trustees and Directors are currently assessing the impact of this new legislation, and the ultimate effect is not yet known, it is expected that the legislation will reduce the risk of any contingent liability.

**Prepared by:**  
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