

Company Registration No. 2030483 (England and Wales)

BRIGGS & STRATTON UK LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 JUNE 2004



birdLuckin

BRIGGS & STRATTON UK LIMITED

COMPANY INFORMATION

Directors	JE Brenn M Schoen B Peachey C Twinem
Secretary	B Peachey
Company number	2030483
Registered office	Unit 10 Ashton Gate, Ashton Road, Harold Hill, Romford Essex Great Britain RM3 8UF
Auditors	Bird Luckin Burntwood House 7 Shenfield Road Brentwood Essex CM15 8AF
Business address	Unit 10 Ashton Gate Ashton Road Harold Hill Romford Essex RM3 8UF
Bankers	Barclays Bank Plc 75 High Street Brentwood Essex CM14 4RP
Solicitors	Wortley Byers Cathedral Place Brentwood Essex CM14 4ES

BRIGGS & STRATTON UK LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 12

BRIGGS & STRATTON UK LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 27 JUNE 2004

The directors present their report and financial statements for the period ended 27 June 2004.

Principal activities

The principal activity of the company continued to be that of internal combustion engines and related parts for the outdoor equipment industry on behalf of group companies. From 1 July 2003 this also included the marketing of power products on behalf of Briggs & Stratton AG.

Directors

The following directors have held office since 30 June 2003:

JE Brenn
M Schoen
B Peachey
C Twinem

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	27 June 2004	30 June 2003
JE Brenn	-	-
M Schoen	-	-
B Peachey	-	-
C Twinem	-	-

Auditors

Bird Luckin were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

BRIGGS & STRATTON UK LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 27 JUNE 2004

Directors' responsibilities


Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board


.....
B P Peachey
Secretary
4 May 2005

BRIGGS & STRATTON UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BRIGGS & STRATTON UK LIMITED

We have audited the financial statements of Briggs & Stratton UK Limited on pages 5 to 12 for the period ended 27 June 2004. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

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

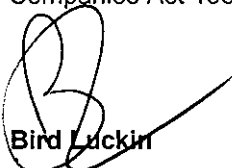
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

BRIGGS & STRATTON UK LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF BRIGGS & STRATTON UK LIMITED

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 27 June 2004 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Bird Luckin

Chartered Accountants
Registered Auditor

12/5/05.....

Burntwood House
7 Shenfield Road
Brentwood
Essex
CM15 8AF

BRIGGS & STRATTON UK LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 27 JUNE 2004

		52 Weeks ended 27 June 2004 £	52 Weeks 29 June 2003 £
	Notes		
Administrative expenses		(2,272,994)	(656,575)
Other operating income		2,490,705	867,008
Operating profit	3	217,711	210,433
Other interest receivable and similar income	4	2,905	-
Interest payable and similar charges		(7,383)	-
Profit on ordinary activities before taxation		213,233	210,433
Tax on profit on ordinary activities	5	(26,942)	(8,266)
Profit on ordinary activities after taxation		186,291	202,167
Dividends		-	40,000
Retained profit for the period		186,291	242,167

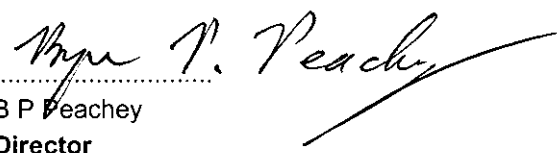
BRIGGS & STRATTON UK LIMITED

BALANCE SHEET AS AT 27 JUNE 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	6		154,535		190,327
Current assets					
Debtors	7	1,729,653		373,775	
Cash at bank and in hand		144,267		923,574	
		<u>1,873,920</u>		<u>1,297,349</u>	
Creditors: amounts falling due within one year	8	<u>(1,478,452)</u>		<u>(1,123,964)</u>	
Net current assets			395,468		173,385
Total assets less current liabilities			550,003		363,712
Provisions for liabilities and charges	9		(13,890)		(13,890)
			<u>536,113</u>		<u>349,822</u>
Capital and reserves					
Called up share capital			100,000		100,000
Profit and loss account			436,113		249,822
Shareholders' funds	12		<u>536,113</u>		<u>349,822</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 10th March 2005


B P Peachey
Director

BRIGGS & STRATTON UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 JUNE 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	over the life of the lease
Plant and machinery	5 - 50% straight-line
Motor vehicles	25% reducing balance

1.4 Leasing

All leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term even if payments are not made on such a basis.

1.5 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the period in accordance with FRS 17.

1.6 Deferred taxation

Corporation tax payable is provided on taxable profits at the current rate. Advance corporation tax payable on dividends paid or provided for in the year is written off, except when recoverability against corporation tax is considered to be reasonably assured. Credit is taken for advance corporation tax written off in previous years when it is recovered against corporation tax liabilities. Full provision is made for deferred tax on all material timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or the right to pay less, tax in the future have occurred at the balance sheet date. Deferred tax assets are recognised where their recovery is considered more likely than not in that there will be suitable taxable profits from which the reversal of underlying timing differences or unutilised tax losses can be deducted. Deferred tax is calculated on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences or unutilised losses reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date.

1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.8 Financial year

The financial statements are made up to the Sunday nearest to 30 June each year. Periodically this results in a financial year of 53 weeks. The financial years of the company ending 27 June 2004 and 29 June 2003 consist of 52 weeks.

BRIGGS & STRATTON UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 JUNE 2004

1 Accounting policies (continued)

1.9 Commissionaire Status

Briggs & Stratton UK Limited is a commissionaire for Briggs & Stratton Switzerland. The company receives commission equal to the costs which are directly related to the Commission Merchant's activities plus a profit mark up. As such the company records a turnover of £nil.

1.10 Other operating income

Other operating income represents sales commission receivable from other group undertakings.

2 Segmental information

All the company's income and profit are earned in the UK and the directors consider that the company has a single class of business - that of the distribution of engines and related parts sourced from other group undertakings to manufacturers, hire outlets and service specialists in the garden machinery and industrial tooling industries.

3 Operating profit	2004 £	2003 £
Operating profit is stated after charging:		
Depreciation of tangible assets	85,458	26,094
Auditors' remuneration	8,000	7,000
Directors' emoluments	77,471	67,498

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2003 - 1).

4 Investment income	2004 £	2003 £
Bank interest	2,905	-

5 Taxation	2004 £	2003 £
Domestic current year tax		
U.K. corporation tax	26,942	8,266
Current tax charge	26,942	8,266

BRIGGS & STRATTON UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 JUNE 2004

6 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 30 June 2003	84,034	209,253	293,287
Additions	4,505	45,345	49,850
Disposals	-	(11,921)	(11,921)
	<hr/>	<hr/>	<hr/>
At 27 June 2004	88,539	242,677	331,216
	<hr/>	<hr/>	<hr/>
Depreciation			
At 30 June 2003	31,463	71,497	102,960
On disposals	-	(11,736)	(11,736)
Charge for the period	8,812	76,645	85,457
	<hr/>	<hr/>	<hr/>
At 27 June 2004	40,275	136,406	176,681
	<hr/>	<hr/>	<hr/>
Net book value			
At 27 June 2004	48,264	106,271	154,535
	<hr/>	<hr/>	<hr/>
At 29 June 2003	52,571	137,756	190,327
	<hr/>	<hr/>	<hr/>

7 Debtors

	2004 £	2003 £
Amounts owed by group undertakings and undertakings in which the company has a participating interest	1,523,668	203,398
Other debtors	205,985	170,377
	<hr/>	<hr/>
	1,729,653	373,775
	<hr/>	<hr/>

BRIGGS & STRATTON UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 JUNE 2004

8 Creditors: amounts falling due within one year	2004	2003
	£	£
Bank loans and overdrafts	729,474	-
Trade creditors	244,575	43,343
Amounts owed to group undertakings and undertakings in which the company has a participating interest	-	715,027
Taxation and social security	284,345	36,402
Other creditors	220,058	329,192
	<u>1,478,452</u>	<u>1,123,964</u>
9 Provisions for liabilities and charges		Other
		£
Balance at 30 June 2003 & at 27 June 2004		<u>13,890</u>
9 Pension costs		
Defined contribution		
	2004	2003
	£	£
Contributions payable by the company for the period	<u>73,865</u>	<u>(82,822)</u>
10 Share capital	2004	2003
	£	£
Authorised		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

BRIGGS & STRATTON UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 JUNE 2004

11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 30 June 2003	249,822
Retained profit for the period	186,291
Balance at 27 June 2004	<u>436,113</u>

12 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Profit for the financial period	186,291	202,167
Dividends	-	40,000
Net addition to shareholders' funds	<u>186,291</u>	<u>242,167</u>
Opening shareholders' funds	349,822	107,655
Closing shareholders' funds	<u>536,113</u>	<u>349,822</u>

13 Financial commitments

At 27 June 2004 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2004 £	2003 £	2004 £	2003 £
Expiry date:				
Within one year	-	-	8,399	-
Between two and five years	-	-	22,171	20,521
In over five years	110,186	50,186	-	-
	<u>110,186</u>	<u>50,186</u>	<u>30,570</u>	<u>20,521</u>

14 Directors' emoluments

	2004 £	2003 £
Emoluments for qualifying services	<u>77,471</u>	<u>67,498</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2003- 1).

BRIGGS & STRATTON UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 JUNE 2004

15 Employees

Number of employees

The average monthly number of employees (including directors) during the period was:

	2004 Number	2003 Number
Total employees	21	16

Employment costs

	£	£
Wages and salaries	1,055,567	368,896
Social security costs	55,230	48,181
Other pension costs	73,865	(82,822)
	1,184,662	334,255

16 Control

The company is a wholly owned subsidiary of Briggs & Stratton Corporation, incorporated in the State of Wisconsin in the USA.

This is both the immediate and ultimate parent company. The financial statements of the company are included in the consolidated financial statements of Briggs & Stratton Corporation, which are available to the public from the Department of the Corporate Secretary, Post Office Box 702, Milwaukee, Wisconsin 53201, USA.

17 Related party transactions

No related party transactions have been disclosed as the company has taken advantage of the exemption under FRS8, Related Party Disclosures, on the basis that it is a 100% owned subsidiary of a company for which consolidated financial statements are publicly available.

BRIGGS & STRATTON UK LIMITED
MANAGEMENT INFORMATION
FOR THE PERIOD ENDED 27 JUNE 2004

birdluckin

BRIGGS & STRATTON UK LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 27 JUNE 2004

	52 Weeks ended 27 June 2004		52 Weeks 29 June 2003	
	£	£	£	£
Administrative expenses		(2,272,994)		(656,575)
		<u>(2,272,994)</u>		<u>(656,575)</u>
Other operating income				
Commissions received as other op income		2,490,705		867,008
		<u>217,711</u>		<u>210,433</u>
Operating profit				
		217,711		210,433
Other interest receivable and similar income				
Bank interest received		2,905		-
Interest payable				
Other interest paid		(7,383)		-
		<u>(7,383)</u>		<u>-</u>
Profit before taxation	21323300.00	213,233	21043300.00	210,433
	%	<u><u></u></u>	%	<u><u></u></u>

BRIGGS & STRATTON UK LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE PERIOD ENDED 27 JUNE 2004

	52 Weeks ended 27 June 2004 £	52 Weeks 29 June 2003 £
Administrative expenses		
Wages and salaries (excl. N.I.)	978,096	316,248
Directors' remuneration	77,471	52,648
Employer's N.I. contributions	55,230	48,181
Staff pension costs	73,865	(82,822)
Staff training	1,123	60
Rent re operating leases	73,232	48,442
Rates	38,109	22,244
Insurance	45,266	26,681
Manufacturing	376,986	-
Light and heat	5,756	4,470
Repairs and maintenance	51,688	36,982
Printing, postage and stationery	37,018	15,128
Advertising	23,992	-
Telephone	43,486	10,457
Computer running costs	11,921	2,739
Hire of equipment	43,395	26,651
Motor running expenses	58,520	26,948
Travelling expenses	92,507	21,250
Entertaining	4,154	3,673
Legal and prof fees	61,436	21,324
Audit fees	8,000	7,000
Bank charges	8,647	2,706
Bad and doubtful debts	19,244	(93)
Profit/loss on foreign currency	(148,189)	(3,171)
Staff welfare	18,836	14,363
Sundry expenses - allowable	121,614	-
Subscriptions	8,058	3,561
Amortisation on long leasehold	8,812	8,762
Depreciation on plant and machinery	74,522	13,792
Depreciation on motor vehicles	2,124	3,540
Profits/losses on disp of tangibles	(1,925)	4,811
	<u>2,272,994</u>	<u>656,575</u>