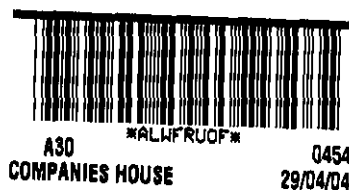


Company Registration No. 2030483 (England and Wales)

BRIGGS & STRATTON U.K. LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 JUNE 2003



Bird Luckin

BRIGGS & STRATTON U.K. LIMITED

COMPANY INFORMATION

Directors	JE Brenn M Schoen B P Peachey C Twinem (Appointed 1 September 2002)
Secretary	B P 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
Bankers	Barclays Bank Plc 75 High Street Brentwood Essex CM14 4RP
Solicitors	Wortley Byers Cathedral Place Brentwood Essex CM14 4ES

BRIGGS & STRATTON U.K. 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 - 14

BRIGGS & STRATTON U.K. LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 29 JUNE 2003

The directors present their report and financial statements for the period ended 29 June 2003.

Principal activities and review of the business

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.

The results for the period and the financial position at the period end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

On 29 June 2003 the company acquired certain assets and liabilities of Generac Portable Products UK (a branch of Briggs & Stratton Power Products Group LLP).

Results and dividends

The results for the period are set out on page 5.

Post balance sheet events

From 1 July 2003 the company commenced marketing power products on behalf of Briggs & Stratton AG pursuant to the Commission Merchant Agreement effective December 1997.

Directors

The following directors have held office since 1 July 2002:

JE Brenn	
M Schoen	
HA Keltz	(Resigned 1 September 2002)
B P Peachey	
C Twinem	(Appointed 1 September 2002)

Directors' interests

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

	Ordinary shares of £ 1 each	
	29 June 2003	1 July 2002
JE Brenn	-	-
M Schoen	-	-
B P 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 U.K. LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 29 JUNE 2003

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.

On behalf of the board



.....
B P Peachey

Director

23.4.2004..

BRIGGS & STRATTON U.K. LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BRIGGS & STRATTON U.K. LIMITED

We have audited the financial statements of Briggs & Stratton U.K. Limited on pages 5 to 14 for the period ended 29 June 2003. These financial statements have been prepared 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 U.K. LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF BRIGGS & STRATTON U.K. LIMITED

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 29 June 2003 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

27/4/04

Burntwood House
7 Shenfield Road
Brentwood
Essex
CM15 8AF

BRIGGS & STRATTON U.K. LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 29 JUNE 2003

		52 Weeks ended 29 June 2003 £	30 June 2002 £
	Notes		
Administrative expenses		(656,575)	(718,191)
Other operating income		867,008	790,050
		<hr/>	<hr/>
Profit on ordinary activities before taxation	3	210,433	71,859
Tax on profit on ordinary activities	4	(8,266)	(101)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		202,167	71,758
Dividends		40,000	(40,000)
		<hr/>	<hr/>
Retained profit for the period		242,167	31,758
		<hr/>	<hr/>

The profit and loss account has been prepared on the basis that all operations are continuing operations.


There are no recognised gains and losses other than those passing through the profit and loss account.

BRIGGS & STRATTON U.K. LIMITED

BALANCE SHEET AS AT 29 JUNE 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	5		190,327		118,973
Current assets					
Debtors	6	373,775		272,706	
Cash at bank and in hand		923,574		90,491	
		1,297,349		363,197	
Creditors: amounts falling due within one year	7	(1,123,964)		(227,625)	
Net current assets			173,385		135,572
Total assets less current liabilities			363,712		254,545
Provisions for liabilities and charges	8		(13,890)		(146,890)
			349,822		107,655
Capital and reserves					
Called up share capital			100,000		100,000
Profit and loss account			249,822		7,655
Shareholders' funds - equity interests	11		349,822		107,655

The financial statements were approved by the Board on 23/04/04


B P Peachey
Director

BRIGGS & STRATTON U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 JUNE 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group and the consolidated financial statements are available publicly.

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	10 - 33% 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 arise, 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.

BRIGGS & STRATTON U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 JUNE 2003

1 Accounting policies

(continued)

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 30 June 2002 and 29 June 2003 consist of 52 weeks.

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

	2003	2002
	£	£

Operating profit is stated after charging:

Depreciation of tangible assets	26,094	25,557
Loss on disposal of tangible assets	4,811	62
Operating lease rentals	48,442	51,295
Auditors' remuneration	7,000	10,500

and after crediting:

Profit on foreign exchange transactions	(3,171)	-
---	---------	---

BRIGGS & STRATTON U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 JUNE 2003

4	Taxation	2003 £	2002 £
	Domestic current year tax		
	U.K. corporation tax	8,266	101
	Current tax charge	<u>8,266</u>	<u>101</u>
	Factors affecting the tax charge for the period		
	Profit on ordinary activities before taxation	<u>210,433</u>	<u>71,859</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2002: 30.00%)	<u>63,130</u>	<u>21,558</u>
	Effects of:		
	Non deductible expenses	2,183	1,754
	Depreciation add back	9,272	7,697
	Capital allowances	(10,009)	(12,033)
	Adjustments to previous periods	(39,900)	-
	Dividends and distributions received	(2)	(2)
	Other tax adjustments	(16,408)	(18,873)
		<u>(54,864)</u>	<u>(21,457)</u>
	Current tax charge	<u>8,266</u>	<u>101</u>

BRIGGS & STRATTON U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 JUNE 2003

5 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 July 2002	86,674	97,562	36,195	220,431
Additions	200	103,258	-	103,458
Disposals	(2,840)	(18,767)	(8,995)	(30,602)
At 29 June 2003	84,034	182,053	27,200	293,287
Depreciation				
At 1 July 2002	23,773	55,711	21,974	101,458
On disposals	(1,072)	(16,676)	(6,844)	(24,592)
Charge for the period	8,762	13,792	3,540	26,094
At 29 June 2003	31,463	52,827	18,670	102,960
Net book value				
At 29 June 2003	52,571	129,226	8,530	190,327
At 30 June 2002	62,901	41,851	14,221	118,973

6 Debtors

	2003 £	2002 £
Amounts owed by parent and fellow subsidiary undertakings	203,398	214,149
ACT recoverable	16,448	12,559
Other debtors	7,528	-
Prepayments and accrued income	146,401	45,998
	<u>373,775</u>	<u>272,706</u>

BRIGGS & STRATTON U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 JUNE 2003

7	Creditors: amounts falling due within one year	2003 £	2002 £
	Trade creditors	43,343	36,084
	Amounts owed to parent and fellow subsidiary undertakings	715,027	-
	Corporation tax	24,673	18,840
	Other taxes and social security costs	11,729	118,586
	Other creditors	-	3,115
	Accruals and deferred income	329,192	11,000
	Proposed dividend	-	40,000
		<u>1,123,964</u>	<u>227,625</u>

8 Provisions for liabilities and charges

	Pension obligations (see note) £	Other £	Total £
Balance at 1 July 2002	133,000	13,890	146,890
Profit and loss account	(133,000)	-	(133,000)
	<u>-</u>	<u>13,890</u>	<u>13,890</u>
Balance at 29 June 2003	-	13,890	13,890

A deferred tax asset of £97,516 (2002: £113,965) relating to surplus ACT has not been recognised in the accounts. This is because it cannot be considered more likely than not that there will be available taxable profits from which the future reversal of the underlying timing differences can be deducted.

On 8 May 2000 the Trustees of Briggs & Stratton UK Limited Retirement Benefit Scheme elected to wind up the scheme with effect from 30 June 2000. At that time estimated costs of £133,000 to complete the winding up were provided in the company's financial statements.

The winding up of the scheme was completed on 7 July 2003, and a final valuation was carried out. It became evident that the scheme had sufficient funds to meet the transfer requirements of the remaining members and no further liability falls upon the company. Therefore, the directors no longer consider a provision of £133,000 to be appropriate has so the provision has been released and is included in Administrative Expenses.

BRIGGS & STRATTON U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 JUNE 2003

9 Pension costs

Defined Benefit

The company operates a defined benefit pension scheme providing benefits based on final pensionable salary.

On 8 May 2000 the Trustees elected to wind up the scheme with effect from 30 June 2000 and all benefits ceased to accrue for members at that date.

At 30 June 2002 the net assets of the scheme were £495,670 and consisted of a Deposit Administration Insurance Contract underwritten by AXA Sun Life Plc. At that date there were 16 members who still had to transfer out of the scheme.

The most recent actuarial valuation was at 1 July 1998 and valued the assets at £781,400, there has been no further valuations due to the current situation of the scheme.

Since the Trustee's put the scheme into wind up prior to the full implementation of Financial Reporting Standard 17 and the wind up was completed on 7 July 2003, the company has not provided the full disclosure required under Financial Reporting Standard 17.

Defined contribution

	2003 £	2002 £
Contributions payable by the company for the period	(82,822)	47,163

10 Share capital

	2003 £	2002 £
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	100,000	100,000

BRIGGS & STRATTON U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 JUNE 2003

11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 July 2002	7,655
Retained profit for the period	242,167
Balance at 29 June 2003	<u>249,822</u>

12 Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Profit for the financial period	202,167	71,758
Dividends	40,000	(40,000)
Opening shareholders' funds	<u>107,655</u>	<u>75,897</u>
Closing shareholders' funds	<u>349,822</u>	<u>107,655</u>

13 Financial commitments

At 29 June 2003 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2003 £	2002 £	2003 £	2002 £
Expiry date:				
Between two and five years	-	-	20,521	18,417
In over five years	<u>50,186</u>	<u>50,186</u>	<u>-</u>	<u>-</u>
	<u>50,186</u>	<u>50,186</u>	<u>20,521</u>	<u>18,417</u>

14 Directors' emoluments

	2003 £	2002 £
Emoluments for qualifying services	<u>67,498</u>	<u>49,113</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2002- 1).

BRIGGS & STRATTON U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 JUNE 2003

15 Employees

Number of employees

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

	2003 Number	2002 Number
Total employees	16	16

Employment costs

	£	£
Wages and salaries	368,896	332,878
Social security costs	48,181	35,194
Other pension costs	(82,822)	47,163
	334,255	415,235

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.

16 Post balance sheet events

On 29 June 2003, the company acquired certain assets and liabilities of Generac Portable Products UK, a branch of the parent company.

From 1 July 2003, the company commenced marketing power products, formally marketed by Generac Portable Products UK, on behalf of Briggs & Stratton AG pursuant to the Commission Merchant Agreement effective December 1997.