

Company Registration No 3163864 (England and Wales)

J.E.M. ENTERPRISES LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2007

TUESDAY



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COMPANIES HOUSE

J.E.M. ENTERPRISES LIMITED

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J.E.M. ENTERPRISES LIMITED

INDEPENDENT AUDITORS' REPORT TO J.E.M. ENTERPRISES LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of J E M Enterprises Limited for the year ended 31 December 2007 prepared under section 226 of the Companies Act 1985

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an auditors' report on abbreviated accounts 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

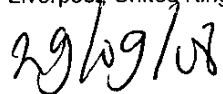
Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.



Deloitte & Touche LLP

Chartered Accountants and
Registered Auditors
Liverpool, United Kingdom



J.E.M. ENTERPRISES LIMITED


ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 2007

	Notes	2007 £	£	2006 £	£
Fixed assets					
Investments	2		934,832		934,832
Current assets					
Debtors		100		100	
Cash at bank and in hand		47		47	
Net current assets			147		147
Total assets less current liabilities			934,979		934,979
Creditors amounts falling due after more than one year			(816,228)		(816,228)
NET ASSETS			118,751		118,751
Capital and reserves					
Called up share capital	3		250,100		250,100
Profit and loss account			(131,349)		(131,349)
SHAREHOLDERS' FUNDS			118,751		118,751

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

Approved by the Board for issue on 15 September 2008


S Rogers
Director

J.E.M. ENTERPRISES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2007

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 January 2007)

1 2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1 3 Investments

Fixed asset investments are stated at cost less provision for diminution in value

2 Fixed assets

	Investments £
Cost	
At 1 January 2007 & at 31 December 2007	934,832
Net book value	
At 31 December 2006 & at 31 December 2007	934,832

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
K & N Filters (Europe) Limited	United Kingdom	Ordinary £1 shares	100 00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and reserves 2007 £	Profit for the year 2007 £
K & N Filters (Europe) Limited	Principal activity Air filters and air intake systems	1,420,737	72,075

J.E.M. ENTERPRISES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

3	Share capital	2007 £	2006 £
	Authorised		
	100 Ordinary shares of £1 each	100	100
	620,000 Preference shares of £1 each	620,000	620,000
		<u>620,100</u>	<u>620,100</u>
	Allotted, called up and fully paid		
	100 Ordinary shares of £1 each	100	100
	250,000 Preference shares of £1 each	250,000	250,000
		<u>250,100</u>	<u>250,100</u>

The preference shares of £1 have priority over the ordinary shares of £1 each in respect of the declaration and payment of any dividend. The preference shares of £1 each carry no entitlement to attend, speak or vote at the general meetings of the company.

Upon occurrence of certain events, each preference share of £1 shall immediately convert into an ordinary share of £1 each which will rank equally with the ordinary shares of £1 each then in issue.

In the event of a winding up of the company the holders of the preference shares of £1 each shall receive (in proportion to the number of ordinary shares of £1 each held by them) all unpaid arrears and accruals of any dividend declared and payable upon such shares together with an amount equal to the aggregate amount paid, or credited as paid up, in respect of each ordinary share of £1 each held by them. The holders of the ordinary shares of £1 each (in proportion to the numbers of preference shares of £1 each held by them) shall receive all unpaid arrears and accruals of any dividend payable upon such shares together with an amount equal to the aggregate amount paid, or credited as paid up, in respect of each preference share of £1 each held by them.

Any remaining distribution on winding up will be paid to holders of preference shares (pro-rata to their holdings of ordinary shares) up to a maximum of £10,000,000 and thereafter any amounts available for distribution shall be distributed to the holders of ordinary shares and preference shares (pro-rata to their total shareholdings in the company).

4 Ultimate parent company

The ultimate parent undertaking is K & N Engineering Inc, a company incorporated in the United States of America. The results of J E M Enterprises Limited are included in the group accounts of K & N Engineering Inc. These financial statements may be obtained from the company's registered office.

The ultimate controlling party is J. Mall by virtue of his shareholding in K & N Engineering Inc.