

THE KING & SHAXSON FUND PLC
(Investment Company with Variable Capital)

INTERIM REPORT & UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008

Registered Number 415070

THE KING & SHAXSON FUND PLC

TABLE OF CONTENTS

Management and Administration	2
Investment Manager's Report	3-7
Unaudited Schedule of Investments	
KS Ethical Green Solutions Fund	8-10
KS Ethical Balanced Income Fund	11-13
Unaudited Balance Sheet	14-15
Unaudited Profit and Loss Account	16-17
Unaudited Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares	18-19
Notes forming part of the Unaudited Financial Statements	20-40
Unaudited Portfolio Movements	
KS Ethical Green Solutions Fund	41
KS Ethical Balanced Income Fund	42

THE KING & SHAXSON FUND PLC

MANAGEMENT AND ADMINISTRATION

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All Directors are non-executive

*Independent Director

THE KING & SHAXSON FUND PLC
INVESTMENT MANAGER'S REPORT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008

Economic and Market Commentary

At the close of business on Monday October 6th the global equity markets had just experienced one of the worst falls since the 1987 crash and the markets continued downwards for the rest of the week. When we wrote our last report in April, comparisons were drawn with the stagflation of the 1970s. Today these comparisons are being made with the depression of the 1930s. Although we anticipated a difficult summer and autumn in our April report, no one thought things would unfold as badly as they have in last few weeks.

What has happened in the markets has been a reflection of two factors: deteriorating economic expectations and a sharp rise in economic fear as the sub-prime crisis has begun to bite; and the unwinding of leveraged trades as hedge funds have sold equity holdings to fund redemptions.

Looking at these two aspects in turn, it is clear the financial crisis has morphed into an economic crisis and, sadly, the real economy has been hit far harder than anticipated. Money is the oil to the world's economic wheels and the prolonged seizure of the money markets has inflicted damage not only on the banking system and housing market, as already clearly seen, but also on industry and commerce, as project finance becomes both scarce and more expensive. Corporate bonds and floating rates notes have continued to remain weak despite lower interest rate expectations, as risk premiums have skyrocketed.

It is now almost certain that we will have an economic slowdown, as a rapid decline in consumption in the West leads to less production in the developing world and lower demand for natural resources. The economic slowdown is a fact and a recession is now highly likely. The question is how deep will any recession be and how long it will last. This in turn depends on interest rates and government action.

The rescue packages for banks and money markets will impact at some stage in the near future. At the moment it is too soon to predict the impact of these measures, but once money markets begin to operate properly again we will see a limited return of confidence to markets however, we see the global economy remaining slow for some time.

It is also important not to under-estimate how much of the recent sell off is due to technical factors such as the hedge fund redemptions, especially after the end of September, as this was a quarter end. Some estimates are that over a trillion US dollars are being redeemed and this has had an enormous impact on equity markets, in particular as funds are forced to sell equities either to fund redemptions or reduce their borrowings (many hedge funds borrow money to invest more and increase returns).

Over the last twelve months, equity and property markets have fallen very sharply (by 28.3% for the FTSE All Share and by 40% for the AIM index since 5th October 2007) wiping out a great deal of investors wealth and confidence. A year ago no one would have expected major banks to fail in Europe, the US and the UK, and for three UK high street banks to be effectively nationalised. This has been an exceptional year and the global economic outlook is bleak, with unemployment and economic uncertainty only now beginning to rise. Unemployment is a lagging indicator and over the coming six to nine months we do not expect the news to improve, but for the longer term we see this as a time to invest.

Our strategy over the last year has been to invest more in international equities and we have seen this enhance performance as sterling has fallen against the US Dollar and the Euro. There is room for sterling to still fall further in the short term as UK interest rates still have some way to fall. With UK equities we continue to favour defensive investments and in particular public transport or companies with larger overseas exposure, where the UK is not the key profit generator. We have had very limited investments in banks and we intend to keep our bank investments to a minimum in the medium term.

THE KING & SHAXSON FUND PLC
INVESTMENT MANAGER'S REPORT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008
(CONTINUED)

KS ETHICAL GREEN SOLUTIONS FUND

Until recently the higher risk ethical funds had enjoyed some immunity to market gyrations, but a falling oil price, higher finance costs, and concerns about how much government support would be available have all taken their toll.

About a third of the fund is invested in the renewable energy sector with stocks ranging from large renewable electricity generators, like EDF Energie Nouvelles and Iberdrola Renovables, to small hydro and biomass producers like Greenko in India. This sector was hard hit with falls between 12% and 55%. Three events hit this sector in particular, first was the falling oil price as the market retreated from the highs of around \$150 per barrel at the end of June to US\$ 90. This reduced some of the marginal investment in this sector and also deterred investors reminiscent of the early 1980s when renewable energy had a false dawn after the last oil price shock. Longer term we feel the oil price will be irrelevant to renewable fuel as supply security and clean energy will become more important. The second event to hit the wind and solar industry hard was a cap in subsidies from some key countries such as Spain. As the whole sector relies on government support through pricing, this unnerved the market further as business plans became more marginal. Finally worries increased about financing for renewable projects as a result of the credit crunch, but we see this as short-term blip.

We continue to remain invested in other key ethical areas, such as public transport, where growth remains strong. We are also invested in healthcare, organic food, environmental and clean air, waste, recycling and water. Many of these sectors are still overlooked in our view. Water has been under pressure as the building sector falls and waste and recycling still has some regulatory uncertainty.

This has been a difficult six months, with distractions about financing blurring the bigger picture, however we remain optimistic for the future for many of the Green Solutions sectors.

We enclose profiles on some of the companies held within the fund and where we made either new or further investments during the period, we also added Applied Materials and Deere, which are profiles under the Balanced Income fund.

Sabesp (Solutions based – water services)

Sabesp supplies and treats water in the Sao Paulo state of Brazil. The company is majority owned by the state and has helped to reduce the infant mortality rate from the horrific levels of the early 1970s to the more acceptable levels of today. Sabesp is engaged in education programmes to properly manage water resources and is one of the constituents in the Brazilian social responsibility index.

National Express (Solutions-based – transport)

National Express is best known for its coach operations, but it is also a major train operator in the UK with several franchises. It also operates in the US mainly through its student transport and public transit divisions, although it also manages the first privately operated airport in the USA. However, the latter constitutes a very small percentage of turnover and profit, so we consider the benefits of its bus and train operations to outweigh the environmental effects of its airport management activities. The company has a highly targeted environmental and social report which was commended by Stephen Joseph of pressure group, Transport 2000. The company has undertaken climate change risk appraisal in Scotland and was the only public transport company to be successful in joining the Carbon Trust's carbon management pilot programme. National Express has also compared the carbon emissions impact of its operations on a per passenger kilometre basis and is committed to reducing its emissions per passenger mile travelled.

THE KING & SHAXSON FUND PLC

INVESTMENT MANAGER'S REPORT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008

(CONTINUED)

KS ETHICAL GREEN SOLUTIONS FUND (continued)

Greenko (Solutions based – renewable energy)

Greenko is the fastest growing alternative energy producer in India, a country where a rapidly increasing energy demand and energy security needs are creating a real need for such energy. The company generates energy from wind, hydro and biomass sources in India and is also active in selling green energy direct to companies as well as to the grid, and in carbon offsetting. Greenko is also engaged in energy efficient lighting programmes, biogas based cooking gas supply and cooperative processing platforms, such as rice mills.

Ceramic Fuel Cells (Solutions-based – fuel cells)

CFCL is an Australian developer of fuel cell systems based on solid oxide fuel cell (SOFC) technology that deliver reliable, energy efficient, high-quality, low-emission electricity from natural gas, LPG, methane and other alternative and renewable fuels. The company is initially focused on products that can be manufactured into small-scale on-site power generators. A micro Combined Heat and Power unit that co-generates electricity and hot water for domestic use is expected to be one of the first applications of CFCL's SOFC technology. CFCL is initially focused on an existing and growing micro-CHP market in Europe and will then move into other growing micro-CHP markets in Asia and North America.

Enfis (solutions-based – LED technology)

Enfis is now a global leader in the design, development and manufacture of intelligent and energy efficient Light Emitting Diode (LED) arrays and smart light engines. So-called solid state light technology looks set to replace the traditional incandescent lamps with attendant huge reductions in its carbon footprint. Its products combine the numerous advantages of LEDs as a light source with thermal management technology, that extends its use to a number of "challenging applications". The LED power-packaging technologies are integrated into systems to deliver light where it's needed in a reliable and controllable manner, with applications including forensic investigation, food safety, environmentally superior coating technologies, material testing, dentistry, endoscopes, wound disinfection, operation room lighting and, of course, energy efficient lighting in buildings.

KS ETHICAL BALANCED INCOME FUND

All three of the asset classes produced a negative return during the period and although government bonds rose slightly, corporate bonds fell in price, as they were perceived to be more risky. Towards the end of the period the yields on some of these bonds became attractive enough for us to increase our investment by adding the Firstgroup and Scottish and Southern Energy Bonds to the fund with yields of over 8% and 6.5% respectively. As we feel there will be further interest rate cuts in the coming months we have increased our asset allocation to bonds from 30.8% of the fund to 37.7%. (March 31st to September 30th 2008 – source King & Shaxson).

In Equities we have continued to move away from the UK and increase our exposure to North American and European equities. This has helped performance as sterling has fallen against both currencies and in the short term we feel sterling will fall further. In the UK we have continued to invest in more defensive sectors such as public transport as well as companies with strong overseas earnings. We still feel equities offer the best long term investment prospects and many of the UK equity investments have high dividend yields. About 50% of the fund remains invested in equities. One area that has suffered has been our exposure to renewable generation, where doubts about government subsidies and credit costs have impacted the wind and renewable energy companies.

THE KING & SHAXSON FUND PLC
INVESTMENT MANAGER'S REPORT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008
(CONTINUED)

KS ETHICAL BALANCED INCOME FUND (continued)

We have remained flat in our asset allocation to property, and our exposure remains split between the UK and Europe. The attractive yields on the UK investments (which we feel is relatively secure) make holding the investments attractive. We feel it will be some time before there is an increase in investor appetite for property and prefer to keep our asset allocation in the low teens.

Having had so much bad news priced in to the ethical arena as well as all asset classes we feel investments in the fund are attractively priced at these levels.

Below are some ethical profiles on some of the new investments made during the period, we also added National Express to the fund and this is profiled in the Green Solutions Fund investments:

Nationwide (Acceptable – finance)

Nationwide is the largest remaining mutual building society and has since made a virtue out of this. As a mutual, the society is owned by its members. It is also bound by the Building Societies Act to apply most of its assets to residential property lending rather than lending to businesses and the attendant ethical connotations that this holds.

Allianz (Best of Sector – Insurance)

Allianz is a global insurer, bank and investment management company based in Germany. Although much of its investment and banking operations share the same characteristics of most of its rivals (i.e. have no rigorous ethical criteria applying to the types of investment or business to which loans are made), Allianz does mark itself out through its leadership in terms of developing sustainable products and services. These include working with WWF to formulate a climate change action plan of some substance, reduced premiums for home insurance for energy efficient homes, major investment in renewable energy, micro-insurance in developing countries and a far-reaching supply chain policy. Allianz also partners with other organisations through its knowledge centre to research major sustainability issues. As a result of all these initiatives the company is regarded as a global sustainability leader in the insurance sector.

Applied Materials (Solutions-based – renewable energy, pollution abatement)

This US Company is a world leader in semi conductor technology but has recently developed new technology that promises to substantially reduce the cost of solar energy and thereby significantly increase its uptake. Technologies are based on nanotechnology which carries significant safety and environmental risks, but the way in which the company has employed its technology has been provisionally approved as being safe by the US National Institute for Occupational Health & Safety. The company has also taken several steps to reduce any inherent risks. There are many environmental benefits of Applied Material's coating technologies; notably reduced use of energy and the reduced use of other resources (especially silicon) for the same result. The company also audits its supply chain policy that incorporates health, safety and environmental issues at its manufacturing centres, both in the US and in the Far East.

Deere (Standard setter – agricultural machinery)

John Deere has a pedigree going back 170 years and over that time it has earned a well-deserved reputation for integrity, quality and commitment. In its current form the company not only manufactures agricultural machinery but produces lawn mowers and forestry equipment, and also has other minor interests which include sales of utility vehicles to the military, diesel engines and golf buggies. What sets the company apart is its ethos which is demonstrated in many different ways. For example, instead of keeping safety patents to itself it made the technology available to other companies so that the appalling injury and death rate from tractor accidents was reduced.

THE KING & SHAXSON FUND PLC
INVESTMENT MANAGER'S REPORT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008
(CONTINUED)

KS ETHICAL BALANCED INCOME FUND (continued)

Deere (Standard setter – agricultural machinery) (continued)

The company also pioneered the provision of affordable homes for its workers, offered a non-contributory pension scheme as early as 1907, and in the Great Depression and 1980s, maintained credit lines to customers rather than re-possessing goods as banks would have done. John Deere also has very strong environmental credentials including remanufacturing, whereby not only the material is saved, but all of the other resources such as energy, labour and engineering skill originally employed to make the part are fully recovered. Approximately 85% of the energy expended in the manufacture of the original product is preserved in the remanufactured product. There is a preference toward new products that have a favourable environmental or safety impact, such as machinery that reduces inputs, especially energy, and the company has also invested in a small-scale wind power business. Finally, John Deere has an unusually detailed and targeted environmental and social report for a US company.

THE KING & SHAXSON FUND PLC

KS ETHICAL GREEN SOLUTIONS FUND
 UNAUDITED SCHEDULE OF INVESTMENTS
 AS AT 30 SEPTEMBER 2008
 (expressed in Sterling)

Holdings	Investment	Fair Value GBP	% of Net Asset Value
	Transferable Securities		
	Equities		
	Basic Materials		
35,000	Plantic Technologies	8,050	0.51
2,000	Precious Woods Holding	38,297	2.44
		46,347	2.95
	Consumer Goods		
4,000	Cranswick	25,800	1.64
4,000	Interface	25,515	1.63
		51,315	3.27
	Consumer Services		
6,000	Arriva	41,520	2.65
6,000	FirstGroup	31,950	2.04
5,000	LKQ	47,575	3.03
51,000	MTR	83,283	5.30
2,500	National Express	20,050	1.28
		224,378	14.30
	Healthcare		
2,000	Brookdale Senior Living	24,292	1.55
220,000	Optiscan Imaging	17,524	1.12
3,000	Stratec Biomedical Systems	35,060	2.23
		76,876	4.90
	Industrial		
3,000	Arcadis	28,772	1.83
9,000	Augean	7,920	0.50
2,000	Canadian National Railway	53,668	3.42
12,000	CECO Enviornmental	26,593	1.69
125,000	Ceramic Fuel Cells	17,500	1.12
1,250	Deere & Company	34,713	2.21
25,000	Eaga	33,063	2.11
12,803	Enfis Group	9,474	0.60
2,500	Headwaters	18,724	1.19
10,000	Helesi	10,800	0.69
47,000	Hyflux	44,632	2.84

THE KING & SHAXSON FUND PLC

KS ETHICAL GREEN SOLUTIONS FUND
 UNAUDITED SCHEDULE OF INVESTMENTS
 AS AT 30 SEPTEMBER 2008
 (expressed in Sterling)
 (CONTINUED)

Holdings	Investment	Fair Value GBP	% of Net Asset Value
Transferable Securities (continued)			
Equities (continued)			
Industrial (continued)			
15,000	ITM Power	6,675	0.43
400	Manz Automation	36,669	2.34
14,000	Muehlhan	29,237	1.86
24,111	Nviro Cleantech	7,957	0.51
6,800	Polyfuel	408	0.03
3,500	Renesola	9,975	0.64
2,000	Roth & Rau	39,292	2.50
18,485	RPS Group	45,011	2.87
25,000	Shanks Group	47,438	3.02
7,200	Sims Group	88,005	5.61
5,500	Straight	1,815	0.12
750	Vestas Windsystems	35,686	2.27
28,090	Vycon	4,214	0.27
		638,241	40.67
Oil & Gas			
10,250	D1 Oils	2,306	0.15
3,500	Gamesa	66,196	4.22
		68,502	4.37
Technology			
4,000	Advanced Vision Technology	15,729	1.00
5,000	Applied Mats	42,442	2.70
4,450	INIT Innovation	22,829	1.46
		81,000	5.16
Utilities			
1,500	EDF Energies Nouvelle	934	0.06
3,000	3S Industries	31,523	2.01
2,000	Cia Saneamento Basico	31,675	2.02
1,500	EDF Energies Nouvelles	41,278	2.63
60,000	Flora EcoPower	47,756	3.04
15,000	Greenko Group	12,750	0.81
15,000	Iberdrola Renovables	36,053	2.30
31,250	Novera Energy	23,125	1.47

THE KING & SHAXSON FUND PLC
KS ETHICAL GREEN SOLUTIONS FUND
UNAUDITED SCHEDULE OF INVESTMENTS
AS AT 30 SEPTEMBER 2008
(expressed in Sterling)
(CONTINUED)

Holdings	Investment	Fair Value GBP	% of Net Asset Value
	Transferable Securities (continued)		
	Equities (continued)		
	Utilities (continued)		
1,500	Ormat Technologies	30,573	1.95
170,000	Polaris Geothermal	34,985	2.23
2,000	Renewable Energy	20,022	1.28
20,000	Rurelec	8,200	0.52
3,500	Theolia	20,741	1.32
		339,615	21.64
	Total Equities	1,526,274	97.26
	Corporate Bonds		
30,000	First Group 6.125% 18/01/2019	25,247	1.61
	Total Corporate Bonds	25,247	1.61
	Total Transferable Securities	1,551,521	98.87
	Total financial assets at fair value through profit or loss	1,551,521	98.87
	Other net assets and liabilities	17,726	1.13
	Net assets attributable to holders of redeemable participating shares	1,569,247	100.00

All transferable securities are admitted to official stock exchange listings.

THE KING & SHAXSON FUND PLC

KS ETHICAL BALANCED INCOME FUND
UNAUDITED SCHEDULE OF INVESTMENTS
AS AT 30 SEPTEMBER 2008
(expressed in Sterling)

Holdings	Investment	Fair Value GBP	% of Net Asset Value
	Transferable Securities		
	Equities		
	Basic Materials		
3,656	Johnson Matthey	49,319	1.43
2,000	Precious Woods Holding	38,297	1.10
		87,616	2.53
	Consumer Goods		
7,000	Philips Eltn Kon	105,141	3.03
		105,141	3.03
	Consumer Services		
8,075	Arriva	55,879	1.61
14,334	FirstGroup	76,329	2.20
15,000	Holidaybreak	48,300	1.40
7,500	National Express	60,150	1.73
		240,658	6.94
	Financial		
850	Allianz	64,780	1.87
13,000	Aviva	62,400	1.80
70,000	Dawnay Day Carpathian	23,275	0.67
4,000	Deutsche Wohnen	28,307	0.82
5,400	Dexia	31,916	0.92
10,000	Great Lakes Hydro Income	96,037	2.77
170,000	MedicX	119,000	3.43
20,000	Wichford	13,950	0.40
		439,665	12.68
	Healthcare		
2,000	Brookdale Senior Living	24,292	0.70
		24,292	0.70
	Industrial		
2,000	Canadian National Railway	53,668	1.55
1,750	Deere & Company	48,599	1.40
3,050	Gamesa	57,685	1.66
4,000	Kingspan Group	19,922	0.58
34,750	Shanks Group	65,938	1.90
10,000	Spectris	66,300	1.91
		312,112	9.00

THE KING & SHAXSON FUND PLC

KS ETHICAL BALANCED INCOME FUND
 UNAUDITED SCHEDULE OF INVESTMENTS
 AS AT 30 SEPTEMBER 2008
 (expressed in Sterling)
 (CONTINUED)

Holdings	Investment	Fair Value GBP	% of Net Asset Value
	Transferable Securities (continued)		
	Equities (continued)		
	Technology		
6,000	Applied Mats	50,930	1.47
		50,930	1.47
	Telecommunications		
8,000	Deutsche Telekom	67,646	1.95
70,000	Vodafone	85,855	2.48
11,000	Windstream	67,514	1.95
		221,015	6.38
	Utilities		
40,000	Hera SpA	61,342	1.77
20,000	Iberdrola Renovables	48,071	1.39
12,000	National Grid New	85,620	2.47
8,050	Scottish & Southern Energy	114,873	3.31
8,351	United Utilities Group	57,789	1.67
2,500	Veolia Environnement	56,848	1.64
		424,543	12.25
	Total Equities	1,905,972	54.98
	Corporate Bonds		
75,000	Aviva 5.9021% VRN Perpetual	51,615	1.49
147,000	Deutsche Bahn Fin 4.750% 14/03/2018	113,908	3.29
65,000	Deutsche Bahn Finance 4.875% 06/07/2009	51,238	1.48
50,000	Dixons Group 6.125% 15/11/2012	42,328	1.22
50,000	First Group 6.125% 18/01/2019	42,078	1.21
50,000	FirstGroup 8.125% 19/09/2008	47,805	1.38
100,000	France Telecom 5.625% 23/01/2034	85,576	2.47
75,000	France Telecom 7.250% 10/11/2020	77,120	2.22
109,000	Kingfisher 5.625% 15/12/2014	88,562	2.55
100,000	Portman Building Society 23/03/2009	98,980	2.85
175,000	SNCF 5.375% 18/03/2027	180,341	5.20
150,000	Yorkshire Water Finance 5.375% 21/02/2023	135,231	3.90
	Total Corporate Bonds	1,014,782	29.26

THE KING & SHAXSON FUND PLC
KS ETHICAL BALANCED INCOME FUND
UNAUDITED SCHEDULE OF INVESTMENTS
AS AT 30 SEPTEMBER 2008
(expressed in Sterling)
(CONTINUED)

Holdings	Investment	Fair Value GBP	% of Net Asset Value
Transferable Securities (continued)			
Government Bonds			
50,000	KFW-Kredit Wiederaufbau 5.750% 07/12/2011	51,325	1.48
125,000	KFW 5.375% 07/12/2011	126,926	3.66
	Total Government Bonds	178,251	5.14
Supra National Bond			
200,000	IFFIM 5.000% 14/11/2011	117,108	3.38
	Total Supra National Bond	117,108	3.38
	Total Transferable Securities	3,216,113	92.76
Closed Ended Investment Fund			
150,000	AXA Property Trust	101,625	2.94
24,950	Close High Income Properties	9,481	0.27
71,300	Isis Property Trust	59,892	1.73
80,800	Standard Life Investment	57,166	1.65
	Total Closed Ended Investment Fund	228,164	6.59
	Total financial assets at fair value through profit or loss	3,444,277	99.35
	Other net assets and liabilities	22,695	0.65
	Net assets attributable to holders of redeemable participating shares	3,466,972	100.00

All transferable securities are admitted to official stock exchange listings.

THE KING & SHAXSON FUND PLC

**UNAUDITED BALANCE SHEET
AS AT 30 SEPTEMBER 2008
(All amounts expressed in Sterling)**

	Notes	KS Ethical Green Solutions Fund 2008 GBP	KS Ethical Balanced Income Fund 2008 GBP	Total 2008 GBP
ASSETS				
Cash and cash equivalents	2, 14	47,024	125,794	172,818
Financial assets at fair value through profit or loss	2	1,551,521	3,444,277	4,995,798
Due from shareholder		50,000	-	50,000
Other receivables		4,262	51,533	55,795
TOTAL ASSETS		1,652,807	3,621,604	5,274,411


LIABILITIES				
Investment Management fee payable	7	54,241	117,396	171,637
Administration fee	7	3,550	4,375	7,925
Audit fee		9,366	10,085	19,451
Directors fee	7	4,300	6,437	10,737
Custodian fee	7	1,052	1,052	2,104
Other accrued expenses		11,051	15,287	26,338

TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES)

NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES		83,560	154,632	238,192
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NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES		1,569,247	3,466,972	5,036,219
Shares in issue		1,859,383	4,182,247	
NAV per share		£0.84	£0.83	

On behalf of the board of Directors


Director


Director 18 November 2008

The accompanying notes form an integral part of the financial statements

THE KING & SHAXSON FUND PLC

**BALANCE SHEET
AS AT 31 MARCH 2008
(All amounts expressed in Sterling)**

	Notes	KS Ethical Green Solutions Fund 2008 GBP	KS Ethical Balanced Income Fund 2008 GBP	KS Prudential Liquidity Fund 2008 GBP	Total 2008 GBP
ASSETS					
Cash and cash equivalents	2, 14	139,125	282,907	43,977	466,009
Financial assets at fair value through profit or loss	2	1,637,780	3,576,470	-	5,214,250
Due from broker		-	76,490	-	76,490
Other receivables		5,908	28,821	-	34,729
TOTAL ASSETS		1,782,813	3,964,688	43,977	5,791,478
LIABILITIES					
Investment Management fee payable	7	46,191	89,064	35,361	170,616
Administration fee	7	3,115	3,510	-	6,625
Audit fee		15,518	15,334	3,489	34,341
Directors fee	7	6,019	4,628	3,527	14,174
Custodian fee	7	1,019	1,019	-	2,038
Due to shareholder		-	79,184	-	79,184
Other accrued expenses		8,024	9,349	1,600	18,973
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES)		79,886	202,088	43,977	325,951
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES		1,702,927	3,762,600	-	5,465,527
Shares in issue		1,655,108	3,919,010	-	
NAV per share		£1.03	£0.96	£0.00	

KS Prudential Liquidity Fund went into liquidation on 28 August 2007.

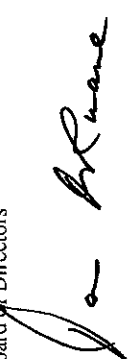
The accompanying notes form an integral part of the financial statements

THE KING & SHAXSON FUND PLC

UNAUDITED PROFIT AND LOSS ACCOUNT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008
(All amounts expressed in Sterling)

	Note	KS Ethical Green Solutions Fund 2008 GBP	KS Ethical Balanced Income Fund 2008 GBP	Total 2008 GBP
INCOME				
Interest income	4	3,765	60,157	63,922
Dividend income	4	9,818	52,972	62,790
Losses on financial assets at fair value through profit or loss	6	(310,041)	(475,706)	(785,747)
TOTAL INVESTMENT LOSS		(296,458)	(362,577)	(659,035)
EXPENSES				
Investment management fee	7	(12,053)	(36,336)	(48,389)
Administration fee	7	(18,302)	(20,542)	(38,844)
Audit fee		6,152	5,249	11,401
Directors fees	7	(5,540)	(11,477)	(17,017)
Custodian fee	7	(6,148)	(5,824)	(11,972)
Other expenses		(5,545)	(10,140)	(15,685)
OPERATING EXPENSES BEFORE FINANCE COSTS		(41,436)	(79,070)	(120,506)
FINANCE COSTS				
Distributions to redeemable participating shareholders	11	-	(89,728)	(89,728)
Interest expense	5	-	(6,475)	(6,475)
Withholding tax		(214)	(1,104)	(1,318)
TOTAL FINANCE COSTS		(214)	(97,307)	(97,521)
DECREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS		(338,108)	(538,954)	(877,062)

On behalf of the board of Directors



Director

Director



18 November 2008

The accompanying notes form an integral part of the financial statements

THE KING & SHAXSON FUND PLC

**UNAUDITED PROFIT AND LOSS ACCOUNT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007
(All amounts expressed in Sterling)**

	Note	KS Ethical Green Solutions Fund 2007 GBP	KS Ethical Balanced Income Fund 2007 GBP	KS Prudential Liquidity Fund 2007 GBP	Total 2007 GBP
INCOME					
Interest income	4	145	9,958	1,811,341	1,191,444
Dividend income	4	14,164	61,716	-	75,880
Other income		(3,471)	(4,499)	27,095	19,125
Gains/losses on financial assets at fair value through profit or loss	6	121,074	(84,095)	(123,964)	(86,985)
TOTAL INVESTMENT INCOME/(LOSS)		131,912	(16,920)	1,084,472	1,199,464
EXPENSES					
Investment management fee	7	(15,255)	(31,261)	(33,018)	(79,534)
Administration fee	7	(9,346)	(9,354)	(11,143)	(29,843)
Audit fee		(3,975)	(3,978)	(4,132)	(12,085)
Directors fees	7	(6,464)	(4,370)	(6,696)	(17,530)
Custodian fee	7	(5,291)	(5,345)	(6,033)	(16,669)
Other expenses		(10,371)	(9,175)	(21,443)	(40,959)
OPERATING EXPENSES BEFORE FINANCE COSTS		(50,702)	(63,453)	(82,465)	(196,620)
FINANCE COSTS					
Irrecoverable tax on dividends		(2,791)	(6,433)	-	(9,224)
Interest expense	5	-	(7,183)	(209,564)	(216,747)
Distributions paid	11	-	(77,635)	-	(77,635)
TOTAL FINANCE COSTS		(2,791)	(91,251)	(209,564)	(303,606)
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS					
		78,419	(171,624)	792,443	699,238

KS Prudential Liquidity Fund went into liquidation on 28 August 2007.

The accompanying notes form an integral part of the financial statements

THE KING & SHAXSON FUND PLC

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008
(All amounts expressed in Sterling)**

	KS Ethical Green Solutions Fund 2008 GBP	KS Ethical Balanced Income Fund 2008 GBP	Total 2008 GBP
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT BEGINNING OF THE PERIOD	1,702,927	3,762,600	5,465,527
Proceeds on the issuance of redeemable shares during the period	269,507	338,676	608,183
Payments on redemption of redeemable shares during the period	(65,079)	(95,350)	(160,429)
NET INCREASE FROM SHARE TRANSACTIONS	<hr/> 1,907,355	<hr/> 4,005,926	<hr/> 5,913,281
Change in net assets attributable to holders of redeemable participating shares from operations	(338,108)	(538,954)	(877,062)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT END OF THE PERIOD	<hr/> 1,569,247	<hr/> 3,466,972	<hr/> 5,036,219

The accompanying notes form an integral part of the financial statements

THE KING & SHAXSON FUND PLC

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

(All amounts expressed in Sterling)

	KS Ethical Green Solutions Fund 2007 GBP	KS Ethical Balanced Income Fund 2007 GBP	KS Prudential Liquidity Fund 2007 GBP	Total 2007 GBP
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT BEGINNING OF THE PERIOD	1,534,011	3,429,802	39,153,083	44,116,896
Proceeds on the issuance of redeemable shares during the period	207,244	906,431	-	1,113,675
Payments on redemption of redeemable shares during the period	(3,000)	(84,744)	(39,945,526)	(40,033,270)
NET INCREASE FROM SHARE TRANSACTIONS	<u>1,738,255</u>	<u>4,251,489</u>	<u>(792,443)</u>	<u>5,197,301</u>
Change in net assets attributable to holders of redeemable participating shares from operations	78,419	(171,624)	792,443	699,238
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT END OF THE PERIOD	<u>1,816,674</u>	<u>4,079,865</u>	<u>-</u>	<u>5,896,539</u>

KS Prudential Liquidity Fund went into liquidation on 28 August 2007.

The accompanying notes form an integral part of the financial statements

THE KING & SHAXSON FUND PLC

NOTES FORMING PART OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008

1. General Information

The King & Shaxson Fund Plc (the “Company”) is an open ended umbrella type investment company with variable capital and limited liability, incorporated in Ireland on 7 February 2006 under the Companies Acts, 1963 to 2006 with registration number 415070. The Company has been authorised by the Financial Regulator as a UCITS (Undertaking for Collective Investments in Transferable Securities) pursuant to the UCITS Regulations.

The Company is structured as an umbrella fund consisting of different Funds, each comprising one or more Classes. There exists segregated liability between the Funds and the Company. The Company has established four funds: KS Ethical Green Solutions Fund, KS Ethical Balanced Income Fund, KS Cash Plus Fund and KS Prudential Liquidity Fund. At 30 September 2008, the Company has three Funds, KS Ethical Green Solutions Fund and KS Ethical Balanced Income Fund which offer Euro and Sterling Class Shares and KS Prudential Liquidity Fund which went into liquidation on 28 August 2007.

Fund	Currency	Launched
KS Ethical Green Solutions Fund – Class B	GBP	15 August 2006
KS Ethical Balanced Income Fund – Class B	GBP	15 August 2006

The investment objective of KS Ethical Green Solutions Fund is to provide investors with long term capital growth by investing in a wide range of different assets types and investments, which focus on companies that are of direct social or environmental benefit.

The investment objective of KS Ethical Balanced Income Fund is to provide investors with an income by investing in a diversified portfolio of listed equities, government and non-government fixed income securities, investment trusts or companies that can invest in real estate or companies.

2. Significant accounting policies

(a) Basis of preparation

The financial statements are prepared in accordance with Generally Accepted Accounting Practice in Ireland and in accordance with the Companies Acts, 1963 to 2006 and all regulations to be construed as one with those Acts and the European Communities (Undertaking for Collective Investments in Transferable Securities) Regulations, 2003. Fair value accounting has been applied to derivatives and also to other financial assets designated at fair value through profit or loss, as permitted under company law. All other assets and liabilities are stated at cost or amortised cost as appropriate or redemption amount (redeemable shares).

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The Company has availed of the exemption available to open-ended investment funds under FRS 1 not to prepare a cash flow statement.

THE KING & SHAXSON FUND PLC

NOTES FORMING PART OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008 (CONTINUED)

2. Significant accounting policies (continued)

(b) Foreign currency translation

The functional currency of the Company is Sterling ("GBP") as the Directors have determined that this reflects the Company's primary economic environment. The presentation currency of the Company is also GBP. Transactions in foreign currencies are translated at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to GBP at the foreign currency closing exchange rate ruling at the balance sheet date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the Profit and Loss Account.

Non monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to GBP at the foreign currency exchange rates ruling at the dates that the values were determined. Foreign currency exchange differences relating to investments at fair value through profit or loss are included in gains and losses on investments. All other foreign currency exchange differences relating to monetary items, including cash are presented in the Profit and Loss Account.

(c) Financial instruments

(i) Classification

In accordance with FRS25 and FRS26 the Company has designated its equity and bond investments into the financial assets at fair value through profit or loss category. Deposits are classified as loans and receivables.

Financial assets that are classified as loans and receivables include balances due from brokers, deposits and accounts receivable.

Financial liabilities that are not at fair value through profit or loss include balances due to brokers, accounts payable and financial liabilities arising on redeemable shares.

(ii) Measurement

Financial instruments are measured initially at fair value (transaction price) plus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately, while on other financial instruments they are amortised.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the profit and loss account.

Financial assets classified as loans and receivables are carried at amortised cost using the effective interest rate method, less impairment losses, if any.

Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest rate. Financial liabilities arising from the redeemable shares issued by the Company are carried at the redemption amount representing the investors' right to a residual interest in the Company's assets.

THE KING & SHAXSON FUND PLC

NOTES FORMING PART OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008 (CONTINUED)

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(iii) Fair value measurement principles

The fair value of financial instruments is based on their quoted market prices at the balance sheet date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

If a quoted market price is not available on a recognised stock exchange or from a broker / dealer for non-exchange-traded financial instruments, the fair value of the instrument is estimated using valuation techniques, including use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the balance sheet date applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the balance sheet date. Fair values for unquoted equity investments are estimated, if possible, using applicable price earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

Commercial paper is valued on an amortised cost basis with reference to the maturity date of the instruments. Deposits with credit institutions are valued at par.

(iv) Impairment

Financial assets that are stated at cost or amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, an impairment loss is recognised in the profit and loss account as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the profit and loss account.

(v) Recognition and Derecognition

The Fund recognises financial assets and financial liabilities when all significant rights and access to the benefits from the assets and the exposure to the risks inherent in those benefits are transferred to the Fund. The Fund derecognises financial assets and financial liabilities when all such benefits and risks are transferred from the Fund.

(vi) Offsetting Financial instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liability simultaneously.

(vii) Specific instruments

Cash and Cash Equivalents

Cash comprises current deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

THE KING & SHAXSON FUND PLC

NOTES FORMING PART OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008 (CONTINUED)

2. Significant accounting policies (continued)

(d) Interest income

All interest income and expense is recognised in the profit and loss account as it accrues, using the original effective interest rate of the instrument calculated at the acquisition or origination date.

Interest income includes the amortisation of any discount or premium and any other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

Interest income on debt instruments at fair value through profit or loss is accrued using the original effective interest rate and classified to the interest income line item within the profit and loss account. Interest income is recognised on a gross basis, including withholding tax, if any.

(e) Dividend income

Dividend income relating to exchange-traded equity investments is recognised in the profit and loss account on the ex-dividend date.

In some cases, the Company may receive or choose to receive dividends in the form of additional shares rather than cash. In such cases the Company recognises the dividend income for the amount of the cash dividend alternative with the corresponding debit treated as an additional investment.

(f) Expenses

All expenses, including management fees and custodian fees, are recognised in the profit and loss account on an accrual basis. Included in other operating expenses are legal and advisory fees.

(g) Gains and losses on investments

Realised gains and losses on sales of investments are calculated on a first in first out basis. Unrealised gains and losses on investments arising during the period are taken to the profit and loss account, in accordance with EU Fair Value Regulations.

(h) Taxation

Dividend and interest income received by the Company may be subject to withholding tax imposed in the country of origin. Investment income is recorded gross of such taxes.

(i) Redeemable shares

All redeemable shares issued by the fund provide the investors with the right to require redemption for cash at the value proportionate to the investor's share in the Fund's net assets at the redemption date. In accordance with FRS 25 such instruments give rise to a financial liability for the present value of the redemption amount. In accordance with the issue prospectus the Fund is contractually obliged to redeem shares at mid-market prices. Due to the fact that in accordance with FRS 26 the best measure of fair value of a financial asset is usually the current bid price, the redeemable shares need to be adjusted to bid-market prices to balance the balance sheet.

(j) Share capital

Non participating shares are not redeemable, do not participate in the net income or dividends of the Company and are classified as equity, as per the Company's articles of association.

(k) Due from and to broker

Amounts due from and to broker represent payables for securities purchased and receivables for securities sold that have been contracted for but not yet delivered by the end of the period.

(l) Cashflow statement

The Company has availed of the exemption available to open-ended investment funds under FRS 1 not to prepare a cash flow statement.

THE KING & SHAXSON FUND PLC

**NOTES FORMING PART OF THE UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008
(CONTINUED)**

3. Taxation

The Company is an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997. Therefore, the Company will not be liable to tax in respect of its income and gains, other than on the occurrence of a chargeable event. Generally a chargeable event arises on any distribution, redemption, repurchase, cancellation, transfer of shares or on the ending of a "Relevant Period". A "Relevant Period" is an eight year period beginning with the acquisition of the shares by the shareholder and each subsequent period of eight years beginning immediately after the preceding Relevant Period.

A Chargeable event does not include:

- (i) any transaction in relation to shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland; or
- (ii) an exchange of units representing one Sub-fund for another Sub-fund of the Company; or
- (iii) an exchange of shares arising on a qualifying amalgamation or reconstruction of the Company with another company; or
- (iv) certain exchanges of Shares between spouses and former spouses.

A chargeable event will not occur in respect of shareholders who are neither resident nor ordinarily resident in Ireland and who have provided the Company with a relevant declaration to that effect.

In the absence of an appropriate signed declaration, the Company will be liable to Irish tax on the occurrence of a chargeable event.

There were no chargeable events during the period under review.

Capital gains; dividends and interest received may be subject to withholding taxes imposed by the country of origin and such taxes may not be recoverable by the Company or its shareholders.

4. Interest and Dividend Income

The following table details the interest income earned by the Company during the period.

	KS Ethical Green Solutions Fund 30 September 2008 GBP	KS Ethical Balanced Income Fund 30 September 2008 GBP	Total 30 September 2008 GBP
Interest income from debt securities designated at fair value through profit or loss	1,340	-	1,340
Interest income for financial assets that are not at fair value through profit or loss			
Cash and cash equivalents	2,425	60,157	62,582
Total Interest Income	3,765	60,157	63,922

THE KING & SHAXSON FUND PLC

NOTES FORMING PART OF THE UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008
(CONTINUED)

4. Interest and Dividend Income (continued)

	KS Ethical Green Solutions Fund 30 September 2007 GBP	KS Ethical Balanced Income Fund 30 September 2007 GBP	KS Prudential Liquidity Fund 30 September 2007 GBP	Total 30 September 2007 GBP
Interest income from debt securities designated at fair value through profit or loss	-	-	1,181,341	1,181,341
Interest income for financial assets that are not at fair value through profit or loss	145	9,958	-	10,103
Cash and cash equivalents				
Total Interest Income	145	9,958	1,181,341	1,191,444

The following table details the dividend income earned by the Company during the period

	KS Ethical Green Solutions Fund 30 September 2008 GBP	KS Ethical Balanced Income Fund 30 September 2008 GBP	Total 30 September 2008 GBP
Dividend income from equity securities designated at fair value through profit and loss	9,818	52,972	62,790
Total Dividend Income	9,818	52,972	62,790

	KS Ethical Green Solutions Fund 30 September 2007 GBP	KS Ethical Balanced Income Fund 30 September 2007 GBP	KS Prudential Liquidity Fund 30 September 2007 GBP	Total 30 September 2007 GBP
Dividend income from equity securities designated at fair value through profit and loss	14,164	61,716	-	75,880
Total Dividend Income	14,164	61,716	-	75,880

THE KING & SHAXSON FUND PLC

NOTES FORMING PART OF THE UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008
(CONTINUED)

5. Interest Expense

The following table details the interest expense incurred by the Company during the period

	KS Ethical Green Solutions Fund 30 September 2008 GBP	KS Ethical Balanced Income Fund 30 September 2008 GBP	Total 30 September 2008 GBP
Interest expense for financial assets that are not at fair value through profit or loss			
Cash and cash equivalents	-	(6,475)	(6,475)
Total Interest Expense	-	(6,475)	(6,475)

	KS Ethical Green Solutions Fund 30 September 2007 GBP	KS Ethical Balanced Income Fund 30 September 2007 GBP	KS Prudential Liquidity Fund 30 September 2007 GBP	Total 30 September 2007 GBP
Interest expense for financial assets that are not at fair value through profit or loss				
Cash and cash equivalents	-	(7,183)	(209,564)	(216,747)
Total Interest Expense	-	(7,183)	(209,564)	(216,747)

6. Net Gains/Losses on Financial Assets at Fair Value through Profit or Loss

	KS Ethical Green Solutions Fund 30 September 2008 GBP	KS Ethical Balanced Income Fund 30 September 2008 GBP	Total 30 September 2008 GBP
Realised gain			
Net realised gain/(loss) on investments	5,004	(148,449)	(143,445)
Net realised gain on currency transactions	1,427	1,218	2,645
Net realised gain/(loss)	6,431	(147,231)	(140,800)
Unrealised gain/(loss)			
Net unrealised loss on investments	(316,267)	(328,612)	(644,879)
Net unrealised gain/(loss) on currency transactions	(205)	137	(68)
Net unrealised loss	(316,472)	(328,475)	(644,947)
Net Losses on Financial Assets at Fair Value through Profit or Loss	(310,041)	(475,706)	(785,747)

THE KING & SHAXSON FUND PLC

**NOTES FORMING PART OF THE UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008
(CONTINUED)**

6. Net Gains/Losses on Financial Assets at Fair Value through Profit or Loss (continued)

	KS Ethical Green Solutions Fund 30 September 2007 GBP	KS Ethical Balanced Income Fund 30 September 2007 GBP	KS Prudential Liquidity Fund 30 September 2007 GBP	Total 30 September 2007 GBP
Realised gain/(loss)				
Net realised gain on investments	76,989	90,110	39,773	206,872
Net realised gain on currency transactions	(7,869)	1,815	(570)	(6,624)
Net realised gain/(loss)	<u>69,120</u>	<u>91,925</u>	<u>39,203</u>	<u>200,248</u>
Unrealised gain/(loss)				
Net unrealised gain on investments	(125,200)	(208,153)	(163,167)	(496,520)
Net unrealised gain/(loss) on currency transactions	177,154	32,133	-	209,287
Net unrealised gain	<u>51,954</u>	<u>(176,020)</u>	<u>(163,167)</u>	<u>(287,233)</u>
Net Gains/(Loss) on Financial Assets at Fair Value through Profit or Loss	<u>121,074</u>	<u>(84,095)</u>	<u>(123,964)</u>	<u>(86,985)</u>

7. Related Parties

Investment Manager

The Company's investment activity is managed by King & Shaxson Asset Management Limited ("the Investment Manager"). The Investment Manager is entitled to receive an annual fee of 1.50 % of the Net Asset Value for Class B shares for the KS Ethical Green Solutions Fund. The Investment Manager is entitled to receive an annual fee of 1.50 % of the Net Asset Value for Class B shares for the KS Ethical Balanced Income Fund. The Investment Manager is entitled to receive an annual fee of 0.20% of the Net Asset Value of the Institutional Shares for the KS Prudential Liquidity Fund. The management fees for the period amounted to £48,389 (30 September 2007: £79,534) of which £171,637 (31 March 2008: £170,616) was payable at 30 September 2008.

Administrator

The Manager has engaged HSBC Securities Services (Ireland) Limited ("the Administrator") on behalf of the Company to act as the administrator. The Company shall pay to the Administrator out of the assets of the Company an annual fee, accrued at each valuation point and payable monthly in arrears at a rate which shall not exceed 8 basis points per annum of the Net Asset Value of the KS Ethical Green Solutions Fund and KS Ethical Balanced Income Fund and 4 basis points per annum of the Net Asset Value of the KS Prudential Liquidity Fund. The administrator is also entitled to be repaid out of the assets of the Company all of its reasonable out of pocket expenses. The administrator fees for the period amounted to £38,844 (30 September 2007: £29,843) of which £7,925 (31 March 2008: £6,625) was payable at 30 September 2008.

Custodian

The Company has appointed HSBC Institutional Trust Services (Ireland) Limited ("the Custodian") to act as Custodian of the Company. The Custodian is entitled to receive out of the assets of the Company an annual fee, accrued at each valuation point and payable monthly in arrears, which shall not exceed 2 basis points per annum of the KS Ethical Green Solutions Fund and KS Ethical Balanced Income Fund and 1 basis point per annum of the Net Asset Value of the KS Prudential Liquidity Fund.

THE KING & SHAXSON FUND PLC

**NOTES FORMING PART OF THE UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008
(CONTINUED)**

7. Related Parties (continued)

Custodian (continued)

The Custodian shall be entitled to be repaid all of its disbursements out of the assets of the relevant Fund. The custodian fees for the period amounted to £11,972 (30 September 2007: £16,669) of which £2,104 (31 March 2008: £2,038) was payable at 30 September 2008.

Directors' Fees

The Articles of Association authorise the Directors to charge a fee for their services at a rate determined by the Directors up to a maximum fee per Director of €20,000 per annum. All Directors will be entitled to reimbursement by the Company of expenses properly incurred in connection with the business of the Company or the discharge of their duties. The director's fees for the period amounted to £17,017 (30 September 2007: £17,530) of which £10,737 (31 March 2008: £14,174) was payable at 30 September 2008.

Nicholas Wallis, a director of the company, is an employee of the Manager, King & Shaxson Asset Management Limited.

Lorcan Tiernan, a director of the Company, is a consultant to Dillon Eustace, legal advisor to the Company.

8. Share Capital

The authorised capital of the Company is €300,000 divided into 300,000 Non-Participating Shares of One Euro (€1) each and 500,000,000,000 Shares of no par value each. Non-participating shares do not entitle the shareholders thereof to any dividend and on winding up entitle the holders to receive the amount paid up but do not entitle them to the Assets of the Company. These shares are dealt with by way of this note only. The fund is not subject to any regulatory capital requirements.

KS Ethical Green Solutions Fund

	Number Class B Shares 30 September 2008	Number Class B Shares 30 September 2007
Issued and fully paid:		
Opening number of shares	1,655,108	1,371,396
Subscriptions during the period	266,465	181,523
Redemptions during the period	(62,190)	(3483)
Closing number of shares	<u>1,859,383</u>	<u>1,549,436</u>

KS Ethical Balanced Income Fund

	Number Class B Shares 30 September 2008	Number Class B Shares 30 September 2007
Class B shares issued and fully paid:		
Opening number of shares	3,919,010	3,124,446
Subscriptions during the period	363,383	850,211
Redemptions during the period	(100,146)	(92,320)
Closing number of shares	<u>4,182,247</u>	<u>3,882,337</u>

KS Prudential Liquidity Fund

	Number Institutional Shares 30 September 2007
Issued and fully paid:	
Opening number of shares	37,992,599
Subscriptions during the period	-
Redemptions during the period	(37,992,599)
Closing number of shares	<u>-</u>

The fund does not have any externally imposed capital requirements.

THE KING & SHAXSON FUND PLC

NOTES FORMING PART OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008 (CONTINUED)

9. Net asset value

The Net Asset Value per Share as per the Financial Statements at 30 September 2008 is:

KS Ethical Green Solutions Fund

	30 September 2008	31 March 2008
Net Asset Value	£1,569,247	£1,702,927
Number of shares outstanding	1,859,383	1,655,108
NAV per share	£0.84	£1.03

KS Ethical Balanced Income Fund

	30 September 2008	31 March 2008
Net Asset Value	£3,466,972	£3,762,600
Number of shares outstanding	4,182,247	3,919,010
NAV per share	£0.83	£0.96

10. Financial Instrument Risk

Financial instruments and associated risks

The Funds' risks are those set out in the Prospectus and Supplements and any consideration of risk here should be viewed in the context of the Prospectus and Supplements which is the primary documentation governing the operation of the Funds and any subscriptions and redemptions. The Funds invest in equities and bonds in different regions and different sectors. The Directors consider three broad types of risks that are relevant and material for the Funds: Market Risk, Credit Risk and Liquidity Risk. The Funds' overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Funds' financial performance. The investment objective of KS Ethical Green Solutions Fund is to provide investors with long term capital growth by investing in a wide range of different asset types and investments, which focus on companies that are of direct social or environmental benefit. The investment objective of KS Ethical Balanced Income Fund is to provide investors with an income by investing in a diversified portfolio of listed equities, government and non-government fixed income securities, investment trusts or companies that can invest in real estate or companies.

Market Risk

Market risk embodies the potential for both loss and gains and includes market price risk, currency risk and interest rate risk.

Market Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held, which are classified as financial assets at fair value through profit or loss. It represents the potential loss the Funds might suffer through holding market positions in the face of price movements. Market price risk represents the potential loss that can be caused by a change in the market value of the Company's investments. The Company's exposure to market price risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility. The Investment Manager monitors the Company's exposure to market price risk.

THE KING & SHAXSON FUND PLC

**NOTES FORMING PART OF THE UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008
(CONTINUED)**

10. Financial Instrument Risk (continued)

Market Price Risk (continued)

As at 30 September 2008, had the equity markets strengthened by 5%, with all other variables held constant, net assets attributable to holders of redeemable shares and the change in net assets attributable to holders of redeemable shares per the income statement would have increased by the amounts shown below, an equal change in the opposite direction would have decreased the net assets attributable to holder of redeemable shares by an equal but opposite amount.

	30 September 2008	31 March 2008
	GBP	GBP
KS Ethical Green Solutions Fund	76,314	80,503
KS Ethical Balanced Fund	106,707	120,706

Currency risk

The Company may invest in assets denominated in currencies other than its functional currency. Consequently, the Company is exposed to risks that the exchange rate of this currency relative to other currencies may change in a manner, which may have a favourable or unfavourable effect on the value of that portion of the Company's assets. The monetary assets and liabilities of currencies other than the GBP to which the Company has an exposure at September 30, 2008 are detailed below. All amounts are stated in GBP.

30 September 2008 - KS Ethical Green Solutions Fund

Currency	Monetary Assets	Monetary Liabilities	Net Exposure
	GBP	GBP	GBP
Australian Dollar	105,529	-	105,529
Canadian Dollar	35,228	-	35,228
Danish Krone	35,686	-	35,686
Euro	464,097	(13,417)	450,680
Hong Kong Dollar	83,799	-	83,799
Norwegian Krone	20,022	-	20,022
Singapore Dollar	44,632	-	44,632
Swiss Franc	69,820	-	69,820
United States Dollar	337,219	-	337,219
Total	1,196,032	(13,417)	1,182,615

30 September 2008 - KS Ethical Balanced Income Fund

Currency	Monetary Assets	Monetary Liabilities	Net Exposure
	GBP	GBP	GBP
Canadian Dollar	97,379	-	97,379
Euro	773,955	(19,062)	754,893
Swedish Krona	30	-	30
Swiss Franc	38,651	-	38,651
United States Dollar	367,878	-	367,878
Total	1,277,893	(19,062)	1,258,831

THE KING & SHAXSON FUND PLC

**NOTES FORMING PART OF THE UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008
(CONTINUED)**

10. Financial Instrument Risk (continued)

Currency risk (continued)

31 March 2008 - KS Ethical Green Solutions Fund

Currency	Monetary Assets GBP	Monetary Liabilities GBP	Net Exposure GBP
Australian Dollar	121,814	-	121,814
Canadian Dollar	42,932	-	42,932
Danish Krone	60,057	-	60,057
Euro	405,880	(27,698)	378,181
Hong Kong Dollar	88,031	-	88,031
Norwegian Krone	28,020	-	28,020
Singapore Dollar	51,820	-	51,820
Swiss Franc	57,591	-	57,591
United States Dollar	256,043	-	256,043
Total	1,112,187	(27,698)	1,084,489

31 March 2008 - KS Ethical Balanced Income Fund

Currency	Monetary Assets GBP	Monetary Liabilities GBP	Net Exposure GBP
Canadian Dollar	84,082	-	84,082
Euro	842,983	(26,550)	816,433
Swedish Krona	76,500	-	76,500
Swiss Franc	57,591	-	57,591
United States Dollar	248,506	-	248,506
Total	1,309,662	(26,550)	1,283,112

As at 30 September 2008, had the Sterling strengthened by 5% in relation to all currencies, with all other variables held constant, net assets attributable to holders of redeemable shares and the change in net assets attributable to holders of redeemable shares per the income statement would have decreased by the amounts shown below. The analysis is performed on the same basis for 31 March 2008.

	30 September 2008 GBP	31 March 2008 GBP
KS Ethical Green Solutions Fund	59,131	54,224
KS Ethical Balanced Income Fund	62,942	64,156

THE KING & SHAXSON FUND PLC

**NOTES FORMING PART OF THE UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008
(CONTINUED)**

10. Financial Instrument Risk (continued)

Interest rate risk

The majority of the Portfolio's financial assets and liabilities are non-interest bearing and as a result, the Portfolio is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Cash at brokers and counterparties comprise current accounts which bear interest at short term market rates and therefore are not exposed to significant amounts of interest rate risk. The sensitivity to interest changes and the consequent impact on net assets and profit is considered as not material.

The Fund also invests in interest bearing instruments. The Funds' interest-bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The table below summarises the Fund's exposure to interest rate risks. It includes the Funds' assets and trading liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity date.

KS Ethical Green Solutions Fund

At 30 September 2008	Less than 1 month GBP	1 month -1 year GBP	1 year - 5 year GBP	5 year and above GBP	Non- interest bearing GBP	Total GBP
Assets						
Financial assets at fair value through profit or loss	-	-	-	25,247	1,526,274	1,551,521
Due from shareholders	-	-	-	-	50,000	50,000
Other receivables and prepayments	-	-	-	-	4,262	4,262
Cash at bank	47,024	-	-	-	-	47,024
Total assets	47,024	-	-	25,247	1,580,536	1,652,807
Liabilities						
Accrued expenses	-	-	-	-	83,560	83,560
Total liabilities	-	-	-	-	-	83,560
Total interest sensitivity gap	47,024	-	-	25,247		

THE KING & SHAXSON FUND PLC

NOTES FORMING PART OF THE UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008
(CONTINUED)

10. Financial Instrument Risk (continued)

Interest rate risk (continued)

At 31 March 2008	Less than 1 month GBP	1 month -1 year GBP	1 year - 5 year GBP	5 year and above GBP	Non- interest bearing GBP	Total GBP
Assets						
Financial assets at fair value through profit or loss	-	-	-	27,727	1,610,053	1,637,780
Other receivables and prepayments	-	-	-	-	5,908	5,908
Cash at bank	139,125	-	-	-	-	139,125
Total assets	139,125	-	-	27,727	1,615,961	1,782,813
Liabilities						
Accrued expenses	-	-	-	-	79,886	79,886
Redeemable shares	-	-	-	-	-	-
Total liabilities	-	-	-	-	79,886	79,886
Total interest sensitivity gap	139,125	-	-	27,727		

KS Ethical Balanced Income Fund

At 30 September 2008	Less than 1 month GBP	1 month- 1 year GBP	1 year – 5 year GBP	5 year and above GBP	Non- interest bearing GBP	Total GBP
Assets						
Financial assets at fair value through profit or loss	-	-	535,710	774,431	2,134,136	3,444,277
Other receivables and prepayments	-	-	-	-	51,533	51,533
Cash at bank	125,794	-	-	-	-	125,794
Total assets	125,794	-	535,710	774,431	2,185,669	3,621,604
Liabilities						
Accrued expenses	-	-	-	-	154,632	154,632
Total liabilities	-	-	-	-	154,632	154,632
Total interest sensitivity gap	125,794	-	535,710	774,431		

THE KING & SHAXSON FUND PLC

**NOTES FORMING PART OF THE UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008
(CONTINUED)**

10. Financial Instrument Risk (continued)

Interest rate risk (continued)

KS Ethical Balanced Income Fund

At 31 March 2008	Less than 1 month GBP	1 month- 1 year GBP	1 year – 5 year GBP	5 year and above GBP	Non- interest bearing GBP	Total GBP
Assets						
Financial assets at fair value through profit or loss	-	-	385,134	777,213	2,414,123	3,576,470
Due from broker	-	-	-	-	76,490	76,490
Other receivables and prepayments	-	-	-	-	28,821	28,821
Cash at bank	282,907	-	-	-	-	282,907
Total assets	282,907	-	385,134	777,213	2,519,434	3,964,688
Liabilities						
Accrued expenses	-	-	-	-	122,904	122,904
Due to Shareholders	-	-	-	-	79,184	79,184
Total liabilities	-	-	-	-	202,088	202,088
Total interest sensitivity gap	282,907	-	385,134	777,213		

The weighted average period to maturity as at 30 September 2008 of the Interest bearing financial assets are detailed in the table below.

	KS Ethical Green Solutions Fund	KS Ethical Balanced Income Fund
Weighted Average to Maturity 30 September 2008	10.31 years	9.63 years
Weighted Average to Maturity 31 March 2008	7.90 years	7.73 years

Credit Risk

Credit risk is the risk that counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Company's Investment Manager has a credit risk policy in place and the exposure to credit risk is monitored on an ongoing basis.

THE KING & SHAXSON FUND PLC

**NOTES FORMING PART OF THE UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008
(CONTINUED)**

10. Financial Instrument Risk (continued)

Credit Risk (continued)

At 30 September 2008, the following funds' financial assets were exposed to credit risk amounting to:

	KS Ethical Green Solutions Fund 30 September 2008 GBP	KS Ethical Balanced Income Fund 30 September 2008 GBP	Total 30 September 2008 GBP
Investments in debt instruments	25,247	1,310,141	1,335,388
Cash and cash equivalents	47,024	125,794	172,818
Due from shareholders	50,000	-	50,000
Other receivables	4,262	51,533	55,795
	126,533	1,487,468	1,614,001

	KS Ethical Green Solutions Fund 31 March 2008 GBP	KS Ethical Balanced Income Fund 31 March 2008 GBP	Total 31 March 2008 GBP
Investments in debt instruments	27,727	1,162,347	1,190,074
Cash and cash equivalents	139,125	282,907	422,032
Due from broker	-	76,490	76,490
Other receivables	5,908	28,821	34,729
	172,760	1,550,565	1,723,325

Credit risk arising on transactions with brokers relates to transactions awaiting settlement. Risk relating to unsettled transactions is considered small due to the short settlement period involved.

As at the period end, the Custodian held 97.99% (31 March 2008: 96.81%) of the total assets of the Funds. Substantially all of the assets, including cash, of the fund are held by the custodian, HSBC Institutional Trust Services (Ireland) Limited. Bankruptcy or insolvency of the custodian may cause the Fund's rights with respect to securities and cash held by the custodian to be delayed or limited or curtailed. The Fund monitors its credit risk exposure to the custodian by monitoring the credit quality and financial positions of the custodian the Fund uses.

Credit risk arising on debt instruments is mitigated by investing primarily in rated instruments or instruments issued by rated counterparties of credit ratings of at least BB or better. At 30 September, the Company invested in debt securities with the following credit quality.

THE KING & SHAXSON FUND PLC

**NOTES FORMING PART OF THE UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008
(CONTINUED)**

10. Financial Instrument Risk (continued)

Credit Risk (continued)

The table details the fair value of debt instruments and their associated credit rating.

Rating	KS Ethical Green	KS Ethical Green	KS Ethical Balanced		KS Ethical Balanced
	Solutions Fund	Solutions Fund	Income Fund		Income Fund
	30 September 2008	31 March 2008	30 September 2008		31 March 2008
	Fitch	Fitch	Fitch	Moody's	Fitch
	GBP	GBP	GBP	GBP	GBP
AAA	-	-	475,700	-	396,698
AA	-	-	-	-	169,677
A	-	-	-	-	284,973
A-	-	-	214,311	-	-
AA-	-	-	98,980	-	-
BBB	25,247	27,727	89,883	-	314,999
BB+	-	-	42,328	-	-
BBB-	-	-	88,562	-	-
Aa1	-	-	-	165,146	-
A3	-	-	-	135,231	-

Liquidity Risk

The Funds are exposed to daily cash redemptions of redeemable shares. They therefore invest the majority of their assets in investments that are traded in an active market and can be readily disposed of; they invest only a limited proportion of its assets in investments not actively traded on a stock exchange. The Funds' listed securities are considered readily realisable, as they are listed on stock exchanges. The Funds have the ability to borrow in the short term to ensure settlement. No such borrowings have arisen during the period.

The Funds may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Funds may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer. No such investments were held at the balance sheet date.

The table below analyses the Funds' financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

30 September 2008	Less than	1 - 3 months	Less than	No stated
KS Ethical Green Solutions Fund	1 months	GBP	1 year	maturity
	GBP	GBP	GBP	GBP
Investment Management fee payable	54,241	-	-	-
Administration fee	3,550	-	-	-
Audit fee	9,366	-	-	-
Director fee	4,300	-	-	-
Custodian fee	1,052	-	-	-
Other accrued expenses	11,051	-	-	-
Net Assets attributable to holders of redeemable participating shares	1,569,247	-	-	-
	1,652,807	-	-	-

THE KING & SHAXSON FUND PLC

NOTES FORMING PART OF THE UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008
(CONTINUED)

10. Financial Instrument Risk (continued)

Liquidity Risk (continued)

30 September 2008	Less than		Less than	No stated
KS Ethical Balanced Income Fund	1 months	1 - 3 months	1 year	maturity
	GBP	GBP	GBP	GBP
Investment Management fee payable	117,396	-	-	-
Administration fee	4,375	-	-	-
Audit fee	10,085	-	-	-
Director fee	6,437	-	-	-
Custodian fee	1,052	-	-	-
Other accrued expenses	15,287	-	-	-
Net Assets attributable to holders of redeemable participating shares	3,466,972	-	-	-
	3,621,604	-	-	-
31 March 2008	Less than		Less than	No stated
KS Ethical Green Solutions Fund	1 months	1 - 3 months	1 year	maturity
	GBP	GBP	GBP	GBP
Investment Management fee payable	46,191	-	-	-
Administration fee	3,115	-	-	-
Audit fee	15,518	-	-	-
Director fee	6,019	-	-	-
Custodian fee	1,019	-	-	-
Other accrued expenses	8,024	-	-	-
Net Assets attributable to holders of redeemable participating shares	1,702,927	-	-	-
	1,782,813	-	-	-
31 March 2008	Less than		Less than	No stated
KS Ethical Balanced Income Fund	1 months	1 - 3 months	1 year	maturity
	GBP	GBP	GBP	GBP
Investment Management fee payable	89,064	-	-	-
Administration fee	3,510	-	-	-
Audit fee	15,334	-	-	-
Director fee	4,628	-	-	-
Custodian fee	1,019	-	-	-
Due to shareholders	79,184	-	-	-
Other accrued expenses	9,349	-	-	-
Net Assets attributable to holders of redeemable participating shares	3,762,600	-	-	-
	3,964,688	-	-	-

THE KING & SHAXSON FUND PLC

**NOTES FORMING PART OF THE UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008
(CONTINUED)**

10. Financial Instrument Risk (continued)

Liquidity Risk (continued)

31 March 2008	Less than		Less than	No stated
KS Prudential Liquidity Fund	1 months	1 - 3 months	1 year	maturity
	GBP	GBP	GBP	GBP
Investment Management fee payable	35,361	-	-	-
Audit fee	3,489	-	-	-
Director fee	3,527	-	-	-
Other accrued expenses	1,600	-	-	-
	43,977	-	-	-

11. Distributions

The Company does not expect to pay dividends in respect of KS Ethical Green Solutions Fund.

It is intended the KS Ethical Balanced Income Fund will pursue a distribution policy so that the Fund will be able to obtain certification as a “Distributing Fund” under the United Kingdom Income Corporation Taxes Act, 1988 for the purpose of United Kingdom taxation. The Director’s current intention is to distribute in respect of each accounting period substantially the whole of the net income (including interest and dividends) of the Fund.

In addition, the Directors may distribute such part of any realised and unrealised capital gains less realised and unrealised capital losses attributable to the Fund as, in their opinion, is appropriate to maintain a satisfactory level of distribution for the Fund. Otherwise all income and gains of the Fund will be accumulated within the Fund.

The following distributions were paid out of the KS Ethical Balanced Income Fund as at 30 September 2008:

Ex Date	Pay Date	Shares in Issue	Dividend Rate	Dividend Amount
16 May 2008	19 May 2008	3,987,888.94	£0.0225	£89,728

12. Reconciliation of Net Asset Value

The published net asset value per share differs from that presented in these financial statements. The difference is between the Prospectus policy adopted for valuation (at “mid prices”) and the valuation method (at “bid prices”) required by the Financial Reporting Standards.

A reconciliation of the net asset value as at 30 September 2008 is as follows:

	KS Ethical Balanced Income GBP	KS Ethical Green Solutions GBP
As at 30 September 2008		
As per valuation in accordance with prospectus	1,595,752	3,495,814
Adjustment for bid pricing	(17,860)	(15,881)
Adjustment for organisational costs	(8,645)	(12,961)
Financial Statement Net Asset Value	1,569,247	3,466,972

THE KING & SHAXSON FUND PLC

**NOTES FORMING PART OF THE UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008
(CONTINUED)**

12. Reconciliation of Net Asset Value (continued)

A reconciliation of the net asset value as at 31 March 2008 is as follows:

	KS Ethical Balanced Income GBP	KS Ethical Green Solutions GBP
As at 31 March 2008		
As per valuation in accordance with prospectus	3,791,464	1,725,906
Adjustment for bid pricing	(15,188)	(12,264)
Adjustment for organisational costs	(13,676)	(10,715)
Financial Statement Net Asset Value	<u>3,762,600</u>	<u>1,702,927</u>

13. Fair value information

Many of the Fund's financial instruments are carried at fair value on the balance sheet. Usually the fair value of the financial instruments can be reliably determined within a reasonable range of estimates. For certain other financial instruments, including amounts due from / to brokers, accounts payable and accrued expenses, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

The carrying amounts of all the Funds' financial assets and financial liabilities at the balance sheet date approximated their fair values.

14. Bank balances

All cash amounts are deposited with HSBC Bank plc.

15. Exchange Rates

The following exchange rate was used at the period end to translate assets and liabilities into the measurement currency (GBP):

	30 September 2008	31 March 2008
Australian Dollar	2.2597	2.1773
Canadian Dollar	1.8951	2.0393
Danish Krone	9.4680	9.3537
Euro	1.2690	1.2543
Hong Kong Dollar	13.8396	15.4680
Norwegian Krone	10.5384	10.1000
Singapore Dollar	2.5484	2.7391
Swedish Krone	12.4286	11.7858
Swiss Franc	1.9986	1.9657
United States Dollar	1.7826	1.9875

16. Soft commission arrangements

There were no soft commission arrangements affecting the company during the period ended 30 September 2008 or the year ended 31 March 2008.

THE KING & SHAXSON FUND PLC

**NOTES FORMING PART OF THE UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008
(CONTINUED)**

17. Cross liability among classes

Where the assets of a class are insufficient to meet that class's liabilities, any liabilities which remain undischarged will attach to the Fund as a whole and will be allocated amongst the other classes.

18. Comparative figures

The comparative figures are for the period from 1 April 2007 to 31 March 2008 for Balance Sheet and 1 April 2007 to 30 September 2007 for Profit and Loss Account and Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares.

19. Post balance sheet events

There were no post balance sheet events which require disclosure or amendment to these financial statements.

20. Authorisation of the Financial Statements

The Financial Statements were authorised for issue by the Directors on 18 November 2008.

THE KING & SHAXSON FUND PLC

KS ETHICAL GREEN SOLUTIONS FUND

UNAUDITED PORTFOLIO MOVEMENTS

**10 LARGEST PURCHASES AND SALES (AMALGAMATED BY SECURITY) DURING THE PERIOD
(expressed in Sterling)**

	Number of Shares	Cost/Proceeds GBP
Largest Purchases		
Roth & Rau	1,000	128,017
Manz Automation	900	110,051
Centroherm Photovoltaics	1,500	56,996
Solon AG Fuer Solartechnik	1,500	55,918
CECO Enviornmental	12,000	54,670
Theolia	3,500	53,461
Deere & Company	1,250	53,083
Flora EcoPower	60,000	52,072
Canadian National Railway	2,000	51,522
Solar Millenium	2,000	50,874
Largest Sales		
Roth & Rau	500	69,986
Manz Automation	500	65,280
Centroherm Photovoltaics	1,500	61,923
Solon AG Fuer Solartechnik	1,500	56,800
Theolia	3,000	55,263
RM	24,200	50,717
Nordex	2,600	49,640
SIG	5,000	45,438
Canadian National Railway	1,500	42,060
Solarworld	1,400	40,835

THE KING & SHAXSON FUND PLC
KS ETHICAL BALANCED INCOME FUND
PORTFOLIO MOVEMENTS

10 LARGEST PURCHASES AND SALES (AMALGAMATED BY SECURITY) DURING THE PERIOD
(expressed in Sterling)

	Number of Shares	Cost/Proceeds GBP
Largest Purchases		
Spectris	16,000	126,044
Fresenius Medical Care	4,000	111,172
Portman Building Society FRN 23/03/29	100,000	101,095
National Grid New	12,000	83,501
France Telecom 7.250% 10/11/2020	75,000	82,111
SNCF 5.375% 18/03/2027	75,000	78,029
Severn Trent	5,000	74,415
Deere & Company	1,750	74,317
Allianz	850	74,139
Gamesa	3,050	72,720
Largest Sales		
Fresenius Medical Care	6,000	172,006
Vodafone Group	100,000	149,947
British Telecom 5.750% 07/12/2028	165,000	139,784
Halma	53,020	110,809
Friends Provident	106,150	105,019
Continental	1,700	91,246
United Utilities	10,000	74,110
Severn Trent	5,000	69,560
Nokia	6,000	66,272
Scottish & Southern Energy	4,000	60,637