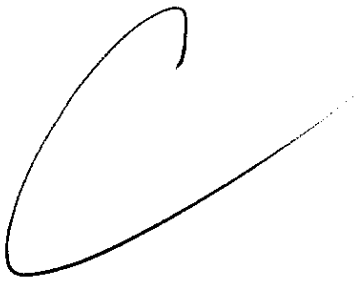


Aberforth Split Level Trust plc

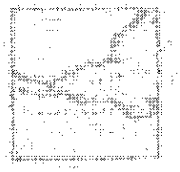
Annual Report and Accounts

30 June 2000





Company Number: 130668



CHAIRMAN'S STATEMENT

PERFORMANCE

For the year to 30 June 2000 Aberforth Split Level Trust plc ("ASLeT") has performed less well than its investment benchmark. In the year under review a total return of 10.0% was achieved which compares unfavourably with a total return of 19.0% from the Hoare Govett Smaller Companies Index (excluding investment trusts.) The comparative performance of large companies, represented by the FTSE All-Share Index, was a total return of 5.1% over the same period.

The main feature of the year was undoubtedly the extraordinary stockmarket performance, over the six month period from September 1999 to February 2000, from the share prices of companies perceived to be associated with the so called New Economy and the Internet. I alluded to this phenomenon at length in my Interim Statement and your Managers' Report does so again. During this period, ASLeT underperformed significantly. However, since early March 2000, the stockmarket environment has changed again with the TMT sectors (Technology, Media and Telecommunications) falling from the heady levels reached. The result is that, over the last four months, ASLeT has significantly outperformed by achieving a total return of plus 8.6% compared to the benchmark's total return of minus 4.0%. Clearly this recent improvement in ASLeT's relative fortunes is welcome even though it has been insufficient to recover the ground lost during the previous six months.

DIVIDENDS

Your Board is pleased to announce an increase in this year's dividends to a total for the year of 14.0p per Income Share, up from 13.0p last year, representing an increase of 7.7%. This means that the fourth interim dividend will be 6.2p per Income Share, up from 5.5p last year, and will be paid on 1 September 2000 to holders of Income Shares on the Register on 4 August 2000. This increase is consistent with the underlying rate of dividend growth of the companies held in the portfolio.

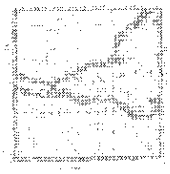
BOARD COMPOSITION

Your Board has already announced both the resignation of David M.C. Michels and the appointment of Donald J. Macdonald during the year under review. Your Board's appreciation of Mr. Michel's contribution is already on record. Mr. Macdonald's appointment requires Shareholders' approval at the forthcoming Annual General Meeting. This appointment continues the policy of your Board of ensuring that all its members are independent.

REPORT AND ACCOUNTS AND WEBSITE

The Association of Investment Trust Companies has recently produced a guide to Good Practice for the Report and Accounts of Investment Trust Companies which your Board found to be of value. Accordingly, additional information has been provided together with new layouts in these Report and Accounts which your Board hopes Shareholders find both interesting and helpful.

In addition, your Managers' website (www.aberforth.co.uk) is regularly updated and visited.



CHAIRMAN'S STATEMENT

GEARING AND SHARE BUY-INS

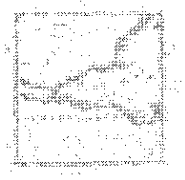
Other than for very brief periods and then only for "working capital" reasons, ASLeT has never been geared. It is not your Board's intention to deviate from this policy given the difficulties of balancing the costs, risks and rewards between Capital and Income Shareholders.

Your Board has not sought Shareholders' approval to buy-in Shares. It is not your Board's intention to do so given the limited duration of ASLeT as detailed elsewhere.

OUTLOOK

In my Interim Statement of January this year, I sought to assure Shareholders that, when the attitude of investors moved from the obsession at that time with "growth" companies to one more favourable to your Managers' investment style, ASLeT's relative performance would benefit. It is very reassuring recently to note this has proved to be the case. Provided the stockmarket continues its return to an environment whereby companies' valuations are capable of rational explanation, your Board believes that ASLeT's future relative performance should be good.

Michael J Walker
Chairman
19 July 2000



MANAGERS' REPORT

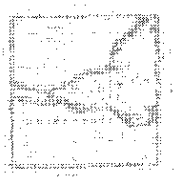
In the twelve month period to 30 June 2000 the shares of small companies have outperformed their larger counterparts. ASLeT's assets have also achieved a positive return albeit less than that of the benchmark index. This pattern of performance represents a reversal of the trends of the previous year and the key data are detailed below.

Total Returns	**12 months to 30 June 2000**	**12 months to 30 June 1999**
ASLeT	+10.0%	+13.1%
Benchmark Index	+19.0%	+6.8%
FTSE All-Share	+5.1%	+10.1%

The two issues which have set the tone for the UK stockmarket and ASLeT's relative performance over the financial year have been the pace of global and UK economic recovery and the extraordinary performance of shares associated with the New Economy in the run up to, and immediately after, the commencement of the new Millennium. These issues were dealt with in the last Interim Report but remain the salient drivers to performance and are therefore worthy of repetition.

In the latter part of 1998 and early 1999 the pace of expansion of the UK economy slowed consistent with the damage to confidence caused by the global repercussions of the financial collapse in Russia. Fears of a liquidity crisis prompted a series of co-ordinated global interest rate reductions and base rates in the UK declined from 7.5% at the end of the third quarter of 1998 to a trough of 5.0% in June 1999. This monetary easing restored confidence and levels of economic activity accelerated, which proved to be relatively beneficial to the shares of small companies given their greater sensitivity to the level of economic activity. This consideration, combined with modest levels of stockmarket valuation, drove strong returns for small companies over the six month period to June 1999 with the benchmark index achieving a total return of 30.3% and ASLeT's assets achieving a total return of 34.7% over the same period.

However, by the start of ASLeT's financial year to June 2000 the level of demand growth in the UK economy was such that the Monetary Policy Committee (the "MPC") was concerned that should economic momentum be maintained there was a risk that the inflation target of 2.5% would be breached over the forecast horizon. Accordingly short term interest rates were initially raised in September 1999 and have risen from 5.0% to 6.0% during ASLeT's financial year. This monetary tightening has been rewarded with reduced yields on long term fixed interest securities, a feature reinforced by a shortage of these securities as supply remains modest and demand robust. The change in the shape of the yield curve, with short term rates rising and long term rates falling, has been relatively helpful to the shares of highly rated companies even though valuations in an historic context were already expensive. At the same time, evidence of a desire to slow the economy has been unhelpful to companies more sensitive to the level of domestic economic activity.



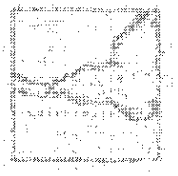
MANAGERS' REPORT

Historically, monetary policy in the UK has been under the control of the incumbent government and, with a politician's desire to avoid the delivery of bad news, interest rates have normally been raised too late and expectations for rising inflation have become embedded. As a consequence, this has often forced interest rates to be raised aggressively on subsequent occasions, with a recession following thereafter. The response of share prices subsequent to the first base rate increases in September 1999 supports the contention that the normal pattern of history will be repeated. In your Managers' view, this perception may be incorrect as the conduct of monetary policy is now in the hands of an independent body, the MPC, charged with ensuring that inflation does not exceed a clearly defined target. Accordingly it has acted pre-emptively to curb inflationary expectations and therefore may succeed in slowing the economy without inducing a recession therefore increasing the probabilities of finding that elusive soft landing. Indeed recent evidence is supportive of this being the case with economic growth becoming more consistent with the expansion of productive capacity and with base interest rates being unchanged since early February 2000.

Of greater significance for share price performance within the small company universe has been the incredible enthusiasm for the New Economy as we approached the new Millennium, a feature which spilled over into the first quarter of 2000. The significant level of attention paid to the Internet has particularly benefited the Technology, Media and Telecommunications sectors leading to the now universally recognised acronym of TMT. This fashion has been global with the US stockmarket exerting a very powerful influence consistent with its more mature and diverse base of technology companies.

Domestically, both private and institutional investors have been keen to gain exposure to the New Economy. This source of demand has been augmented by funds which seek to replicate stockmarket indices. These funds have been forced buyers of shares in companies whose market capitalisations have expanded leading to their inclusion in a wider range of indices. Such activity is counter-intuitive as demand for the shares increases concurrent with their expansion in valuation. Stockmarket interest in the New Economy became increasingly speculative as ever more esoteric methods of company valuation appeared. In addition, investment companies targeting Internet start-ups were valued on many times their asset value ascribing skills to their managers akin to financial alchemists. In early March 2000 investor sentiment finally shifted and share prices declined sharply around the globe with tightening monetary policy in the USA playing a significant part.

The sharp correction seen over the last four months has removed some of the speculative excess but valuations in the TMT sectors still remain expensive in an historic context. Returns in the sectors touched by the New Economy were substantial in the year under review and these were the key drivers to the performance of the investment benchmark.



MANAGERS' REPORT

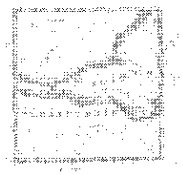
INVESTMENT PERFORMANCE

As already commented upon, ASLeT's assets underperformed its benchmark index over the period. The table below, however, divides the year into two, making the division at the end of February 2000 being about the time sentiment changed. As is evident, ASLeT underperformed significantly in the first eight months of the year, a period encompassing the surge in TMT valuations. However, ASLeT has outperformed during the last four months as the stockmarket environment has been less ebullient in the TMT sectors.

Total Returns	ASLeT NAV	Benchmark Index	Under/ Out-Performance
1 July 1999–29 February 2000	+1.3%	+24.0%	-22.7%pts
1 March 2000–30 June 2000	+8.6%	-4.0%	+12.6%pts

The table clearly demonstrates the significant underperformance during the period of New Economy popularity with two elements being worthy of comment. First, the portfolio, although represented in some of the relevant sectors, was underweighted relative to the benchmark and not exposed to the already very expensive shares in those areas where valuation levels continued to expand. Secondly, other areas of the stockmarket where the portfolio was well represented, namely the Old Economy, were used by investors as a source of cash to fund increasing exposure to the more popular areas. Consistent with this portfolio orientation, relative performance has demonstrated a sharp recovery as market conditions have changed from March this year. However, the recent outperformance has not been sufficient to recover the ground lost earlier in the year. These general comments are consistent with the table on Page 14 which details the performance attribution over the year and shows a negative contribution at both the stock and the sector level primarily explained by an underexposure to the New Economy. Indeed, the TMT sectors of the benchmark index in aggregate produced a capital only return of 72.5% over the twelve months which contrasts starkly with a capital only return of 6.8% from the aggregate of all other sectors! This is the key issue in addressing the pattern of performance over the last twelve months and the following points summarise your Managers' views:

- Your Managers acknowledge the importance of the Internet in transforming many aspects of commercial life. However, in their opinion, as in previous periods of significant technological change, expectations for the quantum and growth of profitability, combined with the level of valuation for companies exposed to these technological changes, will prove to have been over optimistic. Excessive credit creation in the run up to Y2K provided additional fuel for financial speculation.



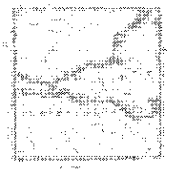
MANAGERS' REPORT

- Undoubtedly a number of the currently highly valued businesses will prove to be rewarding investments, even at recent entry levels. However, for the vast majority, the relationship between the capitalisation of the company and the quantum of profit to be achieved in future years is not consistent with achieving a positive investment return from holding the shares. This is not a criticism of the efforts of the company management but reflects the fact that their competitive advantage will be eroded inside the timeframe necessary to justify current valuations. This reflects natural competitive forces and the difficulty of maintaining prevailing growth rates as a business expands in size. Competitive pressures have been an ever present force in the technology area. However, these are currently being reinforced by the desire of investors to gain greater exposure and for talented individuals to profit both as employees and shareholders. In combination these factors are increasing the amount of financial and intellectual capital available. Accordingly, major technological advances are likely but will not always be correlated with making a profit from holding the shares of companies exposed to those changes.

- Your Managers believe there has been a scarcity premium attached to the shares of some companies with investors seeking exposure to new industries where the number of quoted opportunities are modest, an issue compounded by significant directors' shareholdings. Investment banks around the globe are, however, striving to alleviate supply shortages, a process assisted by company directors on both sides of the Atlantic selling shares. History would suggest that industry insiders are good judges of long term value!

The three points made above are philosophically consistent with the value investment style of your Managers. This approach seeks to isolate shares in companies where the financial characteristics are expected to improve, or are already attractive but remain unrecognised by the stockmarket. Clearly in the environment which prevailed between the end of August 1999 and the end of February 2000 where the potential for a narrow range of companies became more than fully recognised and for the remainder of the small company universe virtually ignored, your Managers' value style was not successful. Indeed a number of growth managers found the environment increasingly difficult as the shares of companies where high rates of future growth were anticipated were driven to valuations inconsistent with those growth expectations. Accordingly, towards the latter end of this period of stockmarket euphoria it was the momentum investor who was the major beneficiary.

Shareholders who are quite correctly encouraged by technological change and its longer term implications for productivity should take comfort from two factors.



MANAGERS' REPORT

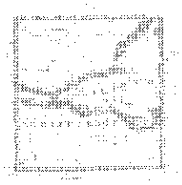
First, the principal barrier to a greater exposure to these sectors for ASLeT is one of price and for the reasons cited above your Managers believe that there will be opportunities in the future to gain exposure at valuations where money can be made for Shareholders. Indeed there have been periods in the past when ASLeT's exposure to Technology was substantially higher than that currently.

Secondly, your Managers see the distinction between the Old and the New Economy becoming increasingly irrelevant. The key driver for any business is the ability to use new technology to attract new customers or deal with an existing customer at a lower cost. In this regard many companies currently perceived as belonging to the dark ages are well positioned with products, services and customers combined with the necessary level of existing profits and cash flow to fund any change in their business models. Companies of this type are well represented in ASLeT's portfolio and are available at modest valuations with a good chance of exploiting technological change. They may prove to be more rewarding investments than recently formed highly valued businesses dependent on external funding and therefore the whim of the financial markets.

Against this volatile background two features have been supportive of returns for ASLeT over the year although their impact has been lost given the exceptional returns generated in a narrow segment of the stockmarket already described.

Your Managers believe that one of the key validations of their value style is to own shares in companies which prove to be attractive to corporate buyers. Over the last year the majority of institutional investors have sought out shares in companies where current profitability is modest but future expectations are high. Fortunately, corporate buyers focus more on existing profitability and established market positions. This has been to ASLeT's benefit with over 16% of the portfolio's assets being acquired.

In general terms the trading performance of the portfolio constituents has been good consistent with accelerating economic activity in the first half of the period and has continued despite the rise in interest rates and the strengthening of Sterling against the European currencies for much of the second half of ASLeT's year. This positive corporate performance has reflected a modest softening in domestic demand combined with very strong demand for those companies serving the USA. Against this background the portfolio is estimated to have achieved earnings growth in excess of 15% and is selling at an attractive valuation relative to the benchmark index and UK equities in general. The following table highlights the key characteristics.



MANAGERS' REPORT

	30 June 2000		30 June 1999	
Characteristics	**Benchmark**	**ASLeT**	Benchmark	ASLeT
Number of Companies	**1,018**	**95**	1,174	109
Weighted Average Market Capitalisation	**£347.9m**	**£291.9m**	£345.5m	£259.0m
Price Earnings Ratio (Historic)	**13.1x**	**12.2x**	14.2x	13.1x
Net Dividend Yield (Historic)	**2.9%**	**3.5%**	2.8%	3.2%
Dividend Cover (Historic)	**2.7x**	**2.4x**	2.5x	2.4x

INVESTMENT OUTLOOK

Following a year of underperformance against the benchmark index your Managers are optimistic regarding future relative performance based on the following considerations.

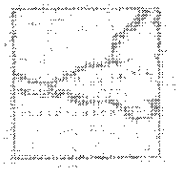
The popular stockmarket areas of the last twelve months remain expensive in an historic context and are vulnerable to both profit disappointments and the supply of additional shares. Further, the areas of the US stockmarket which set the valuation benchmark for the technology area remain vulnerable to further monetary tightening as the Federal Reserve attempts to slow the economy to more sustainable levels.

The derating of significant elements of the UK stockmarket outwith the popular areas described has created many opportunities for your Managers to select higher quality businesses with good potential for profits expansion at historically attractive valuations.

Against a background of secular low inflation the necessity for industries to consolidate compounded by the desire for greater portfolio focus from investment institutions will continue to drive corporate activity to the benefit of ASLeT.

Your Managers believe that nominal returns from financial markets will be lower for some time to come than in the recent past as real yields on fixed interest securities are unlikely to fall further. Against this background, a portfolio with attractive value characteristics and a meaningful dividend yield seems well placed to achieve good relative performance.

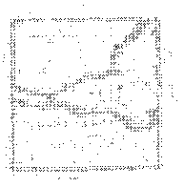
Aberforth Partners
Managers
19 July 2000



PORTFOLIO INFORMATION

FIFTY LARGEST INVESTMENTS

No.	Company	Valuation £'000	% of Total	Business Activity
1.	Johnson Service Group	4,535	3.1	Textile rental and drycleaning
2.	Macro 4	3,748	2.5	Computer software and services
3.	Roxboro Group	3,744	2.5	Manufacture of electronic products
4.	FirstGroup	3,070	2.1	Bus and train operator
5.	Cairn Energy	3,033	2.1	Oil and gas exploration and production
6.	Azlan Group	3,014	2.1	Computer networking: distribution, training and services
7.	Holidaybreak	2,935	2.0	Holiday company
8.	John Mansfield Group	2,674	1.8	Direct marketing and related printing services
9.	Meggitt	2,583	1.7	Aerospace
10.	Grantchester Holdings	2,514	1.7	Property
11.	MFI Furniture Group	2,408	1.6	Furniture retailer
12.	Go-Ahead Group	2,351	1.6	Bus and train operator
13.	Glynwed International	2,312	1.6	Engineering
14.	Bryant Group	2,271	1.5	Housebuilding
15.	Grainger Trust	2,260	1.5	Property
16.	Prism Rail	2,234	1.5	Train operator
17.	Countrywide Assured Group	2,230	1.5	Insurance and estate agent
18.	Johnston Press	2,191	1.5	Regional newspapers
19.	TDG	2,184	1.5	Logistics
20.	Scapa Group	2,113	1.4	Technical adhesive tapes
21.	Bodycote International	2,090	1.4	Heat treatment
22.	Hewden Stuart	2,087	1.4	Plant and tool hire
23.	Friends Ivory & Sime	2,082	1.4	Investment management
24.	Ascot	2,053	1.4	Chemical manufacture
25.	Acal	2,047	1.4	Electronic component distribution
26.	Ellis & Everard	1,986	1.4	Chemical distribution
27.	T & S Stores	1,896	1.3	Convenience store retailer
28.	Enterprise Inns	1,882	1.3	Tenanted pub operator
29.	Great Portland Estates	1,849	1.3	Property
30.	Oxford Instruments	1,780	1.2	Manufacture of advanced instrumentation
31.	Marshalls	1,729	1.2	Manufacture of concrete building products
32.	New Look Group	1,727	1.2	Womenswear retailer
33.	Brammer	1,692	1.2	Distribution of bearings and electronic equipment rental
34.	Bellway	1,691	1.2	Housebuilding
35.	Dairy Crest Group	1,645	1.1	Dairy products
36.	Mowlem (John) & Co	1,639	1.1	Construction and other services
37.	Tops Estates	1,636	1.1	Property
38.	Chime Communications	1,633	1.1	Public relations and advertising agency
39.	Homestyle Group	1,623	1.1	Household textile and bed retailer
40.	Northern Leisure	1,588	1.1	Night club operator
41.	Domestic & General Group	1,559	1.1	Insurance
42.	Unigate	1,523	1.0	Food processing and distribution



PORTFOLIO INFORMATION

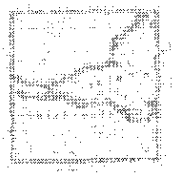
FIFTY LARGEST INVESTMENTS

No.	Company	Valuation £'000	% of Total	Business Activity
43.	Delta	1,513	1.0	Manufacture of electrical products
44.	Quintain Estates & Development	1,510	1.0	Property
45.	Atkins (WS)	1,483	1.0	Professional services provision
46.	PPL Therapeutics	1,481	1.0	Biotechnology
47.	Iceland Group	1,456	1.0	Food retailer
48.	Perkins Foods	1,428	1.0	Manufacture of chilled and frozen food
49.	Chapelthorpe	1,426	1.0	Manufacture of wallcoverings and fibres
50.	Fenner	1,404	1.0	Engineering
	Top Fifty Investments	105,542	71.8	
	Other Investments (45)	37,224	25.3	
	Total Investments	142,766	97.1	
	Net Current Assets	4,226	2.9	
	Total Assets less Liabilities	146,992	100.0	

Summary of Material Portfolio Changes
12 Months to 30 June 2000

Purchases	Cost £'000	Sales	Proceeds £'000
Go-Ahead Group	3,660	Cordiant Communications Group	7,115
Meggitt	2,503	Celltech Group	5,734
Bodycote International	2,266	Trinity Mirror	3,305
MFI Furniture Group	2,264	Norcros	3,071
Scapa Group	2,240	Rugby Group	2,968
FirstGroup	2,199	Money Controls	2,693
Dairy Crest Group	1,913	Wickes	2,656
Johnson Service Group	1,696	Singer & Friedlander Group	2,195
Glynwed International	1,676	Gerrard Group	2,167
Euromoney Institutional Investor	1,617	Mentmore Abbey	2,023
Great Portland Estates	1,582	JJB Sports	2,002
Friends Ivory & Sime	1,552	British-Borneo Oil & Gas	1,933
London Merchant Securities	1,536	Tilbury Douglas	1,901
Unigate	1,516	Waddington	1,736
Rugby Group	1,505	Graham Group	1,672
Northern Leisure	1,466	London Merchant Securities	1,564
Domestic & General Group	1,465	Brewin Dolphin Holdings	1,495
De Vere Group	1,410	Chime Communications	1,492
Chime Communications	1,383	Homestyle Group	1,415
Weir Group	1,351	Johnston Press	1,324
Other Purchases	44,263	Other Sales	32,520
Total for the period	81,063	Total for the period	82,981

The summary of material portfolio changes shows the 20 largest aggregate purchases and sales. Portfolio turnover for the year was 58.3% (1999 – 55.7%)



PORTFOLIO INFORMATION

FTSE Industry Classification Exposure Analysis

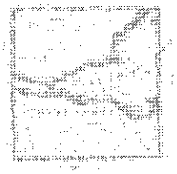
	← 30 June 1999 →					← 30 June 2000 →		
	Index Weight	Portfolio Weight	Portfolio Valuation	Net Purchases/ (Sales)	Net Appreciation/ (Depreciation)	**Portfolio Valuation**	**Portfolio Weight**	***Index Weight***
			£'000	£'000	£'000	**£'000**		
Resources	*3%*	4%	5,215	(1,358)	137	**3,994**	**3%**	***1%***
Basic Industries	*16%*	16%	21,450	417	(1,241)	**20,626**	**14%**	***12%***
General Industrials	*10%*	14%	18,201	2,395	(1,144)	**19,452**	**14%**	***10%***
Cyclical Consumer Goods	*3%*	4%	5,973	172	(2,504)	**3,641**	**3%**	***3%***
Non-cyclical Consumer Goods	*10%*	7%	9,892	(2,217)	4,456	**12,131**	**8%**	***11%***
Cyclical Services	*37%*	35%	47,673	3,538	3,734	**54,945**	**39%**	***35%***
Non-cyclical Services	*1%*	1%	794	2,118	440	**3,352**	**2%**	***2%***
Utilities	*1%*	1%	913	(609)	(304)	**—**	**—**	***2%***
Information Technology	*5%*	4%	5,273	(1,255)	3,089	**7,107**	**5%**	***8%***
Financials	*14%*	14%	19,289	(5,119)	3,348	**17,518**	**12%**	***16%***
	100%	100%	134,673	(1,918)	10,011	**142,766**	**100%**	***100%***

Performance Attribution Analysis

12 Months to 30 June 2000

Stock Selection	(528)
Sector Selection	(325)
	(853)
Cash	(10)
Undistributed Revenue	2
Management Fee charged to Capital	(59)
Total Attribution	(920)

All figures are basis points where 100 basis points = 1%. Total Attribution is the difference between the capital only performance of the Unit Net Asset Value and the Benchmark Index. (i.e. Unit NAV = +6.7%, Benchmark Index = +15.9%; difference is −9.2% being −920 basis points.

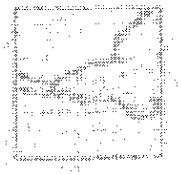


YEAR'S SUMMARY

	30 June 2000	30 June 1999	**% Change**
Total assets (before deduction of borrowings)	**£147.0m**	£137.8m	+6.7%
Loans and other borrowings	**—**	—	
Shareholders' funds	**£147.0m**	£137.8m	+6.7%
Unit net asset value	**474.1p**	444.3p	+6.7%
Capital Share net asset value	**461.1p**	431.4p	+6.9%
Income Share net asset value	**13.0p**	12.9p	+0.8%
Unit price	**400.0p**	389.0p	+2.8%
Capital Share price	**346.5p**	312.5p	+10.9%
Income Share price	**58.0p**	77.0p	–24.7%
Dividends per Income Share	**14.0p**	13.0p	+7.7%
Earnings per Income Share	**14.1p**	13.5p	+4.4%
Expense ratio	**1.06%**	1.06%	
Portfolio turnover	**58.3%**	55.7%	
Unit discount	**15.6%**	12.4%	
Capital Share discount	**24.9%**	27.6%	

	Year to 30 June 2000		Year to 30 June 1999	
Year's high and low (on month end values)	**High**	**Low**	High	Low
Unit price	**425.0p**	**342.5p**	389.0p	261.0p
Capital Share price	**346.5p**	**298.5p**	312.5p	193.0p
Income Share price	**82.5p**	**54.3p**	77.0p	71.3p
Unit net asset value	**474.1p**	**431.1p**	444.7p	321.5p
Capital Share net asset value	**461.1p**	**416.9p**	431.5p	307.7p
Income Share net asset value	**16.9p**	**12.9p**	16.5p	12.3p
Unit discount	**5.6%**	**22.1%**	8.1%	19.5%
Capital Share discount	**20.9%**	**30.1%**	23.6%	38.6%

	30 June 2000	30 June 1999
Total return per Unit		
Revenue	**14.1p**	13.5p
Capital	**29.6p**	38.1p
Total	**43.7p**	51.6p



DIRECTORS AND ADVISERS

DIRECTORS

Michael J Walker (64) (Chairman) (Appointed April 1991)

Michael Walker is Chairman of James Walker (Leith) Limited, a private company which is one of the leading timber and building materials companies in Scotland. He is a Director of Lothian Health Board and was the Chairman of the Western General Hospital NHS Trust and a Trustee of the Trustee Savings Bank of South of Scotland.

Alastair C Dempster (60) (Appointed April 1991)

Alastair Dempster is Chairman of the Scottish Sports Council, Waddies Print Group and the Scottish Community Foundation. He was Chief Executive of Lloyds TSB Scotland plc.

Donald J Macdonald (53) (Appointed May 2000)

Donald Macdonald is a founding director of Macdonald Hotels plc and is responsible for its development and expansion. He has over 20 years' experience in the hotel industry, including 12 years as a managing director and eight years as main board director of a plc.

Sir Fraser Morrison, CBE (52) (Appointed April 1991)

Sir Fraser Morrison is Chairman and Chief Executive of Morrison Construction Group plc, a listed company involved with development partnerships, construction and asset management. He is also Deputy Chairman of Clydesdale Bank plc.

ADVISERS

INVESTMENT MANAGERS AND SECRETARIES
Aberforth Partners
14 Melville Street
Edinburgh EH3 7NS
Tel No 0131-220 0733
Website: www.aberforth.co.uk

BANKERS
Bank of Scotland
38 St Andrew Square
Edinburgh EH2 2YR

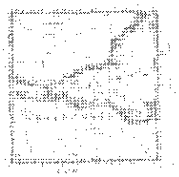
Clydesdale Bank plc
30 St Vincent Place
Glasgow G1 2HL

REGISTERED OFFICE
14 Melville Street
Edinburgh EH3 7NS

AUDITORS
Ernst & Young
Ten George Street
Edinburgh EH2 2DZ

REGISTRARS
Northern Registrars Limited
Northern House
Woodsome Park
Fenay Bridge
Huddersfield HD8 0LA
Tel No 01484 600900

SOLICITORS AND SPONSORS
Dickson Minto W.S.
11 Walker Street
Edinburgh EH3 7NE



COMPANY SUMMARY

MANAGEMENT FIRM

Aberforth Partners are Managers and Secretaries to the Company. Aberforth Partners were established in 1990 to provide institutional and wholesale investors with a high level of resources focused on small UK quoted companies. Since then funds under management have grown to £567 million (as at 30 June 2000). Aberforth Partners are wholly owned by six partners — five founding partners who are responsible for fund management and a sixth partner who is responsible for administration. The five fund managers work as a team managing the Company's portfolio on a collegiate basis. Together they have been managing the portfolio since the Company's inception in May 1991. These partners each have a substantial personal investment in the Company. Their curriculum vitae are as follows:

John M Evans (42) MA(Hons) — John is responsible for investment research and stock selection in the following areas — Automobiles; Construction and Building Materials; Distributors; Gas Distribution; Restaurants, Pubs and Breweries; and Water. Previously he was with Ivory & Sime for 11 years where he was latterly responsible for the management of portfolios whose objectives were income and capital growth from UK equities.

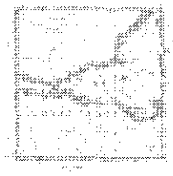
Richard M J Newbery (40) BA(Hons) — Richard is responsible for investment research and stock selection in the following areas — Beverages; Electronic and Electrical Equipment; Food and Drug Retailers; Food Producers and Processors; Household Goods and Textiles; Information Technology Hardware; Personal Care and Household Products; General Retailers; and Telecommunications Services. Previously he was with Ivory & Sime for nine years where he managed international portfolios for a range of clients including those with a small company specialisation.

David T M Ross (51) FCCA — David is responsible for investment research and stock selection in the following areas — Insurance; Leisure, Entertainment and Hotels; Real Estate; Speciality and Other Finance; and Transport. Previously he was with Ivory & Sime for 22 years, the last two of which were as Managing Director. He was a Director of US Smaller Companies Investment Trust plc and served as a member of the Executive Committee of the Association of Investment Trust Companies.

David Warnock (42) BCom(Hons), CDipAF — David is responsible for investment research and stock selection in the following areas — Chemicals; Forestry and Paper; Health; Packaging; Software and Computer Services; and Support Services. Previously he was with Ivory & Sime for four years and had responsibility for the management of investment trusts whose objectives were capital and income growth from equities on a global basis. Prior to joining Ivory & Sime, he was with 3i plc for seven years in both Scotland and the USA.

Alistair J Whyte (37) — Alistair is responsible for investment research and stock selection in the following areas — Aerospace and Defence; Diversified Industrials; Engineering and Machinery; Media and Photography; Mining; Oil and Gas; Pharmaceuticals; and Steel and Other Metals. Previously he was with Ivory & Sime for 11 years where latterly he managed portfolios in Asia. Prior to that he managed portfolios with the objective of capital growth from smaller companies in the UK and internationally.

Further information on Aberforth Partners and their clients is available on its website — **www.aberforth.co.uk**



COMPANY SUMMARY

BENCHMARK

The Company's performance is measured against the total return on the Hoare Govett Smaller Companies Index (excluding investment trusts).

RISK

The Board believes that the Company has a relatively low risk profile in the context of the investment trust industry. This belief arises from the fact that the Company has a clear and simple capital structure; invests only in small UK quoted companies; has never been geared and does not intend to employ any gearing; has never been exposed to derivatives and does not intend any such exposure; and outsources all the main operational activities to recognised, well-established firms. Investment in small companies is generally perceived to carry more risk than investment in large companies. While this is correct when comparing individual companies, it is much less so when comparing the volatility of returns from diversified portfolios of small and large companies. The Board believes the Company's portfolio is diversified. In addition, since the correlation of returns from small and large companies is low, there is an opportunity for investors to reduce risk by holding portfolios of both small and large companies together.

CAPITAL STRUCTURE

Summary

ASLeT has a split capital structure such that Income Shareholders are entitled to all profits of the Company available for distribution and the Capital Shareholders, whilst not entitled to any dividend, will benefit from all capital appreciation achieved on the Company's assets. In a winding up, Income Shareholders are entitled, *inter alia,* to a payment of 10 pence per share in preference to any payment to Capital Shareholders.

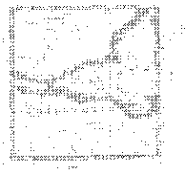
As at 30 June 2000 ASLeT had in issue 31,006,286 Income Shares and 31,006,286 Capital Shares, of which approximately 10,437,000 of each class are dealt in separately on the London Stock Exchange. Approximately 20,569,000 Units, each comprising one Income Share and one Capital Share are also dealt in on the London Stock Exchange. Units may be presented by holders to the Company's Registrars at any time and exchanged for the underlying Income Shares and Capital Shares. Also, holders of Income Shares and Capital Shares may exchange an equal number of Income Shares and Capital Shares for Units.

The Income Shares

Income Shareholders are entitled to all profits of the Company available for distribution by way of dividend. In a winding up they are entitled to a payment of 10 pence (their nominal value) per share plus any undistributed revenue reserve. Save in relation to any resolution to wind up ASLeT on or after 1 July 2001 and certain resolutions to reconstruct the Company (on which resolutions the Income Shareholders shall all be deemed to vote in favour), Income Shareholders are entitled to one vote per share.

The Capital Shares

Capital Shareholders do not participate in any dividend or in any revenue reserve. In a winding up they are entitled to all surplus assets of the Company after payment to the Income Shareholders of 10 pence per Income Share plus any undistributed revenue reserve. Capital Shareholders are entitled to one vote per share.



COMPANY SUMMARY

Duration

The Directors are obliged to convene an Extraordinary General Meeting of the Company between 1 July 2001 and 30 June 2004 at which a Special Resolution will be proposed to wind up the Company voluntarily. In common with other investment trust companies whose capital structure is similar, it is the Directors' intention (barring unforeseen circumstances) to convene such a meeting towards the end of the required period.

The Directors shall not, however, be required to convene such an Extraordinary General Meeting if a resolution shall previously have been passed to reconstruct or reorganise the Company (whether by way of unitisation or otherwise).

The foregoing represents a summary only. Full details of ASLeT's capital structure are available in the Company's Articles of Association.

SHAREHOLDERS' FUNDS AND MARKET CAPITALISATION

At 30 June 2000	Total	Capital Shares	Income Shares
Shareholders' Funds	£147.0m	£143.0m	£4.0m
Market Capitalisation	£125.4m	£107.4m	£18.0m

MANAGEMENT FEE

The Company pays a quarterly fee, in advance, equal to 0.2% of the total net assets of the Company. The Company also pays a quarterly secretarial fee, in advance, of £12,404. Both these fees are subject to Value Added Tax which is irrecoverable by the Company. These contracts can both be terminated by either party at any time by giving six months' notice.

ISA STATUS

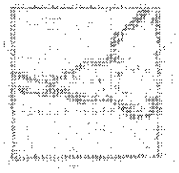
Each of the Company's listed securities qualify for the full "Stocks and Shares" investment limit of £7,000 (1999/00 and 2000/01) and £5,000 (2001/02 onwards).

PEP STATUS

Each of the Company's listed securities qualifies for the full investment in a General Personal Equity Plan and the Company intends to maintain this qualification.

AITC

The Company is a member of the Association of Investment Trust Companies. The Company does not contribute to the AITC's "**its**" marketing campaign.



DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by law to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the net revenue for that period.

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 accounts 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.

The accounts have been prepared on a going concern basis and appropriate accounting policies have been used and consistently applied. Reasonable and prudent judgements and estimates have been used in the preparation of the accounts and applicable UK accounting standards have been followed.

AUDITORS' REPORT

TO THE SHAREHOLDERS OF ABERFORTH SPLIT LEVEL TRUST PLC

We have audited the accounts on pages 25 to 36 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 28 and 29.

Respective responsibilities of Directors and Auditors

The Directors are responsible for preparing the Annual Report. As described above, this includes responsibility for preparing the accounts in accordance with applicable UK law and accounting standards. Our responsibilities, as independent auditors, are established in the UK by statute, the Auditing Practices Board, the Listing Rules of the Financial Services Authority and by our profession's ethical guidance.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, 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 the information specified by law or the Listing Rules regarding Directors' remuneration and transactions with the Company is not disclosed.

We review whether the corporate governance statement on pages 22 and 23 reflects the Company's compliance with the seven provisions of the Combined Code specified for our review by the Listing Rules, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of either the Company's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report, including the corporate governance statement, and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts.

Basis of audit opinion

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, 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 accounts 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 accounts.

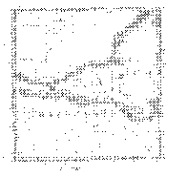
Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 30 June 2000 and of its net revenue for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young
Registered Auditor

Ernst & Young

Edinburgh
19 July 2000



REPORT OF THE DIRECTORS

The Directors have pleasure in submitting the Ninth Annual Report and Accounts of the Company for the year to 30 June 2000.

PRINCIPAL ACTIVITY AND STATUS

The Company is an investment company as defined in Section 266 of the Companies Act 1985 and has been approved by the Inland Revenue as an Investment Trust, within the meaning of the Income and Corporation Taxes Act 1988, up to 30 June 1999. Since that date the Company's affairs have been conducted in such a manner as to enable it to continue to seek such approval. A review of the Company's business during the year is contained in the Chairman's Statement and the Managers' Report.

DURATION OF THE COMPANY AND GOING CONCERN BASIS

Under the Articles of Association the Directors are obliged to convene an Extraordinary General Meeting of the Company between 1 July 2001 and 30 June 2004 at which a Special Resolution will be proposed to wind up the Company voluntarily. In common with other investment trust companies whose capital structure is similar, it is the Directors' intention (barring unforeseen circumstances) to convene such a meeting towards the end of the required period.

The Directors shall not, however, be required to convene such an Extraordinary General Meeting if a resolution shall previously have been passed to reconstruct or reorganise the Company (whether by way of unitisation or otherwise).

After making enquiries and notwithstanding the above, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

RESULTS AND DIVIDEND

	£'000	£'000
Revenue available for dividends		4,375
First interim dividend of 2.60p per Income Share paid 3 December 1999	806	
Second interim dividend of 2.60p per Income Share paid 3 March 2000	806	
Third interim dividend of 2.60p per Income Share paid 2 June 2000	807	
Fourth interim dividend of 6.20p per Income Share payable 1 September 2000	1,922	(4,341)
Transferred to revenue reserve		34

The fourth interim dividend will be paid on 1 September 2000 to Income Shareholders on the Register at close of business on 4 August 2000.

No final dividend will be declared in respect of the year ended 30 June 2000.

DIRECTORS

The Directors who held office at 30 June 2000 and their interests in the Shares of the Company as at that date were as follows:

		Income Shares		Capital Shares	
		2000	1999	**2000**	1999
M J Walker	Beneficial	**10,126**	10,126	**49,926**	49,926
A C Dempster	Beneficial	**2,500**	2,500	**12,764**	12,764
D J Macdonald	Beneficial	**—**	—*	**—**	—*
Sir Fraser Morrison	Beneficial	**2,500**	2,500	**2,500**	2,500

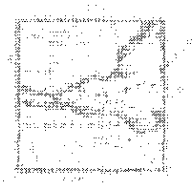
* Holding as at date of appointment being 8 May 2000.

There has been no change in the holdings of the Directors between 30 June 2000 and 19 July 2000.

Mr A C Dempster, who retires by rotation, and Mr D J Macdonald, who retires following his appointment during the year, both being eligible, offer themselves for re-election and election respectively, at the Annual General Meeting. Biographical details are shown on page 16.

Sir Fraser Morrison is a Director of Clydesdale Bank plc which acts as custodian banker to the Company.

Mr D M C Michels retired as a Director of the Company on 13 October 1999.



REPORT OF THE DIRECTORS

CORPORATE GOVERNANCE — THE COMBINED CODE OF BEST PRACTICE

The Board has considered the principles set out in the Combined Code and believes that the Company's current practice, given the special circumstances of an investment trust company is, in all material respects, consistent with the principles of the Combined Code. The Directors are also aware that there are many other published guidelines relating to corporate governance and, whilst these receive diligent review and consideration, the Board does not believe it appropriate to address them individually in the Annual Report. The Board is always available to discuss corporate governance issues with Shareholders.

Directors

The Board of Directors comprises four wholly independent non-executive Directors. Mr Walker acts as Chairman on all matters considered by the Board. The Company has no executive Directors nor any employees, however the Board has engaged external firms to undertake the investment management, secretarial and custodial activities of the Company. Clear documented contractual arrangements are in place between the Company and these firms which set out the areas where the Board has delegated authority to them. The Board as a whole constitutes and performs the functions of a Management Engagement Committee and at least once a year formally reviews the terms of the agreements with the Managers and Secretaries. The Board meets quarterly to review the overall business of the Company and to consider the matters specifically reserved. Detailed information is provided by the Managers and Secretaries for these meetings which enables the Directors to monitor the investment performance of the Company compared to its benchmark index and in relation to comparable investment trusts. The Directors also review the Company's activity over the quarter to ensure it adheres to its investment policy or, if it is considered appropriate, to authorise any change to that policy.

As the Board comprises only four non-executive Directors there is no formal Nomination Committee and appointments of new Directors are considered by the Board as a whole. New Directors are subject to election by Shareholders at the first Annual General Meeting after their appointment and thereafter at least at every third subsequent Annual General Meeting. This policy has been adopted by Board Resolution. In light of the Company's limited duration, the Board does not consider it appropriate that Directors be appointed for a specified term. Directors may seek independent professional advice at the expense of the Company.

Directors' Remuneration

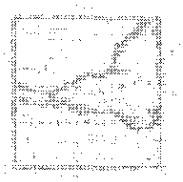
Directors' remuneration comprises solely of Directors' fees, details of which are shown in note 5 of the Accounts. No Director has a contract of service with the Company.

Relations with Shareholders

The Company was formed to, and continues to, invest in a portfolio of small UK quoted companies. The Board believes that regular contact with Shareholders, the majority of whom are institutions, is essential. The Managers meet most of the institutional Shareholders twice a year and provide them with a detailed report on the progress of the Company. Directors of the Company have also met the institutional Shareholders and are always available for discussion with any Shareholder. They may be contacted through the Secretaries whose details are shown on page 16. All Shareholders have the opportunity to attend and vote at the Annual General Meeting during which the Directors and Managers are available to discuss key issues affecting the Company.

Accountability and Audit

The Company reports formally to Shareholders twice a year by way of the Annual Report and Accounts and the Interim Report. As mentioned above, the Managers meet major Shareholders regularly to update them and in addition net asset values, performance data and other relevant information are available on the Managers' website at www.aberforth.co.uk.



REPORT OF THE DIRECTORS

The Board is responsible for establishing and maintaining the Company's system of internal financial control. Internal control systems are designed to meet the particular needs of the company concerned and the risks to which it is exposed, and by their nature can provide reasonable but not absolute assurance against material misstatement or loss. At least once a year the Directors consider the Company's internal financial controls and receive reports from the firms to which services are subcontracted detailing the internal financial control objectives and procedures adopted by each firm. Each report has been reviewed by the respective firm's auditors. The Board's examination of these reports allows it to assess the effectiveness of the external systems of financial control which affect the Company. The Board as a whole constitutes and performs the functions of an Audit Committee and specifically considers the financial reporting by the Company, the internal control principles adopted and the relationship with the Company's auditors. The foregoing is a report in relation to internal financial controls. Guidance in respect of internal controls as a whole, the Turnbull report, has recently been issued and at its meeting held on 19 July 2000 the Board established the procedures necessary to implement the guidance.

Voting Policy and the Environment

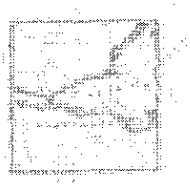
The Company is a significant shareholder in around 100 small companies listed on the London Stock Exchange. The Company has given discretionary voting powers to the Investment Managers, Aberforth Partners. Aberforth Partners exercise these voting rights on every resolution which is put to shareholders of the investments owned by the Company. Each resolution is considered individually and votes are cast as the Managers see fit. Day to day management of the Company's portfolio of investments is carried out by Aberforth Partners. The Directors are aware that the Managers give consideration to environmental issues, among many other factors, when investment decisions are taken.

Compliance with the Provisions of The Combined Code

Subject to the special circumstances of the Company as an investment trust and the exception that Directors are not appointed for a specified term, as explained above, the Company has complied with the provisions of The Combined Code during the financial year.

MANAGEMENT

Aberforth Partners are Managers and Secretaries to the Company. These services can be terminated by either party at any time by giving six months' notice of termination. Aberforth Partners receive a quarterly management fee, payable in advance, equal to one-fifth of one per cent of the value of the total net assets of the Company. The Directors consider that, given the Managers' partnership structure, this fee basis provides an adequate performance-related incentive. Aberforth Partners also receive a quarterly secretarial fee, payable in advance, amounting to £12,404 (excluding VAT) during the year to 30 June 2000. The secretarial fee is adjusted annually in line with the Retail Prices Index. The Directors have decided to allocate part of the management fee to the Capital Reserve. The allocation is based upon an assessment of the activities undertaken by the Managers in pursuit of the investment objectives of the Company. The Directors believe that this accounting treatment enables the accounts to present a fair view of the Company's results in terms of both Capital and Revenue.



REPORT OF THE DIRECTORS

SUBSTANTIAL INTERESTS IN SHARE CAPITAL

The Board has been advised or is aware that the following persons had a notifiable interest in the issued share capital of the Company at 19 July 2000.

Income Shares of 10p	**% Held**	**Capital Shares of 10p**	**% Held**
Legal & General	7.4	Royal London Asset Management	8.8
Geared Income Investment Trust	5.7	Legal & General	7.4
Halifax Fund Management	4.3	Royal & Sun Alliance Insurance Group	6.9
Royal London Asset Management	4.3	Halifax Fund Management	4.3
Liverpool Victoria Insurance	4.0	Liverpool Victoria Insurance	4.0
Royal & Sun Alliance Insurance Group	3.9	Prudential	3.3
Prudential	3.3	Newton Exempt Fund	3.1
Newton Exempt Fund	3.1	Exeter Asset Management	3.1

YEAR 2000 COMPLIANCE

Many computer and digital storage systems express dates using only the last two digits of the year and thus require modification or replacement to accommodate the Year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operations of the Company depend not only on the computer systems of Aberforth Partners, but also on those of the Company's Bankers, Registrars and other key suppliers such as providers of security pricing information. This exposes the Company to risk in the event that there is a failure by other parties to remedy their own Year 2000 issues.

To date the Company has experienced no disruption to its business as a result of the Year 2000 issue. The Directors will continue to monitor the situation but are confident that the risk of material failure is negligible. The Company has incurred no costs associated with implementing Year 2000 compliance.

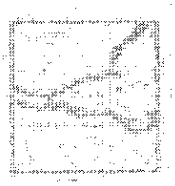
CREDITORS PAYMENT POLICY

The Company's creditors payment policy is to agree terms of payment before business is transacted, to ensure suppliers are aware of these terms and to settle bills in accordance with them. The Company did not have any trade creditors at the year end.

AUDITORS

Ernst & Young have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

By Order of the Board
for Aberforth Partners (Secretaries)
14 Melville Street, Edinburgh EH3 7NS
19 July 2000



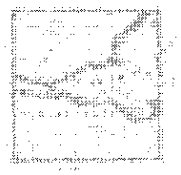
STATEMENT OF TOTAL RETURN

(INCORPORATING THE REVENUE ACCOUNT*) FOR THE YEAR ENDED 30 JUNE 2000

	Notes	2000 Revenue £'000	2000 Capital £'000	2000 Total £'000	1999 (restated) Revenue £'000	1999 (restated) Capital £'000	1999 (restated) Total £'000
Gains/(losses) on investments	9	—	**10,011**	**10,011**	—	12,465	12,465
Income	2	**5,035**	**—**	**5,035**	4,759	—	4,759
Investment management fee	3	**(494)**	**(822)**	**(1,316)**	(400)	(668)	(1,068)
Other expenses	4	**(166)**	**—**	**(166)**	(165)	—	(165)
Return on ordinary activities before tax		**4,375**	**9,189**	**13,564**	4,194	11,797	15,991
Tax on ordinary activities	6	—	—	—	—	—	—
Return attributable to non-equity shareholders		**4,375**	**9,189**	**13,564**	4,194	11,797	15,991
Dividends in respect of non-equity shares	7	**(4,341)**	**—**	**(4,341)**	(4,031)	—	(4,031)
Transfer to reserves		**34**	**9,189**	**9,223**	163	11,797	11,960
Returns per non-equity interest							
Income Share	8	**14.11p**	**—**	**14.11p**	13.53p	—	13.53p
Capital Share	8	**—**	**29.64p**	**29.64p**	—	38.05p	38.05p
Unit (One Income Share plus one Capital Share)	8	**14.11p**	**29.64p**	**43.75p**	13.53p	38.05p	51.58p

* The revenue column of this statement is the profit and loss account of the Company.
All revenue and capital items in the above statement derive from continuing operations.
No operations were acquired or discontinued in the year.

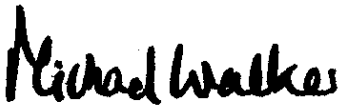
The accompanying notes are an integral part of this statement.



BALANCE SHEET

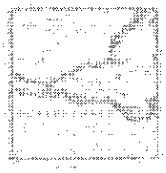
AS AT 30 JUNE 2000

	Note	2000 £'000	1999 £'000
FIXED ASSETS: INVESTMENTS			
Securities Listed on the London Stock Exchange:			
UK Ordinary Shares		**142,324**	133,580
UK Convertible Securities		**442**	1,093
Total Investments	9	**142,766**	134,673
Current Assets			
Debtors	10	**3,666**	2,923
Cash at bank		**3,457**	3,517
		7,123	6,440
Creditors (amounts falling due within one year)	11	**(2,897)**	(3,344)
Net Current Assets		**4,226**	3,096
TOTAL ASSETS LESS CURRENT LIABILITIES		**146,992**	137,769
CAPITAL AND RESERVES: NON-EQUITY INTERESTS			
Called up Share Capital:	12	**6,201**	6,201
Reserves:			
Share premium account	13	**24,543**	24,543
Capital redemption reserve	13	**45,549**	45,549
Capital reserve — realised	13	**64,278**	45,622
Capital reserve — unrealised	13	**5,498**	14,965
Revenue reserve	13	**923**	889
	14	**146,992**	137,769
NET ASSET VALUES	15		
PER INCOME SHARE		**13.0p**	12.9p
PER CAPITAL SHARE		**461.1p**	431.4p
PER UNIT (being one Income Share plus one Capital Share)		**474.1p**	444.3p



Approved by the Board of Directors on 19 July 2000 and signed on its behalf by M J Walker, *Chairman*

The accompanying notes are an integral part of this balance sheet.



CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2000

Reconciliation of revenue before taxation to net cash inflow from operating activities

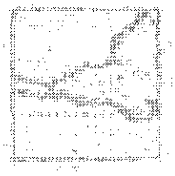
	2000	1999 (Restated)
	£'000	£'000
Revenue before taxation	**4,375**	4,194
Scrip dividends	**(54)**	(37)
Tax withheld from income on investment	**(9)**	(9)
Investment management fee charged to capital	**(822)**	(668)
Increase in other debtors	**(2)**	(138)
Increase in other creditors	**2**	1
Net cash inflow from operating activities	**3,490**	3,343

CASH FLOW STATEMENT

	Note		
Net cash inflow from operating activities		**3,490**	3,343
Returns on investments and servicing of finance	16	**(4,125)**	(3,844)
Taxation	16	**9**	67
Capital expenditure and financial investment	16	**566**	1,911
(Decrease)/increase in cash		**(60)**	1,477

Reconciliation of net cash flow to movement in net funds	17		
(Decrease)/increase in cash in the year		**(60)**	1,477
Change in Net Funds		**(60)**	1,477
Net Funds at 1 July 1999		**3,517**	2,040
Net Funds at 30 June 2000		**3,457**	3,517

The accompanying notes are an integral part of this statement.



NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which, with the exception of accounting for dividend income (see (c) below), have been applied consistently throughout the year and with the preceding year, is set out below.

(a) Basis of accounting

The accounts are prepared under the historical cost convention, modified to include the revaluation of investments. The accounts have been prepared in accordance with applicable accounting standards and with the Statement of Recommended Practice "Financial statements of investment trust companies" ("SORP") except for the basis of the allocation of the investment management fee and the tax effect thereon between capital and revenue. This exception is in accordance with the recommendation of the SORP that certain split capital investment trusts should not comply with those recommendations which, if implemented, could affect the financial benefits or rights attaching to different classes of security.

(b) Valuation of investments

Quoted investments are valued at middle market prices. Where trading in the securities of an investee company is suspended, the investment is valued at the Board's estimate of its net realisable value.

Realised surpluses or deficits on the disposal of investments are taken to capital reserve–realised and unrealised surpluses and deficits on the revaluation of investments are taken to capital reserve–unrealised as explained in note 1(f) below.

(c) Income

Dividends receivable on quoted equity shares are brought into account on the ex-dividend date. In accordance with FRS 16, dividend income is now shown excluding any related tax credit with a consequential reduction in the amount of the tax charge. The effect of this change in policy is to decrease franked investment income and the tax charge by equal amounts of £532,000 (1999: £695,000) resulting in no change to the Return attributable to non-equity shareholders for either 2000 or 1999.

Where the Company has elected to receive its dividends in the form of additional shares rather than in cash, the amount of the cash dividend is recognised as income. Any excess in the value of the shares received over the amount of the cash dividend is recognised in capital reserves.

Other income is accounted for on an accruals basis.

(d) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue account except as follows:

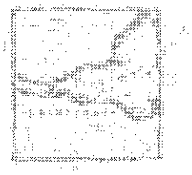
— expenses which are incidental to the acquisition of an investment are included within the cost of the investment.

— expenses which are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment.

— expenses are charged to capital reserve-realised where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In this respect the investment management fee has been allocated 62.5% to capital reserve-realised and 37.5% to revenue account.

(e) Taxation

The tax effect of different items of income/gain and expenditure/loss is allocated between revenue and capital on an equitable basis determined by the Directors.



NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES *(continued)*

(f) Capital reserves

Capital reserve–realised.

The following are accounted for in this reserve:

— gains and losses on the realisation of investments.

— gains on the return of capital by way of investee companies paying special dividends.

— expenses, together with the related taxation effect, charged to this reserve in accordance with the above policies.

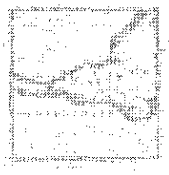
Capital reserve–unrealised.

The following are accounted for in this reserve:

— increases and decreases in the valuation of investments held at the year-end.

2 INCOME

	2000	1999 (Restated)
	£'000	£'000
Income from investments		
Franked investment income (net)	**4,784**	3,971
UK unfranked investment income	**46**	43
Foreign income dividends	**—**	403
Scrip dividends	**54**	75
	4,884	4,492
Other income		
Deposit interest	**147**	266
Underwriting commission	**4**	1
	151	267
Total income	**5,035**	4,759
Total income comprises:		
Dividends	**4,838**	4,449
Interest	**193**	309
Other income	**4**	1
	5,035	4,759
Income from investments:		
Listed UK	**4,884**	4,492



NOTES TO THE FINANCIAL STATEMENTS

3 INVESTMENT MANAGEMENT FEE

	2000			1999		
	Revenue	**Capital**	**Total**	Revenue	Capital	Total
	£'000	***£'000***	***£'000***	*£'000*	*£'000*	*£'000*
Investment management fee	**494**	**822**	**1,316**	400	668	1,068

The Company's investment managers are Aberforth Partners. The contract between the Company and Aberforth Partners may be terminated by either party at any time by giving six months' notice of termination. Aberforth Partners receive a quarterly management fee, payable in advance, equal to one-fifth of one per cent of the value of the total net assets of the Company. In addition to the investment management fee, above, the Company also obtains secretarial services from Aberforth Partners. The fee for these services is recorded with other expenses (Note 4).

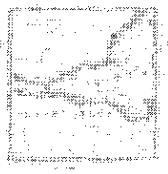
4 OTHER EXPENSES

	2000	1999
	£'000	£'000
Secretarial services	**58**	58
Directors' fees (Note 5)	**32**	36
Auditor's fees — for audit services	**8**	7
— for non-audit services	**1**	1
Other	**67**	63
	166	165

5 DIRECTORS' FEES

The emoluments of the Directors were as follows:

	2000	1999
	£'000	£'000
M W Walker, *Chairman*	**11,000**	10,700
A C Dempster	**8,800**	8,560
D J Macdonald	**1,302**	—
D M C Michels	**2,513**	8,560
Sir Fraser Morrison	**8,800**	8,560
	32,415	36,380



NOTES TO THE FINANCIAL STATEMENTS

6 TAXATION

As a result of the Company's expenses exceeding unfranked income there is no liability to corporation tax.

7 DIVIDENDS

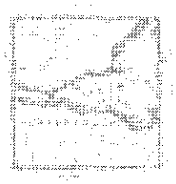
	2000 £'000	1999 £'000
Income Shares		
First interim paid — 2.60p (1999: 2.50p)	**806**	775
Second interim paid — 2.60p (1999: 2.50p)	**806**	775
Third interim paid — 2.60p (1999: 2.50p)	**807**	775
Fourth interim payable — 6.20p (1999: 5.50p)	**1,922**	1,706
	4,341	4,031

8 RETURNS PER NON-EQUITY SHARES

		2000			1999	
	Revenue	**Capital**	**Total**	Revenue	Capital	Total
Income share	**14.11p**	—	**14.11p**	13.53p	—	13.53p
Capital share	—	**29.64p**	**29.64p**	—	38.05p	38.05p

The revenue return per Income Share is based on the net revenue on ordinary activities after taxation of £4,375,000 (1999: £4,194,000) and on 31,006,286 Income Shares being the weighted average number of Income Shares in issue during both years.

The capital return per Capital Share is based on net capital gains for the financial year of £9,189,000 (1999: £11,797,000) and on 31,006,286 Capital Shares being the weighted average number of Capital Shares in issue during both years.



NOTES TO THE FINANCIAL STATEMENTS

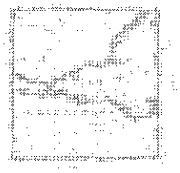
9 INVESTMENTS

	Listed in UK £'000
Opening book cost	119,708
Opening unrealised appreciation	14,965
Opening valuation	134,673
Movements in the year:	
Purchases at cost	81,063
Sales—proceeds	(82,981)
—*realised gains on sales*	19,478
Decrease in unrealised appreciation	(9,467)
Closing valuation	142,766
Closing book cost	137,268
Closing unrealised appreciation	5,498
Closing valuation	142,766

	2000	1999
	£'000	£'000
Realised gains on sales	**19,478**	6,105
(Decrease)/increase in unrealised appreciation	**(9,467)**	6,360
Gains/(losses) on investments	**10,011**	12,465

10 DEBTORS

	2000	1999
	£'000	£'000
Amounts due from brokers	**2,729**	1,988
Investment income receivable	**915**	915
Tax recoverable	**9**	9
Other debtors	**13**	11
	3,666	2,923



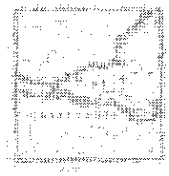
NOTES TO THE FINANCIAL STATEMENTS

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	**2000**	1999
	£'000	£'000
Amounts due to brokers	**952**	1,617
Fourth interim dividend	**1,922**	1,706
Other creditors	**23**	21
	2,897	3,344

12 SHARE CAPITAL	**At 30 June 2000**		At 30 June 1999	
	No. of		No. of	
Authorised:	**Shares**	**£'000**	Shares	£'000
Income Shares of 10p	**258,750,000**	**25,875**	258,750,000	25,875
Capital Shares of 10p	**258,750,000**	**25,875**	258,750,000	25,875
		51,750		51,750
Allotted, issued and fully paid:				
Income Shares of 10p	**31,006,286**	**3,100.6**	31,006,286	3,100.6
Capital Shares of 10p	**31,006,286**	**3,100.6**	31,006,286	3,100.6
		6,201.2		6,201.2

In accordance with the requirements of Financial Reporting Standard No. 4, all classes of the Company's shares are defined as "non-equity". However, in the opinion of the Directors, the income and capital shares are in aggregate the true equity of the Company.

13 RESERVES	Share premium account	Capital redemption reserve	Capital reserve– realised	Capital reserve– unrealised	Revenue reserve
	£'000	£'000	£'000	£'000	£'000
Beginning of year	24,543	45,549	45,622	14,965	889
Net gain on realisation of investments	—	—	19,478	—	—
Decrease in unrealised appreciation	—	—	—	(9,467)	—
Management fee charged to capital	—	—	(822)	—	—
Retained net revenue for the year	—	—	—	—	34
End of year	24,543	45,549	64,278	5,498	923



NOTES TO THE FINANCIAL STATEMENTS

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000	1999
	£'000	£'000
Opening shareholders' funds	**137,769**	125,809
Total recognised gains and losses before dividends	**13,564**	15,991
Dividends in respect of Income Shares	**(4,341)**	(4,031)
Closing shareholders' funds	**146,992**	137,769
Attributable to Income Shareholders	**4,024**	3,990
Attributable to Capital Shareholders	**142,968**	133,779
	146,992	137,769

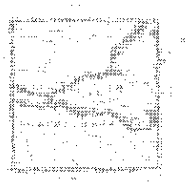
15 NET ASSET VALUE PER SHARE

Net asset value per Income Share is based on net assets attributable to Income Shares of £4,024,000 (1999: £3,990,000) and on 31,006,286 Income Shares in issue at 30 June 2000 (1999: 31,006,286).

Net asset value per Capital Share is based on net assets attributable to Capital Shares of £142,968,000 (1999: £133,779,000) and on 31,006,286 Capital Shares in issue at 30 June 1999 (1999: 31,006,286).

The movements during the year of the assets attributable to each class of share were as follows:

	Income Shares	Capital Shares	Total
	£'000	£'000	£'000
Total net assets attributable at beginning of year	3,990	133,779	137,769
Return on ordinary activities after taxation	4,375	9,189	13,564
Dividends	(4,341)	—	(4,341)
Total net assets attributable at end of year	4,024	142,968	146,992



NOTES TO THE FINANCIAL STATEMENTS

16 GROSS CASH FLOWS

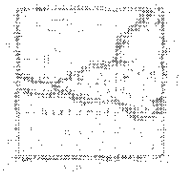
	2000 £'000	1999 £'000
Returns on investments and servicing of finance		
Non-equity dividends paid	**(4,125)**	(3,844)
Taxation		
UK tax paid	**—**	(86)
UK tax recovered	**9**	153
	9	67
Capital expenditure and financial investment		
Payments to acquire investments	**(81,674)**	(70,801)
Receipts from sales of investments	**82,240**	72,712
	566	1,911

17 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 July 1999 £'000	Cash flows £'000	At 30 June 2000 £'000
Cash at bank	**3,517**	**(60)**	**3,457**

18 CONTINGENCIES, GUARANTEES AND FINANCIAL COMMITMENTS

There were no contingencies, guarantees or financial commitments of the Company at the year-end, which had not been accrued.



NOTES TO THE FINANCIAL STATEMENTS

19 FINANCIAL INSTRUMENTS —FRS 13 DISCLOSURES

The Company's financial instruments comprise its investment portfolio (see note 9 and pages 12 and 13), cash balances, debtors and creditors that arise directly from its operations such as sales and purchases awaiting settlement and accrued income. The disclosures below exclude short-term debtors and creditors.

The main risks that the Company faces arising from its financial instruments are i) interest rate risk; and ii) market price risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or currency rate movement. Since the Company invests in UK equities, currency risk is not significant.

(i) Interest rate risk

When the Company decides to hold cash balances, all balances are held on variable rate bank accounts yielding rates of interest linked to bank base rate which was 6.0% as at 30 June 2000 (1999: 5.0%). The Company's policy is to hold ordinary securities and not usually to invest in fixed rate securities.

(ii) Market risk

The Company's investment portfolio is exposed to market price fluctuations which are monitored by the investment managers in pursuance of the investment objective. Further information on the investment portfolio is set out in the Managers' Report on pages 6 to 11, which is not subject to audit. The Managers do not use derivatives to manage portfolio risk.

The Company held the following categories of financial instruments at 30 June 2000:

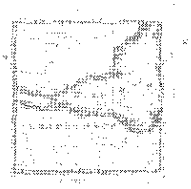
	2000		1999	
	Book Value £'000	**Fair Value** £'000	Book Value £'000	Fair Value £'000
Financial Assets				
Investment Portfolio	**142,766**	**142,766**	134,673	134,673
Cash at bank	**3,457**	**3,457**	3,517	3,517
Financial Liabilities				
Income Shares	**3,101**	**17,984**	3,101	23,875
Capital Shares	**3,101**	**107,437**	3,101	96,895

The investment portfolio consists of listed investments, which are valued at mid-market price.

The "fair values" of the income and capital shares are based on quoted market prices at 30 June 2000 and 30 June 1999.

The Company has overdraft facilities with Clydesdale Bank PLC and Bank of Scotland for £5,000,000 in aggregate at interest rates linked to bank base rate. At the balance sheet date neither of these facilities were drawn down and both expire within one year.

The Company is a split capital investment trust. In the Directors' opinion the Income and Capital Shares are in aggregate the true equity of the Company although they must be disclosed as "non-equity" share capital (see note 12). The Shares are sterling denominated and further details of the rights attaching to them are given in the "Capital Structure" section on pages 18 and 19.



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Ninth Annual General Meeting of Aberforth Split Level Trust plc will be held at 14 Melville Street, Edinburgh on Wednesday, 23 August 2000 at 6.00 p.m. for the following purposes:

To consider and, if thought fit, pass the following Ordinary Resolutions:

1. That the Report and Accounts for the year to 30 June 2000 be adopted.
2. That Mr A C Dempster be re-elected as a Director.
3. That Mr D J Macdonald be elected as a Director.
4. That Ernst & Young be re-appointed as Auditors and that the Directors be authorised to determine their remuneration.

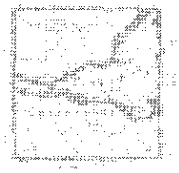
By Order of the Board

for Aberforth Partners (Secretaries)
14 Melville Street, Edinburgh EH3 7NS

19 July 2000

A member who is entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and, on a poll, vote on their behalf. Such a proxy need not also be a member of the Company.

A Form of Proxy for use by Shareholders is enclosed. Completion of the Form of Proxy will not prevent a Shareholder from attending the meeting and voting in person.



LONG-TERM RECORD

CAPITAL SUMMARY

At 30 June	Total assets £'000	Borrowings £'000	Non-equity shareholders' funds £'000	Net Asset value per unit# p	Unit price p	Discount/ (Premium)† %
1991	28,121	—	28,121	187.5	202.0	(7.7)
1992	31,095	—	31,095	207.3	220.0	(6.1)
1993	37,540	—	37,540	250.3	251.0	(0.3)
1994*	84,091	—	84,091	271.2	270.0	0.4
1995	88,472	—	88,472	285.3	275.0	3.6
1996	113,254	—	113,254	365.2	336.0	8.0
1997	111,782	—	111,782	360.5	347.5	3.6
1998	125,809	—	125,809	405.8	373.0	8.1
1999	137,769	—	137,769	444.3	389.0	12.4
2000	**146,992**	**—**	**146,992**	**474.1**	**400.0**	**15.6**

\# The calculation of Net Asset Value per Unit is based on the net assets attributable to the Units and on the number of Units in issue. A Unit comprises 1 Income Share and 1 Capital Share.

† The Discount/(Premium) calculation is the difference between the Company's Unit price and the underlying Unit Net Asset Value.

* In December 1993 the Company raised £47,375,000 (net of expenses) through a "C" Share issue.

REVENUE SUMMARY

GEARING RATIOS

Year to 30 June	Available for Income Shareholders £'000	Earnings per Income Share net† p	Dividends per Income Share net p	Expenses ratio¶ %	Actual gearing‡ %
1992+	1,434	9.56	9.00	1.26	101.0
1993	1,265	8.43	8.40	1.28	99.0
1994*	1,912	8.47	8.45	1.08	97.7
1995Ø	2,721	8.78	8.60	1.07	97.5
1996	2,919	9.41	9.20	1.04	98.1
1997	3,618	11.67	10.75	1.07	99.0
1998	3,982	12.84	12.25	1.06	97.9
1999	4,194	13.53	13.00	1.06	97.8
2000	**4,375**	**14.11**	**14.00**	**1.06**	**97.1**

† The calculation of earnings per Income Share is based on the revenue from ordinary activities after taxation and the weighted average number of Income Shares in issue.

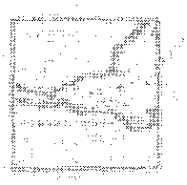
¶ Ratio of operating costs against average Shareholders' funds (calculated per AITC guidelines).

‡ Total investments divided by Shareholders' funds.

\+ This period is from 14 May 1991 (the Company's date of inception) to 30 June 1992.

* In December 1993 the Company raised £47,375,000 (net of expenses) through a "C" Share issue.

Ø In relation to the year to 30 June 1995 and due to an accounting policy change to record dividends on an "ex-dividend" basis, the Company also paid a Special Dividend of 1.50p per Income Share.



SHAREHOLDER INFORMATION

SHAREHOLDER REGISTER ENQUIRIES

All administrative enquiries relating to Shareholders such as queries concerning holdings, dividend payments, notification of change of address, loss of certificate or to be placed on a mailing list should be addressed to the Company's registrars:

Shareholder Services Department
Northern Registrars Limited
Northern House
Woodsome Park
Fenay Bridge
Huddersfield HD8 0LA

Tel: 01484 600 900
Fax: 01484 600 911
Email: client.services@northernregistrars.co.uk
Website: www.northernregistrars.co.uk

PAYMENT OF DIVIDENDS

The best way to ensure that dividends are received as quickly as possible is to instruct the Company's registrars, whose address is given above, to pay them directly into a bank account; tax vouchers are then mailed to Shareholders separately. This method also avoids the risk of dividend cheques being delayed or lost in the post.

SOURCES OF FURTHER INFORMATION

The prices of the Capital Shares, Income Shares and Units are quoted daily in the *Financial Times, The Herald* and *The Scotsman*. These prices, together with the Net Asset Values and other financial data, can be found on the TrustNet website at www.trustnet.co.uk. Other websites containing useful information on the Company are www.FT.com and www.aitc.co.uk. Company performance and other relevant information are available on the Aberforth Partners' website at www.aberforth.co.uk and are updated monthly.

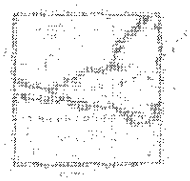
HOW TO INVEST

The Company's Capital Shares, Income Shares and Units are traded on the London Stock Exchange. They can be bought or sold by placing an order with a stockbroker, by asking a professional adviser to do so, or through most banks. The Company's Managers, Aberforth Partners, do not offer any packaged products such as ISAs, PEPs, Savings Schemes or Pension Plans.

Stock Exchange Codes	Capital Shares of 10p	0-007-960
	Income Shares of 10p	0-007-959
	Units (comprising 1 Capital Share and 1 Income Share)	0-007-971

AITC

The Company is a member of the Association of Investment Trust Companies which produces a detailed Monthly Information Service on the majority of investment trusts. This can be obtained by contacting the Association of Investment Trust Companies, Durrant House, 8–13 Chiswell Street, London EC1Y 4YY (Tel: 020 7282 5555).



SHAREHOLDER INFORMATION

FINANCIAL CALENDAR

Results	For the half year to 31 December announced	January
	For full year to 30 June announced	July
Income Share Dividends	*First interim*	
	Ex-dividend	October
	Payable	December
	Second interim	
	Ex-dividend	January
	Payable	March
	Third interim	
	Ex-dividend	April
	Payable	June
	Fourth interim	
	Ex-dividend	July
	Payable	September
Interim Report		January
Annual Report and Accounts		July
Annual General Meeting		August
Publication of Net Asset Values		Weekly (London Stock Exchange) Monthly (AITC)
Website Content Update		Monthly

GLOSSARY OF TECHNICAL TERMS

Discount
The amount by which the stockmarket price per share is lower than the Net Asset Value per share. The discount is normally expressed as a percentage of the Net Asset Value per share.

Expense Ratio
Total annual operating costs (net of tax relief), excluding interest costs, divided by the average Shareholders' funds (calculated per AITC guidelines).

Market Capitalisation
The market capitalisation of the Company is calculated by multiplying the stockmarket price per share by the total number of shares in issue.

Net Asset Value
Also described as Shareholders' funds, Net Asset Value is the value of total assets less liabilities. Liabilities for this purpose include borrowings as well as current liabilities. The Net Asset Value per share is calculated by dividing this amount by the total number of shares in issue.

Premium
The amount by which the stockmarket price per share exceeds the Net Asset Value per share. The premium is normally expressed as a percentage of the Net Asset Value per share.

Pillans & Wilson, Edinburgh. 61789