

SCOTTISH CHARITY No SC000966

**HOLY TRINITY CHURCH
MELROSE**

Annual Report and Accounts for the year ending 30th September 2025

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Introduction

Holy Trinity Church Melrose is a charity governed by a Constitution dated June 9th 2021. Holy Trinity is part of the Diocese of Edinburgh, under the pastoral oversight of the Bishop of Edinburgh. It is subject to the Canon Law of the Scottish Episcopal Church.

The Church was established in 1849 for the advancement of religion and for public benefit. Holy Trinity is registered as a Scottish Charity - SC000966

In accordance with the terms of the Constitution and its requirements as a charity, an annual general meeting (AGM) of constituent members of the congregation is held each year. At this AGM, the Vestry as its charitable trustees, submits an annual report and accounts for the preceding year.

Holy Trinity is fortunate in having the service of Claire Nicholson as Honorary Associate Priest, and David Fletcher a retired Anglican Priest.

Vestry duties and objectives

The Vestry conduct the management of both financial and temporal affairs of the Church. Vestry met every two months and the AGM was held on the 7th December 2025.

Sub-committees of Vestry members are used to make progress on developments and then report back to the full Vestry.

Vestry are tasked with assisting the Rector in matters affecting the spiritual welfare of the congregation. It oversees other committees ensuring the smooth running of the Church, in particular with regard the Protection of Vulnerable Groups (Scotland) Act 2007 and the pastoral care of all age groups both within the congregation and wider community.

Vestry are also represented in the work of the Churches' Borders Area Council, the Diocesan Synod and the Eco-congregation churches' network.

Many Church members work to keep the Church clean, provide floral decorations, work in the garden grounds, provide catering on special occasions, and undertake pastoral work as well as assisting during services, while reaching out to the community, welcoming and supporting one another

The Vestry appreciates the work of many people to ensure that the Church is a friendly welcoming place. Holy Trinity is in the process of selling the old Rectory next to the church, having bought a more modern Rectory with a view to complying with net zero. Fundraising will shortly be started with the aim of improving the church heating and also to repair damage caused by dry rot.

Composition of the Vestry October 2024 to September 2025

Rector	Revd Philip Blackledge
Rector's Warden (appointed by Rector)	Robert Marshall
People's Warden (appointed annually)	John Williams Chair of Fabric and Finance Committee
Treasurer	John Wood
Secretary	Elizabeth Stockdill
Minute Secretary	Pauline Walker
Fabric Convenor	Carl Hodgson
Pastoral Care Co-ordinator	Liz Brims
Lay Representative	Malcolm McVittie
Alternative Lay Representative	Pauline Walker
Eco-congregation Representative	Kate Ashley
Members	Marion Clayton
	Carey Coombs
	Joy Fletcher
	Helen Legge
	Nancy Muir
	Caroline Watson

Financial Review

Financial Position at 30 September 2025

The costs associated with preparing the old Rectory for sale and the purchase of a new Rectory have had a significant effect on this year's accounts. The church contributed £20,000 towards the new Rectory, and incurred legal fees of £16,507 in connection with the old Rectory, much of that due to issues with title deeds. In total, payments of £41,300 were made relating to Rectory transactions (2024 – nil), necessitating the sale of £43,000 of investments. Significant overbilling by the energy supplier also contributed to a net deficit of £3,538 that was considerably more than the budgeted surplus of £5,467.

The church's income continues to derive predominantly from congregational giving and legacies, with these receipts totalling £77,600 this financial year (2024 - £85,141). The donations element of this total includes donations from the Social Committee, Women's Fellowship and Monday Club amounting to £1,050. An additional source of income came from the renting out of the old and then the new rectory at £800 per month, bringing in £9,400 (2024 - £9,600). The church continues to undertake fund-raising for general church purposes, raising £2,032 this year (2024 - £1,040).

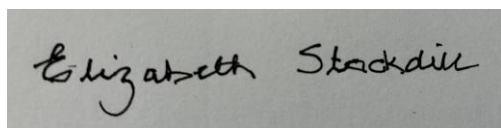
The major item of regular expenditure remains the costs associated with a full-time stipendiary priest, which amounted to £44,292 (2024 - £47,668). Stipend and pension contributions make up the bulk of this (2025 - £39,227; 2024 - £43,844). While Fabric costs were much higher than usual at £51,991 (2024 - £38,647), this was due to the energy supplier demanding far higher payments than necessary; actual energy costs incurred were around £20,000 lower than the amount paid of £34,516 (2024 - £20,586). This has been resolved by way of a refund from Scottish Power in 2026. A major fund-raising campaign is planned to replace the present expensive heating system with wall-mounted heaters. Together with solar panels this should reduce energy costs dramatically. Church and Trinity Centre repairs and maintenance costs were relatively modest at £7,310 (2024 - £10,236).

The purchase of a new Rectory before the sale of the old one was made possible by bridging finance in the form of loans totalling £565,000 provided by the Scottish Episcopal Church and the Diocese of Edinburgh. Interest on these loans is payable at 3%, which adds a further £16,950 to the church's annual costs until such time as the old Rectory is sold.

Reserves

According to our reserve policy, at least six months' running costs based on average expenditure over the past five years has to be held in reserve to guard against any unexpected shortfalls or cost of living increases. This year that amounts to £51,330. Given total unrestricted cash and investments of £28,529, plus debtors of £29,655 less congregational loans due of £12,000, the resulting total of £46,184 falls short of that target. The church relies on the contribution of many unpaid volunteers to meet certain pastoral, community and stewardship needs. The Vestry particularly thanks those individuals who have organised fund raising events this year.

Approved by the trustees on 22nd June 2026 and signed on their behalf by



Vestry Secretary – Elizabeth Stockdill

Independent Examiner's Report to the trustees of Holy Trinity Church, Melrose

I report on the accounts of the charity for the year ended 30 September 2025 which are set out on pages 5 to 11.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity trustees consider that the audit requirement of Regulation 10(1) (d) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

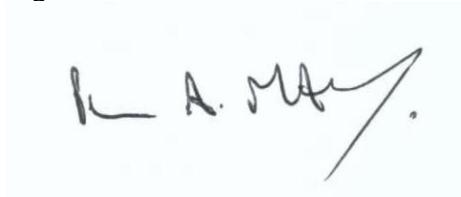
In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - to prepare accounts which accord with the accounting records and comply with Regulation 9 of the 2006 Accounts Regulations have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed

Date 22 June, 2026

A handwritten signature in black ink, appearing to read 'P. A. McAlister', is written on a light blue background.

Patricia A McAlister, BA, CA
18 West Savile Gardens
Edinburgh EH9 3AB

Holy Trinity Church, Melrose					
Receipts and Payments Account for the year ended 30 September 2025					
RECEIPTS	<i>Notes</i>	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Total 2025</i>	<i>Total 2024</i>
		£	£	£	£
Donations & Gift Aid	5	70,874	750	71,624	83,141
Legacies		5,976	-	5,976	2,000
Grants & Trusts	6	2,263	-	2,263	1,930
Fundraising activities		2,032	-	2,032	1,040
Rent from land & buildings	7	10,245	2,254	12,499	11,535
Investment Income	8	1,247	105	1,352	2,035
Other income	9	4,136	-	4,136	1,034
Sub-total		96,773	3,109	99,882	102,715
Proceeds from Sale of Investments		43,000	-	43,000	-
Loans from congregation	10	12,000	-	12,000	-
		151,773	3,109	154,882	102,715
PAYMENTS					
Charitable Activities					
Clergy and Ministry Costs	11	44,292	-	44,292	47,668
Worship Costs	12	8,050	-	8,050	9,343
Fabric Costs	13	48,969	3,022	51,991	38,647
Quota (diocesan dues)		8,610	-	8,610	8,460
Donations to other charities	14	1,616	-	1,616	2,303
Sub-total		111,537	3,022	114,559	106,421
Rectory transactions costs	15	41,300	-	41,300	-
Loan interest	16	2,561	-	2,561	-
		155,398	3,022	158,420	106,421
Net receipts/(payments)		-3,625	87	-3,538	-3,706
Transfers to/(from) funds		-1,000	1,000	-	-
Surplus/(deficit) for year		-4,625	1,087	-3,538	-3,706

Holy Trinity Church, Melrose

Statement of balances for the year ended 30 September 2025

	<i>Notes</i>	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Total 2025</i>	<i>Total 2024</i>
		£	£	£	£
Cash at Bank					
Opening balances		17,397	8,080	25,477	29,183
Surplus/(deficit) for year		-4,625	1,087	-3,538	-3,706
Closing balances		12,772	9,167	21,939	25,477
Investments					
SEC Unit Trust Pool					
Market value at start of year		57,839	-	57,839	50,191
Sold during year		-43,000	-	-43,000	-
Unrealised gain/(loss) in year		918	-	918	7,648
Market value at end of year	17	15,757	-	15,757	57,839
Total Funds held at end of year	18	28,529	9,167	37,696	83,316
Other assets					
Debtors & prepayments					
Refund due from Scottish Power	19	26,366	-	26,366	3,488
Gift Aid accrued on donations at year-end		3,289	-	3,289	3,556
		29,655	0	29,655	7,044
Liabilities					
Loan due to General Synod of the Scottish Episcopal Church	16	465,000	-	465,000	-
Loan due to Diocese of Edinburgh	16	100,000	-	100,000	-
Loans due to congregation members	10	12,000	-	12,000	-
Interest accrued on loans at year-end	16	3,360	-	3,360	-
		580,360	-	580,360	-

Approved by the Trustees on 22nd June 2026 and signed on their behalf by:



John Wood, Treasurer

Holy Trinity Church, Melrose

Notes to the financial statements for the year ended 30 September 2025

1. Basis of preparation of accounts

These accounts have been prepared on the Receipts and Payments basis in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

2. Funds

Unrestricted funds are those that may be used at the discretion of the Vestry in furtherance of the Church's objectives. A single unrestricted fund is maintained for the day-to-day running of the Church.

Restricted funds may only be used for specific purposes. Restrictions arise when specified by the donor or when funds are raised for specific purposes. The Church has three restricted funds:

- The Fabric Fund, set up many years ago to receive donations towards property projects.
- The Trinity Centre Fund, established when the Trinity Centre next door to the Church was built in 2000 and used to promote the community objectives of that project.
- The Rector's Discretionary Fund, set up in 2025 to enable the Rector to provide discreet financial assistance to individuals experiencing crises.

Details of movements on all the restricted funds can be found in note 18.

3. Property

The heritable property of the church building and its surrounding land including the Trinity Centre is vested in the Bishop of Edinburgh, the Dean, Chancellor and Registrar, all of the Diocese *ex officio* (the Property Trustees). It is considered to form part of the permanent endowment of the charity. Its cost is not known, and the Vestry believes it highly unlikely that the proceeds of any future sale would flow to the charity. No market valuation has therefore been sought. The insured value of the church building and Trinity centre is £10,970,000.

The Rectory (also vested in the Property Trustees of the Diocese) was vacated by the Rector in June 2022 as he wished to live in his own accommodation. It was subsequently let on a commercial basis to a private tenant in August 2022. The Rectory was independently valued by Galbraith Estate Agents and put on the market in spring 2025 with a guide price of £565,000. Costs and fees associated with its refurbishment and preparation for sale are shown in note 15.

A modern property located close to the church and ideally suited for use as a Rectory was purchased in June 2025 for £585,000, using funds loaned on a temporary basis by the General Synod of the Scottish Episcopal Church and the Diocese of Edinburgh, these funds to be repaid once the sale of the old Rectory takes place. Additional funds of £20,000 were contributed by the church itself (see note 15). All financial elements of the purchase were handled by the solicitors, with the loans being paid direct to the solicitors by the lenders to enable the purchase to take place. As ownership of the new property is vested in the Diocesan Property Trustees and forms part of the charity's permanent endowment, making it in effect a donated asset, these loans have been excluded from the Receipts & Payments account. Details of the loans and the interest paid and payable on them can be found in note 16. Negotiations with a potential buyer for the old Rectory are proceeding. The tenant in the old Rectory moved to become the tenant in the newly purchased Rectory.

4. Trustee remuneration, benefits and expenses

Except for the Rector, In the year ended 30 September 2025 no member of the Vestry received remuneration or reimbursement of expenses other than reimbursement of purchases made on behalf of the church (2024 – nil).

The Rector, Rev. Philip Blackledge, is *ex officio* a member of the Vestry and therefore a trustee, and receives remuneration, benefits, and reimbursement of expenses in respect of services as a stipendiary cleric in line with scales determined by General Synod of the Scottish Episcopal Church. He is engaged on a full-time basis. Payment of remuneration is authorised under article 18 of the Constitution.

Amounts paid to the Rector during the year comprised stipend of £30,911 (2024 - £33,414) and pension contributions of £8,316 (2024 - £10,430). The Rector owns and resides in a house near the church, in

respect of which the Vestry pays Council tax. The Rector was reimbursed £259 during the year in respect of purchases made on behalf of Holy Trinity Church.

5. Donations and Gift Aid received

	2025 Unrestricted	2025 Restricted	2025 Total	2024 Total
	£	£	£	£
Congregational regular giving	45,555	-	45,555	46,340
Gift aid on giving & donations	12,526	-	12,526	14,986
Free Will Offering (FWO)	2,549	-	2,549	2,928
Ordinary Collections	6,447	-	6,447	6,124
Donations	3,797	750	4,547	12,763
	70,874	750	71,624	83,141

Restricted income of £750 comprises a donation to the Rector's Discretionary Fund (2024 – nil).

6. Grants received (unrestricted)

	2025 Total	2024 Total
	£	£
Diocese of Edinburgh: stipend support grants	213	480
Grants from Trusts	2,050	1,450
	2,263	1,930

7. Rent from land & buildings (unrestricted)

	2025 Unrestricted	2025 Restricted	2025 Total	2024 Total
	£	£	£	£
Rectory rent	9,400	-	9,400	9,600
Trinity Centre rentals	-	2,254	2,254	-
Church rentals	845	-	845	1,935
	10,245	2,254	12,499	11,535

Following the merging of the Trinity Centre's accounts with those of Holy Trinity Church, from 1 October, 2024 the Trinity Centre's rentals have been accounted for as part of the church's restricted income, i.e. to be used for Trinity Centre purposes.

8. Income from investments

	2025 Unrestricted	2025 Restricted	2025 Total	2024 Total
	£	£	£	£
SEC unit trust distribution	1,024	-	1,024	1,650
Bank interest	223	105	328	385
	1,247	105	1,352	2,035

9. Other income (unrestricted)

Other income of £4,136 (2024 - £1,034) comprises amounts received in respect of purchases of burial plots in the church yard.

10. Transactions with trustees - loans

In April 2025 short-term, interest-free loans totalling £12,000 were received from members of the congregation who were also Vestry members (trustees). The loans were made by E Stockdill (£5,000), J Williams (£5,000) and J Wood (£2,000) to prevent a cashflow deficit that was about to arise due to costs associated with preparations to sell the old Rectory. Vestry was notified of these loans, each of which was accompanied by a formal signed agreement. The loans from E Stockdill and J Wood have been repaid since the financial year-end. Repayment of the loan from J Williams is expected to happen in the near future.

11. Clergy costs (unrestricted)

				2025 Total	2024 Total
				£	£
Stipend				30,911	33,414
Pension contributions				8,316	10,430
Council tax				2,574	3,421
Office costs				1,031	193
Conferences & travel				1,280	-
Payroll charges				180	210
				44,292	47,668

12. Worship costs (unrestricted)

				2025 Total	2024 Total
				£	£
Altar costs				358	1,406
Church broadband				670	660
Music, Choir & Licences				6,515	7,127
Website				259	-
Miscellaneous				248	150
				8,050	9,343

13. Fabric costs

	2025 Unrestricted	2025 Restricted	2025 Total	2024 Total
		(Trinity Centre)		
	£	£	£	£
Insurance	5,697	-	5,697	5,273
Heat & light	32,870	1,646	34,516	20,586
Repairs & maintenance	5,934	1,376	7,310	10,236
Church yard/grounds	170	-	170	201
Rectory - routine maintenance	4,298	-	4,298	2,351
	48,969	3,022	51,991	38,647

Heat & light payments for the church were exceptionally high due to the energy supplier demanding a monthly payment far in excess of the actual energy usage. This was rectified in March 2026, when a large refund was received – see note 19. Had the energy supplier demanded payments in line with the energy actually used, the church energy payments would have been around £20,000 less.

14. Charitable Donations

				2025 Total	2024 Total
				£	£
Christian Aid				1,616	-
Galashiels Food Bank				-	863
Aberlour Trust				-	863
British Red Cross Israel & Palestine				-	577
				1,616	2,303

15. Rectory transactions costs (unrestricted)

				2025 Total	2024 Total
				£	£
Church's contribution towards new Rectory purchase				20,000	
Legal services				16,507	-
Estate agent costs				1,986	-
Painting				2,250	-
Council tax				557	-
				41,300	-

Legal services costs included payments for extensive work recreating lost title deeds for the old Rectory.

16. Bridging loans and loan interest

In May 2025, bridging finance of £465,000 was provided to Holy Trinity Church, Melrose by the General Synod of the Scottish Episcopal Church, and a further £100,000 by the SEC Diocese of Edinburgh, to facilitate the purchase of a new Rectory before the old Rectory was sold.

Interest on these loans is payable twice yearly, initially at the rate of 3%. Loan interest of £2,561 paid per the accounts (2024 – nil) represents interest paid on the General Synod loan to 31 July 2025. Interest accruing on these loans to 30 September 2025 comprised £2,325 due to the General Synod and £1,035 due to the Diocese.

17. SEC Unit Trust Pool

		Number of units	Unit price	Unit value
			£	£
Units held at 01/10/2024		1,896	30.5057	57,839
Units sold during year (value shown after deducting £94.84 dealing charges)		-1,423	30.2845	-43,000
Unrealised gain during year				918
Units held at 30/09/25		473	33.3139	15,757

The book value (the original purchase price) of the units held at 30/09/25 was £1,118.

Comparative figures for 2024 were:

		Number of units	Unit price	Unit value
			£	£
Units held at 01/10/2023		1,896	26.4722	50,191
Unrealised gain during year				7,648
Units held at 30/09/24		1896	30.5057	57,839

The book value of the units held at 30/09/24 was £4,482.

18. Restricted Funds

	2025 Fabric Fund	2025 Trinity Centre Fund	2025 Rector's Discretionary Fund	2025 Total
	£	£	£	£
Receipts				
Donations	-	-	750	750
Rentals	-	2,254	-	2,254
Interest	75	30	-	105
Total receipts	75	2,284	750	3,109
Payments				
Heat & light	-	1,646	-	1,646
Repairs & maintenance	-	1,376	-	1,376
	-	3,022	-	3,022
Net receipts/(payments)	75	- 738	750	87
Transfer from unrestricted funds	-	1,000	-	1,000
Surplus/(deficit) for year	75	262	750	1,087
Balance b/fwd 01/10/2024	4,925	3,155	-	8,080
Balance c/fwd 30/09/2025	5,000	3,417	750	9,167

19. Refund due from Scottish Power

From January 2024 the church was in dispute with its energy provider, Scottish Power, over the size of its energy bills, and the fact that the monthly payments demanded were much higher than necessary. The situation was not resolved until March 2026, when Scottish Power refunded the church £35,166. Of this total, it has been calculated that the amount due to be refunded at 30 September 2025 was £26,366 (2024 - £3,488).