



MINUTES OF THE 108TH ANNUAL GENERAL MEETING OF HF HOLIDAYS

Held at the Radlett Centre, 1 Aldenham Avenue, Radlett WD7 8HL and online
Saturday 2 April 2022 at 14:00

In the Chair and Honorary President: Helen Boaden (HB)

Directors in attendance: Malcolm Oliver (MO) (Chair); Mark Hoffman (MH) (Vice Chair); Elaine Barclay (EB); Richard Drury; Rebecca Horlock; Linda Haydon; Stephen Guile; and Leslie Brantingham.

Directors who attended virtually Mel Barlow (MB); Louise Cottingham; Ben Reid (BR).

Senior Management Team in attendance: David Harrington (DH) (Chief Executive); Sarah Kucera (SK) (Society Secretary and Head of Governance); Justine Gibbs (JG) (Head of Finance).

SMT who attended virtually: Rachel Ashburner (Head of Product), Toni Douglas (Head of Hotel Operations).

1. Welcome

HB welcomed all Members to HF Holiday's first hybrid Annual General Meeting (AGM) with 280 virtual attendees and 60 in person attendees, from the Radlett Centre. It was noted that the meeting was being recorded and would be made available on the website in due course (with a full recording of the meeting available, these minutes provide a concise summary). The meeting was conducted in accordance with the Rules of the Society and it was noted that the Society was registered under the Cooperative and Community Benefit Societies Act 2014.

2. Receipt of Correspondence

It was noted that on Wednesday 30 March, HF Holidays' member Q&A webinar considered and responded to members' questions related to the operations, strategy and business of HF Holidays and a recording of the webinar was available for all to listen online: <https://www.hfholidays.co.uk/membership/agm>. Due to the limitations on debate, in terms of the live streaming of a hybrid meeting, members had been invited to submit questions prior to the meeting in relation to the 2022 AGM Agenda Items. There was, in addition, 15 minutes scheduled for additional questions from the in-person members attending in the Radlett Centre. Any questions which could not be responded to within the timeframe, would receive a response after the AGM.

3. Confirmation of the required quorum

The required quorum for a general meeting of the Society is 100. This was met.

4. Confirm the Minutes of the 107th Annual General Meeting held on the 10 April 2021 (2021 AGM)

HB confirmed that the Minutes of the 2021 AGM were sent with the notice for the 2022 AGM and had been available on the Society's website. Members were asked to confirm that they were a true account of the 2021 AGM.

Members were asked to vote on the 2021 AGM minutes. With 276 votes received (235 in favour, 0 against and 41 abstentions), the vote was carried.

5. Matters arising

HB confirmed that there were no member or Board motions to consider at this meeting.

6. Presentation of the Annual Report, Accounts and Auditors' Report for the year ended 31 October 2021 by Malcolm Oliver, Chair and Mark Hoffman, Vice Chair

MO proposed that members vote to adopt the Annual Report, Accounts and Auditors' Report for the year ending 31 October 2021, a year in which the team at HF Holidays had to operate the business in an environment of huge unknowns and constant change due to the ramifications of the global pandemic. MO provided the following summary:

Notwithstanding the challenging context, HF Holidays managed to operate approximately 2,650 holidays with 32,500 guests, partly due to the unique mix of UK and overseas business. Furthermore, HF Holidays' net promoter score, an industry standard which monitors loyalty and how likely guests are to recommend HF Holidays to others, was 61 (NB a score above 50 is deemed excellent). HF Holidays' bank and auditor had advised that the Society had operated well, in light of the overall situation in the industry and this had been achieved through the hard work and co-operation of the whole team and particularly to the leadership of David Harrington, CEO.

HF Holidays had rarely experienced such a prolonged period of risk from outside events so the area of governance and risk had been a key focus. There was a section in the Annual Report dealing specifically with risk and the reorganisation of HF Holidays' committee structure, to parallel the objectives in the strategy, ensuring aligned focus on strategy and risk.

In 2020 the costs of operating without any trading, resulted in a loss of £4.6M, supported, in cash terms, by the Government's Covid Business Interruption Loan (CBILS) of £3.75M. In 2021 HF Holidays achieved a major improvement, with a reduced deficit of £384,000, including some one-off write-offs and provisions of £300,000. When the exceptional items which had contributed to the £384,000 deficit are taken into account, the "real" trading performance shows a loss of only £84,000 despite HF Holidays losing all its abroad business, and half of its UK business as a result of the Covid restrictions.

Pressures on staffing within the hospitality industry had resulted in an inflation to wages and the cost of food and other supplies but there had been great customer demand to get back into the great outdoors, which had helped reduce the need for discounting holidays and contributed to this financial achievement.

HF Holidays' auditors concluded that HF Holidays remained "a going concern" through having taken advantage of all possible in-year government support in the sum of £1.95M, whilst also having implemented a substantial range of measures to reduce costs. These included pausing many capital expenditure projects. HF Holidays did continue investment in a new booking system to provide enterprise-wide savings and remove barriers to improving HF Holidays' web presence and the guest journey. Whilst this new system was working, HF Holidays were let down by the suppliers of the web front-end, causing regrettable issues for guests, which HF Holidays are working to resolve.

The Board was clear that HF Holidays must adopt a growth strategy rather than simply focussing on repaying £835,000 per year over the next 5 years with respect to the CBILS Loan.

HF Holidays' co-operative status was core and had relied on its members to take holidays with and invest in HF Holidays. HF Holidays had been pleased to welcome 2,361 new members in 2021 compared to 1,512 in 2020 and 2,237 in 2019. Some 1% of members invest approximately a third of HF Holidays' member capital, and the 7% who are Investment members accounted for a total of two thirds of HF Holidays' capital. The remaining third of HF Holidays' shareholder funds were mostly provided by members with the current minimum shareholding of £100. There were 28% of HF Holidays' members who became members some years ago when the minimum investment was less than the current £100 who currently enjoy all the member benefits. A member proposed that HF Holidays should raise the minimum membership fee to £150. That was endorsed by over 60% of members who replied to the membership survey. However, the Board had chosen not to take that opportunity up this year, instead asking for added contribution to the Society. The Board had also agreed that the upper limit on the investment that members can make in the Society would be increased to the statutory maximum of £100,000.

MO shared that, in addition to taking holidays, Members could also support the Society by volunteering their time, with voluntary roles as Field Advisors and Leaders, which are hugely valued. Furthermore, the Society needed volunteers, with a strong commitment to the ethos and values of HF Holidays, to provide a talented and diverse Board.

It was now the time to really return to HF Holiday' strategy to 'Build our Tomorrow' with 'Our Guests at our Heart' and to invest in the Society to support its continued growth.

MH seconded MO's proposal that members vote to adopt the Annual report, Accounts and Auditors' Report for the year ending 31 October 2021 and highlighted the Society's strategy for recovery and growth. MH provided the following summary:

The Board's plans for the future had been informed by a member survey conducted in July 2021, guest feedback from holidays and leader feedback.

The member survey revealed that the top priority was investing in maintaining and improving HF Holidays' UK country houses. 93% of members saw this as either very important or important. The Board had identified approximately £14m of investment that HF Holidays needs to make over the next 5 years across the estate. This included a number of major projects, including refurbishment of Longmynd House, purchase and refurbishment of Peveril of the Peak and completing the estate refurbishment programme in a green and sustainable way. Essentially, the more funds HF Holidays could attract, the quicker improvements could be implemented.

The member survey reported that 78% of respondents were members to support the Society as they believe and support the ethos. Members indicated that they are not particularly interested in the governance of HF Holidays per se but are interested in news on holidays and what affects them. HF Holidays would aim to provide members with such news, whilst continuing to deliver holidays, aligned with our mission and values.

HB noted that a number of questions had been submitted by members with respect to the Annual Report, Accounts and Auditors' Report in accordance with the request in the notice of the 2022 AGM. It was noted that these would be responded to by MO and DH and then up to 15 minutes would be allowed for members in the audience to ask any additional questions relating specifically to Agenda Items.

A member noted that it appeared to show bias to pre-submitted questions if they were responded to before those questions from members who had travelled to the AGM. HB agreed to alternate responding to pre-submitted questions and those from in person attendees. Another member pointed out that it would be advisable for in person attendees to listen to the responses to pre-submitted questions in the first instance as those responses may cover questions which they may have. Questions relating to the following were responded to by MO and DH: (i) balance sheet, (ii) repayment of the CBILs Loan, (iii) cash reserves, (iv) the sale of Lulworth, (v) professional fees paid by HF Holidays, (vi) the impact on HF Holidays of the cost of living crisis, (vii) the impact on HF Holidays of any future imposition of escrow requirements by travel regulators, (viii) investment in Longmynd and the type of houses in the HF Holidays estate, including querying the viability of the HF Holidays estate if it were to comprise fewer than 16 houses.

7. Adoption of the Annual Report, Accounts and Auditors' Report (VOTE)

Members were asked to vote on the adoption of the Annual Report, Accounts and Auditors' Report. With 286 votes received (278 in favour, 0 against and 8 abstentions), the vote was carried.

8. Notice of re-appointment of White Hart Associates (London) Limited as auditors by Malcolm Oliver, Chair

This financial year was the second year under the scrutiny of White Hart Associates. They had again proved their significant support to HF Holidays', with their substantial knowledge, presence and contacts within the travel industry sector and banking. MO confirmed their reappointment in accordance with the Society's Rules.

9. The election of the Honorary Officers by Malcolm Oliver, Chair

MO confirmed that Helen Boaden had accepted the invitation to be nominated for election as Honorary President of HF Holidays until the Society's next AGM. MO confirmed that the Honorary Vice Presidents, David Gray, Keith White, Joyce Hilton, Bob Gomersall and Angela Brassey, had accepted the invitation to be nominated for election as Honorary Vice Presidents of HF Holidays until the Society's next AGM.

Members were asked to vote on the election of Honorary Officers. With 291 votes received (276 in favour, 5 against and 10 abstentions), the vote was carried.

10. Announcement of successful candidates elected to the Board

EB, as Chair of the People Committee, outlined some of the work the People Committee has done this Board year to ensure that the Board of HF Holidays is as effective as possible in guiding the Society to serve its members in the best possible way. EB provided the following summary:

HF Holidays were conscious that an effective Board is a diverse Board, which requires directors with a mix of skills

and experience who understand the Society and who are willing to work together to support HF Holidays achieve the strategic goals set by the Board. To enhance Board performance, directors had undertaken training on cooperatives, finance and chairing skills and carried out a Board effectiveness survey and individual director reviews. In preparation for the election, the Board also carried out a skills and experience audit to identify gaps which were hoped might be filled by new directors. The particular skills and experience priorities for filling places on the Board were shared with members on the website and via Footnotes and members were asked to be mindful of this, when making their selections.

EB noted that, this year, HF Holidays received 7 applications from candidates for the Board, including two serving Board members applying for re-election for a second term and a former Board member who had served as both Chair and Vice-chair.

EB noted that recently Steve Bishop (SB), a much-valued member of the Board, had resigned, leaving 4 vacant places currently on the Board, the fourth being for the two-year residual portion of SB's term.

Votes were confirmed, in accordance with the Society's Rules, by three independent scrutineers from Civica Election Services (Civica). 2,664 members voted in the election (NB total votes for 2021 were 3,261 and for 2020, 3,882). A member queried the lower number of members voting this year and DH responded that there was no obvious reason, but HF Holidays would consider this matter.

EB was delighted to announce that Ben Reid, Keith Sellens and Steve Swift had been appointed for a 4-year term and Davina Vencatasamy for a 2-year term. Their appointment commenced from this 2022 AGM.

The election was confirmed as providing a fair and accurate outcome by the scrutineers, Civica Election Services.

11. A resolution of thanks

Mark Hoffman recorded thanks to (i) Malcom Oliver who, as a Board member and Chair, had brought to the Board a wealth of personal experience, skills and attributes from which the Society has benefitted; (ii) Stephen Guile, for his invaluable knowledge and expertise in governance and ability to explain and communicate difficult concepts; and (iii) Steve Bishop, who, as a past Head of Finance for HF Holidays and in his second term as a Board member, brought both history and challenge to HF Holidays' thinking.

12. CEO address by David Harrington, CEO

DH provided an update on the progress towards the strategic goals after giving members an apology for any areas of HF Holidays guest experience, which had been negatively impacted by issues flowing from the staffing issues in the hospitality sector, and the website issues. DH outlined measures taken and planned by HF Holidays to resolve such issues. DH also noted the following:

Tread Lightly walking holidays from HF Holidays Country Houses with no transport were a valuable and "green" addition to its range of walking holidays with over 1,200 guests booking the previous year. Self-guided, trails and island-hopping continued to be popular and new centre-based holidays at partner hotels on Skye and in the Wye Valley.

The Queen's Platinum Jubilee celebrations would be honoured in HF Holidays houses with royal themed events.

Overseas travel had been hugely disrupted over the past two years, and it was expecting to see a return in 2022 and certainly for 2023. HF Holidays had kept in touch with partner hotels and transport companies in order to be able to restart when safe to do so.

In November 2021 HF Holidays launched a new tour operator system which included a reservations system called Tiger Bay which would improve reporting and link better to the Society's other IT systems, including a purchase order and procurement system.

Work was ongoing to improve staff and leader accommodation.

HF Holidays had continued to provide community support, including supporting (i) deserving projects from the Pathways fund with donations to several local Mountain Rescue teams, (ii) hosting a Feel-Good Break for disadvantaged families in association with the Family Holiday Charity, and (iii) hosting the Outsiders Summit at Derwent Bank.

Work towards the strategic goal of "Drive Sustainability" continued with a project to measure HF Holidays' carbon footprint across all the Society's estate, offices, holidays including the walks. In cooperation with HF Holidays'

consultant, a sustainability plan with actions and a timeline would be created. In addition, the Society is working with a consultant to support HF Holidays around equality, diversity and inclusion.

Last year nearly 5,800 holiday surveys were returned; an increase of 28% on 2019 showing guests' favourite UK Country Houses for various categories of guest experience.

HF Holidays were unique and special, built around strong links to social, active, and a love of the outdoors. Thanks were extended to all members who have supported HF Holidays, to Leaders and Field Advisors, to colleagues in houses and offices for their hard work and commitment, to the Honorary Offices for their support and to the Board for their guidance and dedication.

13. Announcement of voting

Announcement of the voting took place at the end of the meeting, however for the purpose of the minutes they have been provided under each agenda item.

14. Time and place of the next Annual General Meeting to be announced

The next AGM was confirmed to take place on the 1 April 2023.