



**MINUTES OF THE 109TH ANNUAL GENERAL MEETING
OF HF HOLIDAYS LIMITED**

Held at the Radlett Centre, 1 Aldenham Avenue, Radlett WD7 8HL and online.

Saturday 1 April 2023 at 14:00

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

Directors in attendance: Steve Swift (SS) (Vice Chair); Keith Sellens (KS); Richard Drury (RD); Linda Haydon (LH); Rebecca Horlock (RH)

Directors who attended virtually: Ben Reid (BR) (Chair), Mel Barlow (MB); Elaine Barclay (EB);

Senior Management Team in attendance: David Harrington (DH) (Chief Executive and Society Secretary); Justine Gibbs (JG) (Head of Finance), Rob Carroll (RC) (Head of Product & Tour Operations), Amanda Forsey (AF) (Head of People & Culture).

Assistant Secretary, virtually: Emma Laycock, Head of Co-operatives Advice, Co-Operatives UK

Auditor in attendance: Nikki Spoor, White Hart Associates

1. Welcome

HB welcomed all members to HF Holidays' second hybrid Annual General Meeting (AGM) with 281 virtual attendees and 49 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 29 March, an HF Holidays' member Q&A session 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 at:

<https://www.hfholidays.co.uk/agm>.

Questions would be taken under AGM agenda item 6 from both in person and online attendees. 15 minutes was scheduled for this. 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 108th Annual General Meeting held on the 02 April 2022.

HB confirmed that the Minutes of the 2022 AGM were available on the Society's website. Members were asked to confirm that the Minutes were a true record of the 2022 AGM. Members were asked to vote on the approval of the 2022 AGM minutes. With 242 votes received (196 in favour, 1 against and 45 abstentions), the vote was declared carried.

5. Matters arising

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

A member noted that at the 2022 AGM, the outgoing Chair Malcolm Oliver presented a £14 million investment ambition for HF Holidays for the years ahead. The member raised concern that i) the item had not been signalled to the members in advance ii) it was addressed at the end of the annual report and accounts item and if a member had already asked a question under the annual report and accounts item,, the limit of one question per member per item meant that they could not ask another question. The member suggested that items of such significance be pre signalled to the members and given their own agenda item. This was noted.

6. Presentation of the Annual Report, Accounts and Auditors' Report for the year ended 31 October 2022 by Stephen Swift, Vice Chair and Keith Sellens, Vice Chair of the Audit & Risk Committee

SS proposed the adoption of the Annual Report, Accounts and Auditor's Report for the year ended 31 October 2022 and, in his remarks focused on: i) strategy and rebuilding after Covid, ii) how HF Holidays had performed, iii) membership and people and iv) sustainability and community. The following is a summary:

It had been another challenging year for the leisure and holiday industry. The Board had focused on the strategic 3Ps (product, performance and people) and in addition governance, audit and risk and the establishment of a remuneration committee. The strategy had been invaluable in guiding HF Holidays through the challenges of Covid.

External challenges had continued, including staff recruitment; guest and flight cancellations, which had resulted in the Society tightening its terms and conditions, supply chain issues, including cost

and availability; inflation; increases in the cost of living; rising energy prices; and interest rate increases on the Society's Covid loan with NatWest. During the reporting year, the Performance Committee focused on mitigating the effects of these challenges on the Society.

In January 2021 the Society had taken out a Coronavirus Business Interruption Loan (CBILs) of £3.75m with NatWest for 6 years with seven of the Society's country houses used as security. It was reported that the repayments had started in January 2022 with all 9 months for the reporting year paid. The available revolving credit facility had not been used.

Faced with these unprecedented headwinds, HF Holidays delivered the second-best surplus of this millennium- at £520k, £1m up on last year and marginally less than the Society's pre covid performance. The measures to achieve this included: efficiency savings such as relocating the Elstree office to Borehamwood; improved yield management; enhanced marketing; IT efficiencies; and cost controls including capital expenditure.

70% of UK holidays were Guided walking, Self-guided had grown to 16%. A total of 2,000 guests had enjoyed the no transport "tread lightly" holidays. HF Holidays delivered 260,000 days of holidays for the reporting year and welcome 220 families on family holidays.

European holidays had restarted late May 2022, as countries reopened, following Covid restrictions. It was not until November 2022 that all HF Holidays' destinations become possible to travel to. Flight delays and cancellations were often last minute and had affected some 100 contracted flights. Long haul had recommenced in 2023 including New Zealand and Costa Rica.

The Society's Net Promoter Score (NPS) was 65; anything above 50 was excellent. Guests had rated the accommodation: 91% Very Good and Good for Europe and 86% in the UK. 98% of guests would recommend HF Holidays and new bookers rated the holidays 96%. Sociability of the holidays was equally scored high at 94% very good and good for UK and 95% in Europe.

The Society continued to be award winning, including from the consumer champion Which? in the Escorted tours and Walking tours categories. This was a testament to the way HF Holidays had handled refunds during Covid. Feefo feedback for HF Holidays was 4.5 out of 5 and had the Society been awarded the Feefo Trusted Service Award.

IT investment and improvements continued in 2022, with Tiger Bay (Tour Operations System) working well, a new booking engine resulting in website sales up 45%. Other technology improvements had included PLEO (an online expense system), the Board had gone paperless by using a platform called Convene and the Society had made investment in cyber security.

Work towards the strategic goal of “Drive Sustainability” continued and the plan was to be net zero by 2040. Our consultants, ecollective, had measured HF Holidays carbon footprint and six pledges had been made.

Community support continued in 2022 via the Pathways Fund, including: assisted holidays for families at Dovedale including 6 families from Ukraine; a donation to the Cornwall Search Dogs charity; Yorkshire footpath repairs; a pledge to support a new mountain rescue HQ in Brecon; and a project in Shropshire called Fix the Fort.

Equality, diversity and inclusion had been a focus with the second Outsiders Summit held at West Lulworth House and, through connections made at the first summit, a partnership with Equality, Diversity and Inclusion consultant Aneela McKenna had been established.

HF Holidays’ co-operative status was core and membership reached 45,577 members in 2022. Member investment stood at £14.96m, up 14.7% and £1.923m on 2021. A new level of membership had been launched called Investment Plus resulting in 300 members increasing their investment or joining the Society at this new level. 75% of bookings came from members, up from 66% in 2021. Member engagement included: two online member Q &As, 26 Member Holidays including three in Europe (Gran Canaria, Evia and Madeira) and the four Investment Member Breaks.

The Board had deliberated at length on setting the interest rate for the 2023/24 year. This had included an in-depth analysis of forecasted interest rates to take the long view over the year. In accordance with the Society’s Rule 10.3 the Board had decided that now was the time to introduce tiered interest rates, effective from the 6 April 2023.

- £100 - £999 1.5%
- £1,000 to £2999 2%
- £3,000 to £9999 2.5%£
- £10,000 + 3%

The Society recognises long-service of members of staff and celebrates the achievers, annually. In 2022 those celebrating a significant work anniversary had almost 300 years' service in total. Each month, teams across HF Holidays can nominate a colleague who has, in their opinion, gone the extra mile. The 2022 overall winner of the Extra Mile Award was awarded to Jacqueline Merakli, Membership Services Manager.

KS seconded SS’s proposal that members vote to adopt the Annual Report, Accounts and Auditor’s Report for the year ending 31 October 2022 and provided the following update including: challenges, overview of HF Holidays’ financial performance and the future. The following is a summary:

It was confirmed that the Society's auditor; White Hart Associates had conducted a smooth, informative and collaborative audit, during which, in addition to carrying out statutory reporting, the Society's finance team received proactive support and advice. A challenging impact faced by HF Holidays in 2022 included a loss in income from guest cancellations of more than £1m.

It is the Society's aspiration to purchase Peveril of The Peak with an option to do so. Other projects included a phased renovation of Longmynd House in Church Stretton, a major project which was being well planned and managed. With many conflicting demands on the Society's cash resources it was important to ensure the capital budget was set accordingly. Note 26 to the Accounts showed that HF Holidays had committed to spending £1,700,000 on capital projects in the current financial year, £1,250,000 of which had already been spent.

The comparative figures for 31 October 2021 had been restated following an error found in the prior year annual Tour Operators Margin Scheme (TOMS) VAT calculations prepared by the Society's VAT advisors. Note 25 to the Accounts stated that the effect of the restatement had been to reduce opening reserves at 1 November 2021 by £131,852 and increase losses in the year ended 31 October 2021 by the same amount and additional controls internally had been introduced to ensure that VAT calculation errors do not reoccur.

HF Holidays members are loyal and growing. A review of membership was ongoing. There are a number of benefits to being a Member, including: Members Breaks and Investment Members Breaks, savings on holiday bookings and bar bills and interest on investment. Thanks was given to the continued support and belief in the co-operative values on which HF Holidays are built.

Questions relating to the following were responded to by SS, KS, and DH i) membership investment ii) CBILS loan interest rate and reprofiling HF Holidays expenditure plan iii) loss of valuation on freehold buildings iv) NatWest sustainability ethos v) fairness of tiered interest rates vi) repayment schedule for the CBILS loan vii) measurement of HF Holidays capital and social value.

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

Members were asked to vote on the adoption of the Annual Report, Accounts and Auditors' Report. With 260 votes received (247 in favour, 1 against and 12 abstentions), the vote was carried.

8. Notice of re-appointment of White Hart Associates (London) Limited as auditors, presented by Rebecca Horlock

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

9. The election of the Honorary Officers, presented by Richard Drury

RD confirmed that Helen Boaden had accepted an invitation to be nominated for election as Honorary President of HF Holidays until the Society's next AGM. RD confirmed that the Honorary Vice Presidents, David Gray, Keith White, Joyce Hilton, Bob Gomersall and Angela Brassey, had each 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 269 votes received (241 in favour, 14 against and 14 abstentions), the vote was carried.

10. Announcement of successful candidates elected to the Board, presented by Rebecca Horlock

RH outlined some of the work done by the Board this year to ensure the Society is effective in guiding and serving its members in the best possible way. To enhance performance, board members had undertaken training on cooperatives, finance and chairing skills.

A Board effectiveness survey had been carried out including individual director reviews. An effective Board requires directors with a mix of skills and experience who understand the Society, and who are willing to work together to support HF Holidays in achieving the strategic goals set by the Board. All Directors are volunteers and give their time freely.

RD noted that this year, HF Holidays received 7 applications from candidates for the Board including one serving Board member applying for re-election for a second term and a former Board member. Rose Duly had withdrawn from the election, following a change in personal circumstances.

RD noted that there were five vacant places on the Board: three full term, 4-year vacancies by rotation; one 2-year residual portion of Louise Cottingham's term, following her resignation in March 2023; and one 1-year term due to Mark Hoffman's resignation in April 2022.

Richard Drury, Stephen Guile and Andrea Illingworth had been elected for a 4-year term, Robyn Lynch for a 2-year term and Jerry Gould for a 1-year term. Their appointments commenced from the 2023 AGM.

Full results of the election would be announced on the HF Holidays website the week following the AGM. RD confirmed that almost 3,000 members voted in the election. The election was confirmed as providing a fair and accurate outcome by the scrutineers, Civica Election Services.

11. A resolution of thanks

SS recorded thanks to i) Mel Barlow who had brought her wealth of experience and skills to the Board over the past four years. She had chaired the Product Committee and guided the team to help overcome the challenges faced. ii) Elaine Barclay who had mastered the detail very quickly and soon became a Committee Chair and where she had championed sustainability and inspiring our teams over the last four years. iii) Richard Drury, a highly experienced HR professional who had moved the People agenda forward and established the new Remuneration Committee. iv) Louise Cottingham who had decided to step down from the Board after two years. Her experience and knowledge as a leader had provided first-hand experience to Board debate.

12. CEO address by David Harrington, CEO

DH provided an update on the progress towards the strategic goals. He gave thanks to the 45,000+ members for their engagement and support through booking holidays and investing in the Society. DH also noted the following:

This was HF Holidays second-best performance since the millennium and was testimony to what HF Holidays achieved in 2022. Looking ahead, the plan is to innovate, expand and improve HF Holidays' products and services. The Society's estate set HF Holidays apart from the competition, with exceptional buildings in beautiful locations but these needed repair and significant costs to maintain and modernise.

HF Holidays had partnered with carbon consultant ecollective in 2022 and a commitment of six pledges were made. These include: 80% of picnic lunches now used plant-based wrappings, the annual report and AGM minutes had not been printed and instead made available to view online only, travel by rail had been developed to meet guest demand and EV charging points had been installed across the estate.

Work had continued with essential health and safety including asbestos and legionella work. To progress the plan of work, DH noted that having sufficient investment would be imperative and this would be the focus for the coming year for HF Holidays to generate funds to protect and grow our assets.

Volunteer leaders remained a vital part of the Society. Recruitment had started after Covid and plans to build on this community had been underway to improve feedback to benefit leaders and guests.

Work was ongoing with IT Transformation, including; i) new booking system with online sales reaching 50% ii) development underway with a My Account to check your booking, pay for a holiday, download documents and view membership details iii) creating a dashboard for business reporting.

The Society' strategy wheel had been reviewed and 'Develop our Next Generation' had been amended to 'Maintain and Broaden our Guest Base'. Bookings to date for 2023 from first timers were already higher than compared to 2019. This had been achieved through i) digital advertising including a YouTube advert ii) return of introduce a friend promotion iii) award winning, with two awards from consumer champion Which?

Sociability remains core to HF Holidays. Evening entertainment had been restricted during pandemic and the aim was for 2024 to extend the evening programme whilst keeping some free evenings.

Volunteer leader Chris Steel was thanked for his continued time to organise the inter house quiz and questions.

DH concluded by giving thanks to all members for your contributions to the Society and that he is grateful for the opportunity to work with and for the members.

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 6 April 2024. Venue and timings would be announced in due course.