



**Minutes of the 111th Annual General Meeting
of HF Holidays Limited**

**Held in person at the Studio, Cannon Street, Birmingham, B2 5EP and online on
Saturday 5 April 2025 at 14:00**

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

Directors who attended in person: Ben Reid (BR) (Chair), Stephen Guile (SG) (Vice Chair), Steve Swift (SS); Keith Sellens (KS), Richard Drury (RD); Linda Haydon (LH); Rebecca Horlock (RH), Andrea Illingworth (AI), Jerry Gould (JG), Malcolm Oliver (MO)

Directors who attended virtually: Robyn Lynch (RL), Stephen Couper (SC)

Executive Leadership Team in attendance: Chris Simmonds (CS) (Chief Executive Officer); Justine Gibbs (JG) (Head of Finance), Rob Box (RB) (Head of Strategy & Transformation), Gillian Mininch (GM) (Head of Tour Operations), Jenny Brydon (JB) (Chief Commercial Officer)

Executive Leadership Team who attended virtually: Toni Douglas (Head of Hotel Operations), Ali Bull (AB) (Head of People & Culture)

Society Secretary in attendance: Manuela Gordea

Auditor in attendance: Nikki Spoor, White Hart Associates

1. Welcome

HB welcomed members to the 111th Annual General Meeting (AGM) of HF Holidays, marking the fourth time the AGM had been held in a hybrid format, with virtual and in-person attendees joining from the Studio in Birmingham. It was mentioned that the meeting was being recorded, and a full recording would later be accessible on the society's website. The meeting was taking place in accordance with the Society's Rules. It was confirmed that HF Holidays is registered under the Co-operative and Community Benefit Societies Act 2014. It was noted that notifications of the AGM were sent to Society members in February 2025.

2. Confirmation of the required quorum

The required quorum for a general meeting of the Society was 100, and that number had been met (154 virtual and 69 in-person).

3. Confirm the Minutes of the 110th Annual General Meeting held on the 06 April 2024

HB confirmed that the Minutes of the 110th AGM were available on the Society's website. Members were requested to confirm that the Minutes accurately reflected the AGM and to cast their votes for approval. With 151 votes received in total (151 in favour, 0 against), the vote was declared carried.

4. Matters arising

There were no matters arising.

5. Consideration of the Annual Report, Accounts and Auditors' Report for the year ended 31 October 2024 by Ben Reid, Chair of the Board and Keith Sellens, Director

Ben Reid

- The Chair welcomed all attendees to the meeting. Special appreciation was extended to the previous CEO, David Harrington, for his leadership and contributions over the years, especially in guiding HF through the challenges of the Covid period. His efforts had ensured a strong foundation for the transition to the new CEO, Chris Simmonds. As a token of appreciation, the Board has decided to name a public room at Longmynd Hotel 'The Harrington Room', recognising David's contributions, particularly in refurbishing the hotel to HF's 'Gold Standard'.
- The Chair said that recruiting a new CEO had been the Board's main task in 2024, focusing on finding a successor for David Harrington, and this had attracted over 200 applicants. Recruitment consultants were instructed to ensure gender balance in the shortlist, particularly from the travel industry. After a thorough recruitment and selection process, Chris Simmonds emerged as the standout candidate and was appointed in November 2024.
- The Board had reviewed HF's Trading Strategy and membership benefits. The Members' Pricing model had been revised to introduce a member discount to replace the previous surcharge on non-members. Starting January 2025, pricing was uniform, with members receiving a £30 discount per booking. This change aimed to showcase membership advantages and attract more customers. The Board viewed this as a significant shift, laying the groundwork for future membership benefits that will be launched in 2025.
- A review of investment interest rates had led to changes effective from 1 January 2025: interest rates had been increased for investments over £1,000 to provide more competitive returns; with 0% interest for investments under £1,000, noting that most members held around £200. The Board concluded that new membership benefits (such as the £30 holiday discount) offer better returns than low interest.
- A Governance Review had been conducted to ensure best practice and effective Board operation. Key points included reviewing how the Board set strategy and ensured its implementation by the Executive Leadership Team, as well as improved systems to enhance oversight, maintain focus at the appropriate level and enable the Board to receive the necessary information to function effectively. A report on governance improvements would be presented later in the meeting.
- The Chair concluded by stating that 2023/24 had been a busy year for the Society and the Board, with a focus on preparing HF for its next phase as a profitable tour operator promoting outdoor exploration. Further steps for the Board would include the implementation of revised membership benefits and pricing strategy, continuous oversight of the new governance structure, and ongoing efforts to ensure financial stability and growth.
- The Chair then invited Keith Sellens (member of the Performance and Audit & Risk Committees) to present a detailed review of the 2023/24 trading performance and financial accounts.

Keith Sellens

- Keith provided an overview of the key elements of the financial accounts. He considered that the challenges remained largely the same as those of the previous year. The cost-of-living crisis persisted, and conflicts in Ukraine and the Middle East showed little sign of resolution. Leadership changes, such as a new US President and a change in party in UK government, brought uncertainty and change for the Society. National and international decisions could impact HF Holidays in the future.
- The Society had welcomed Chris Simmonds as its new CEO. Chris brought enthusiasm and industry experience. Change takes time. The accounts demonstrated that the Society could generate revenue, yet overheads had risen in line with income, leaving a slimmer operating surplus. The Society must focus on improving UK holiday profitability, expanding abroad, and reducing core overheads to achieve sustainable surpluses.
- The number of Guest Weeks had increased in the UK but had remained static abroad. Revenue had increased across the Society, with international revenue having exceeded that of the UK. In 2019, revenue from both regions was similar, and the Society was gradually returning to that state, creating an opportunity for progress. As of October 2024,

the Society operated 16 UK Country Houses, one fewer than the previous year, due to the closure of Lulworth at the end of 2023. In 2024, Dolserau Hall in Southern Snowdonia closed at the season's end. Neither house had been profitable. The Society's challenge was to use capital from these property sales wisely.

- Recruitment and retention remained challenging, but process changes had improved chef recruitment. Vacancies had decreased, and reliance on costly agency staff had reduced. The process of appointing of a new CEO had been efficient and relatively quick and smoothly, thanks to Ben Reid, Directors, Executive Leadership Team, and David himself.
- The Society had survived the pandemic primarily by taking a substantial Government-backed Covid Loan, which it had been repaying over three years so far. As a result, over £2m had left the business, which could otherwise have been reinvested in the estate. At the end of the financial year, the Society was on schedule to repay the remaining £1.6m, over a further two years period.
- The Accounts presented covered the year ending 31st October 2024. Keith focused on two points: year-on-year improvement and a comparison with October 2019, the the Society's last financial year end before the pandemic. In 2019, the Society had achieved its highest operating surplus, setting the stage for all to strive to surpass that mark. The 2024 results revealed growth in the UK and Overseas operations.
- In the UK, revenue increased, but operating costs rose more, reducing overall contribution. In contrast, Overseas and non-HF House operations had higher revenue and gross margins, boosting total gross contribution by £ 200,000 compared to 2023. The Society's income statement showed a slight increase in gross contribution, offset by higher central overheads, leading to a lower Operating Surplus. This year, the Board, Chris, and his team would focus on improving performance and growth in overseas operations while reviewing central overheads. Changes are underway, with the aim of achieving an operating surplus of £1 million or more in the coming years. Generating sufficient cash from trading operations is crucial for funding the Society's UK estate plans.
- During the year, the Society had faced difficult choices but also had achievements. The Board still aspired to purchase Peveril of The Peak and had an Option to do so. Phase 2 of the refurbishment of the Longmynd Hotel was completed in 2024, and Phase 3 aimed to improve many guest bedrooms. In 2024, the Society completed £ 326,000 of roof works at Bourton-in-the-Water and ongoing improvements to its IT systems. Plans for this year included kitchen refurbishment at St Ives and team accommodation refurbishment on the Isle of Wight.
- With small Operating Surpluses, cash management was challenging. Capital Expenditure was approved only after confirmation of available cash resources and sustainable future cash flow.
- The Society is a Co-operative with approximately 40,000 active members. Over the past year, more than 2,600 new members were welcomed, and the Board was grateful for the ongoing investment in our society.
- The Society received over £140,000 in bequests; details were in note 21 of the accounts. More information on making a bequest was on Page 28 of our Annual Report. Membership investments and donations fund capital expenditure, aiding the regeneration of the UK country houses and enhancing the holiday experience.
- The accounts required an audit, which had been completed and was reported in the financial statements. The Society had received a clean audit, which was essential for maintaining a strong relationship with the bank and for future fundraising.
- Keith thanked the auditors, White Hart Associates, especially Nikki Spoor, for the support and guidance provided to the finance team over the past year. Additionally, special appreciation went to Chris, his predecessor David, and the Executive Leadership Team for their hard work and dedication during this challenging period.
- Weaknesses remained in the economy and travel industry. There was growth in the UK and overseas operations; however, further progress was needed. Financial constraints would last a while. The Board was grateful for the loyal and growing membership and their support for the co-operative values that sustain the Society. Keith asked members to consider applying to join the Board to further support it. Board members are all passionate about the Society, and it was a privilege to help shape its future.
- Keith proposed that members vote to adopt the Annual Report, Accounts, and Auditor's Report for the year ended 31 October 2024.

Questions relating to the annual report followed and were answered

Member question: Higher business levels boost profitability, but the Society faced diminishing returns. The main concern is income, especially HF's discounting strategy, which harms profit margins and sets unrealistic brochure prices. HF's pricing discourages early bookings in favour of late ones. Two key issues for HF were: the need for retained surpluses for operational costs and the ineffective discounting strategy.

Response: The Board fully agreed—last year’s financial performance was disappointing. The Board expected a profit between £600k and £700k and aimed for two million pa eventually, to help restore the country houses. Despite good budgeting, the Society faced unexpected challenges this year, including average pricing and a retrospective VAT charge. The biggest issue in hospitality had been recruitment. The government introduced a visa scheme for special skills, including catering chefs, but implementation took months, forcing the Society to rely upon costly agency staff, costing around £750,000. The Society now has a complete team of chefs, providing more certainty for the upcoming year. HF’s profitability aligns with the budget, and the Board is optimistic for better results next year. Although a turnaround was hoped for this year, the Board is confident in real progress. Chris Simmonds is reviewing the pricing and discounting strategy. Last year, the discounts were excessive during high-demand periods. This year, Chris launched the new brochure at full price. The Board fully supports these efforts, recognising the importance of generating profit to maintain standards without accumulating debt.

Member Question: If cash flow is a challenge, why not encourage or even incentivise customers to pay for holidays upfront?

Response: BR explained that not making a profit, pressures cash flow. The Society has adjusted payment terms, moving up deposit deadlines. Although it hasn’t required full payment upfront, the team analysed competitors and positioned HF mid-range. The team is exploring options, staying aligned with normal market practices. Asking for a balance payment eight weeks in advance gives clients time to decide, improving the chances of reselling any empty rooms compared to just four weeks.

Member question: what is the current status of the sale of West Lulworth House and Dolserau Hall?

Response: KS confirmed that West Lulworth House had been sold and that the money is in a separate account, awaiting a decision on how it will be used. The sale of Dolserau Hall is progressing well, with a buyer in place, ahead of it being put on the market, therefore no agency fees.

Member question: li seemed that staff turnover has increased in recent years. Excluding the two house managers who recently retired after long service, what is the average length of service for hospitality and office staff? How does this compare with other similar employers? Is HF Holidays considered a good employer?

Response: CS confirmed that HF holidays has a very healthy turnover. HF needs to create the right balance within the team, maintaining our long-serving core for valuable organisational memory while bringing in new perspectives. Achieving this balance is crucial moving forward. However, reviewing key HR numbers, he found no alarming current turnover figures.

Member question: Has the impact of changes to employer National Insurance has been factored into this year’s budget?

Response: CS confirmed that, unfortunately, the changes were not anticipated or included in this year’s budget. Like any UK business, this will cost the Society about £250,000, forcing it to reformulate its budget. We’re exploring ways to maintain our surplus despite this unexpected cost, and we currently have a plan in place. Did we not know or just miss including NI increases?

6. Adoption of the Annual Report, Accounts and Auditor’s Report for the year ended 31 October 2024

Members were asked to vote on the adoption of the 2024 Annual Report, Accounts and Auditors’ Report. The vote was carried with 162 votes received (162 in favour, 0 against, 12 abstentions).

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

The financial year ending 31 October 2024 was in the fourth year of auditing by White Hart Associates, who have supported the finance teams with their knowledge and contacts. RH confirmed their reappointment in accordance with the Society’s Rules.

8. Board Motions: Rule amendments

The Board's proposed Rule amendments were presented by SG (Vice-Chair). There were five sets of proposals.

81.1. Co-option of Board members

The purpose was to ensure continuity and reduce the workload on the remaining Board members, where a Director had left the Board before completing their term of office.

Questions relating to the first proposed rule amendment were answered by SG and BR

Member question: A member asked if someone joins the Board for just a few months, can they really make a meaningful contribution? Inducting new members also increases the workload—has this been taken into account?

Response: It was confirmed that the Board had considered this. Whilst the Board hasn't included it in the rule amendment, they do acknowledge the time commitment required for induction. Despite this, they still believe that bringing in new members is valuable and will contribute positively to the Board's effectiveness.

Member question: I understand our position on wanting to co-opt people, but the proposals don't provide guidance on how the Board will decide whom to co-opt. I suggest considering co-opting from the list of unsuccessful candidates from the last election and previous ones.

Response: The Board consider selecting the highest scoring most recent unsuccessful candidate but ultimately decided against it. That person might not have the replacement skills necessary. Board There's a risk that the Board might lose its only expert in a field. The Board believed that it is important to keep flexibility in their approach to ensure the Board has the right skills.

Member question: A member said that not including any reference to considering failed applicants is a shortfall. He suggested that the Chair of the Board give assurance now that they will be included in the list of potential co-optees. He added that when raised with the Society Secretary during consultation, an acceptable response was received confirming that choosing a former candidate was too prescriptive and not skill-based.

Response: The Chair said that Board members had extensive discussions on this matter. Whilst they understand the concerns, they felt that being too prescriptive could limit, especially in cases of mismatched skills. The Board believed that it is important to maintain flexibility of approach to ensure the Board has the appropriate skills. The first place the Board would look for co-optees is from the pool of candidates who had previously expressed interest, as this indicates their commitment. It's crucial for the Board to remain quorate for decisions to be made, and last year, when four directors left, it created significant challenges.

Approved 162 votes received. 154 in favour, 8 against, 17 abstentions.

8.2. Transition to Digital Communication

It was proposed that digital communication would become the default means of communication with the members. A member would be expected to inform the Society of their email address or opt-out and request postal communication instead. Members without an email or postal request must rely on the Society website for information.

No questions were received from members.

Approved. 172 votes received. 163 in favour, 9 against, 8 abstentions.

8.3. Membership

It was proposed that where a member was not contactable, was deceased, or who had not transacted with the Society for a specified period, the procedures outlined in the Rules would be applied with the intention of maintaining an up-to-date Members' Register.

Questions related to the third proposed rule amendment were answered by SG

Member question: As someone with years of experience, leading multiple trips each year, he was hoping the new register would be more accurate than the current marketing database. In the past year, he's received a letter saying he hasn't travelled with HF Holidays for the last two years, which seems incorrect. He hopes this doesn't make him appear as a non-responding member in HF's records.

Response: SG apologised for the letter that was sent in error. The team is working to ensure the records are more accurate moving forward.

Member question: How strictly will the five-year limit be applied? For example, I've been a member and shareholder for 62 years, attended most AGMs, served three terms on the Board, and only missed one HF holiday in 60 years. If I were to have a hip operation and couldn't walk properly, would I be immediately excluded? That would be very upsetting.

Member question: I have two concerns about these proposals. First, they seem likely to disproportionately affect elderly members, which may fall foul of the Equality Act 2010, potentially leading to age discrimination. Second, if long-standing members were suddenly informed their membership had been cancelled, they might be discouraged from leaving bequests to HF. Has HF considered how many members who have left bequests might be affected by this? If it's a significant number, it could impact future donations.

Response: This proposal is not as severe as suggested. The Board will implement this cautiously, considering factors beyond recent holidays. It is likely the Board will initially review a longer duration and assess circumstances carefully. Additional criteria may include the level of investment in the Society. The Board aims to reflect whether members engage in business with the society, considering both investment and holiday patterns.

Member question: I am a HF staff, but also a member. What does it mean for me?

Response: That's something the Society will need to consider; similar to the approach taken with members who are also leaders, the Board will evaluate these factors when making decisions.

Member question: the written Rules don't mention anything about applying these measures carefully or avoiding a draconian approach. As written, the Rules seem to allow it to be done in a careless or overly harsh way, depending on the future Board's discretion.

Response: The rules do allow the Board to set conditions, which gives flexibility to consider factors like the ones mentioned. The goal isn't to remove members who want to remain part of the organisation and continue engaging with the Society. The main purpose is to ensure that the membership register accurately reflects the active membership.

Approved. 158 votes received. 106 in favour, 52 against, 31 abstentions.

8.4. Minimum shareholding

This proposal obliges a member to maintain a minimum shareholding of 100 £1 shares to remain a member of the Society.

Questions relating to the fourth proposed rule amendment were answered by SG.

Member question: I think the Board is being too cautious. When Malcolm Oliver was chair, he was supportive of my idea to raise the minimum membership to £200. It's been stuck at £100 for too long, especially with postal costs rising. This year's annual report ran to 50 pages, up from just 15 four years ago—imagine the postage costs to send that out to £100 members. While this may not be directly related, I believe the minimum shareholding should be raised to £200 or £250.

Response: The Board has considered increasing the minimum shareholding in the past, though not recently. The immediate focus is on addressing the current situation, which is what this rule amendment is aimed at. If enforced, it will ensure that all members have at least £100 in shares moving forward. As for the future, this will be kept under review, balancing fairness and costs, but the Board's priority right now is to move forward with this first step.

Member question: How many members are affected by this?

Response: Around 11,000 members have fewer than 100 shares. Two letters have been sent to these members in the past, and some have increased their shareholding to £100. Others have chosen to donate their shares to HF Holidays, indicating they no longer wish to continue walking with us. Despite this, 11,000 is still a significant number of members not meeting the new member minimum shareholding.

Approved. 171 votes received. 149 in favour, 22 against, 9 abstentions.

8.5. Chairing the AGM

The proposal was to add the Chair of the Board to the list of those who may chair the AGM to ensure maximum flexibility.

Questions relating to the fifth proposed rule amendment followed and were answered.

Member question: In my view, the chair of the AGM should be independent of the society's governing structure, like the president or vice president. If neither is available, a Board director or the chair of the Board could serve as the AGM's president. However, this change seems to elevate the chair to the first alternative, which undermines fundamental independence. How does the proposal increase flexibility? Did the President or Vice Presidents have the chance to share their opinions, and what was the substance of their views?

Response: As per the current rule, if the president is present, they will chair the AGM. However, if they feel unable to chair, the board will consult with the Vice Presidents and ultimately decide who is the most appropriate person to undertake the role. This flexibility ensures that the most appropriate person is chosen.

The Chair said that the Board had discussed this proposal with the Honorary Officers. One of the honorary officers present at the meeting was not happy with the proposed rule amendment; one became settled to the logic, having exchanged subsequent emails with the Chair; and the remainder were content inasmuch that the Board had this power already. This change is more of a reorganisation than a significant shift, reflecting the fact that it is not the intention to appoint new Vice Presidents going forward. The Honorary Officers' terms will eventually expire, and this change will ensure that the AGM can still be chaired. The decision to name a room in honour of service reflects the direction HF Holidays is heading.

Member question: If a Vice President isn't comfortable chairing a meeting, why are they in that role? Isn't it their purpose to stand in for the President? Also, if there are no more going forward, how can there ever be an independent person to chair the meeting?

Response: Vice Presidents were not appointed based on a professional background, capability, or capacity, or their ability to chair meetings; they were recognised for their service to HF Holidays. Some Vice Presidents have expressed that they're not comfortable chairing an AGM, as it's not their background or expertise. This is why new job descriptions were issued to clarify expectations. The role of chairing requires significant preparation.

Member question: A member said they don't recall reading Vice Presidents are simply recognised for meritorious service. Many have served on the Board for years and have invaluable knowledge of the HF Holidays. Finding replacements for these roles is difficult, as new people lack the experience. Also, I agree that the order of reference should list the Chair of the Board after the Vice Presidents, as they are not as independent as someone outside the Board.

Response: The Board clarified that the order in the rule amendment was not meant to indicate any order of preference. If multiple individuals are qualified to chair, a discussion will take place and the board will determine the most suitable person for the role.

Member question: I am not aware that the Vice Presidents' roles are being phased out, and I strongly oppose this idea. We also need to think about future-proofing the rules, and you might have no Vice Presidents soon. Mixing the role of Chair of the Board with chairing meetings is problematic, it requires someone independent to keep order, especially in cases where strong personalities might dominate. I disagree with the proposal to change this.

Member question: Am I correct in thinking that in most cooperative societies, it is common for the Board chair to also chair meetings, rather than having an independent president?

Response: BR said that in his experience of working with cooperatives, including as chair of Co-operatives UK, HF Holidays is unusual in having a President who has no engagement with the Society during the year. Typically, in most cooperatives, the President also chairs the Board and the AGM, so it's a combined role.

Approved. 132 votes received. 93 in favour, 39 against, 43 abstentions.

9. Board Effectiveness Review Report – update by SG (Vice-Chair)

In 2023, the Board commissioned an independent governance review by Coops UK. This included document analysis, director interviews, and attendance at a Board meeting. After discussing the findings and recommendations, the Board and the CEO developed and implemented an action plan. The key areas of focus were the Board, its committees, risk management and general improvements. For more details, please refer to the Report on the Society's website.

The Board has improved Board reporting, meeting processes, and committee functions, enhanced training on directors' roles, including risk management, and refined business planning. The Board has reviewed its skills gap analysis to enhance recruitment. Each Director met with the Chair to discuss development areas for the coming year.

The Committees strengthened internal controls through the Performance and Audit & Risk Committees, enhanced reporting to identify issues, updated the Terms of Reference, rotated directors to expand expertise, and conducted effectiveness reviews to set 2025 priorities.

Risk Management was a top priority for the Board. The Board has implemented new risk controls, maintained focus on the Strategic Risk Register, conducted training for directors and the executive team, and established a risk monitoring schedule and appetite statement.

Other improvements included monitoring organisational culture, conducting staff and stakeholder surveys, and the Board's ongoing work on the Equity, Diversity, and Inclusion Strategy to diversify membership.

Further external reviews of our governance are planned every three years, as recommended by the Co-operative Code of Governance.

The review and actions have strengthened HF's governance framework, ensuring clear strategic direction and ongoing improvements.

The meeting noted the report.

10. The election of the Honorary Officers by LH, Director

LH confirmed that Helen Boaden, who served as the Society's president for ten years, accepted nomination for President to serve until the 2026 AGM. LH also confirmed that Vice Presidents David Gray, Keith White, Joyce Hilton, Bob Gomersall, and Angela Brassey had accepted nominations for election until the next AGM. The Honorary Officers are members who have made significant contributions to the Society, having served on the Board or as President or Vice President, and their role is to support the Board and participate in a few governance-related activities.

Approved. 171 votes received. 167 in favour and 4 against.

11. Announcement of successful candidates elected to the Board, presented by Manuela Gordea

MG noted that this year, the Society received five applications from candidates for the Board of Directors role. There were three vacant positions on the Board for full-term, four-year vacancies by rotation.

The complete election results would be published on the Society's website the week after the AGM. MG confirmed that almost 2,500 members voted in the election and that the scrutineers, UK Engage, verified that the election yielded a fair and accurate outcome in accordance with the Society's Rules.

MG announced the successful candidates: Sandra Taylor, Diane Moss, and Duncan Gager were elected. Their appointments commenced at the conclusion of the 2025 Annual General Meeting. MG congratulated them on their appointments and welcomed them to the HF Holidays Board of Directors.

12. A resolution of thanks

SG recorded thanks to the outgoing Directors Rebecca Horlock, Robyn Lynch and Stephen Couper.

Rebecca Horlock had been elected to the Board at the 2021 Annual General Meeting for a four-year term. Rebecca is a chartered accountant and finance director, serving as Vice Chair of the Performance Committee and as a member of the Product Committee.

Robyn Lynch was elected to the Board at the 2023 Annual General Meeting (AGM) for a two-year term. She has spent her career as a solicitor, bringing considerable experience to the Board. Robyn served as Vice Chair of the Audit and Risk Committee and on the Product Committee.

Steve Couper was elected for a one-year term at the 2024 AGM. His experience as a former finance director for a local authority was appreciated. Steve served on the People Committee and the Audit & Risk Committee.

SG thanked all for their valuable service to the Board.

Member question: Director roles were promoted to underrepresented groups, but four out of five candidates have finance backgrounds. Where's the diversity?

Response SG: Only one of the five candidates was a qualified accountant. While most candidates have some financial experience, their backgrounds vary. Some financial and business knowledge is key for all directors.

13. CEO address by Chris Simmonds, CEO

- Chris started his speech by saying he was honoured to be the CEO of HF Holidays, adding that he received a very warm welcome from the Board, leaders, advisors, members, and teams since taking on the role. This reflects the HF spirit of friendship and community central to this movement of celebrating the outdoors.
- The Board tasked Chris with reviewing the strategy as a priority. He accessed extensive information to guide him and understanding HF's history has been inspiring. He noted that T.A. Leonard emphasised walking as a means to unite people, fostering community spirit that is central to the Society and examining history differentiates a brand. Leader Chris Steel and others enlightened efforts in preserving the Society's historical record was very helpful. Reading Leonard's 1934 book, *Adventures in Holidaymaking*, revealed the organisation's enduring values.
- The first objective was to summarise the strategic challenges: HF Holidays has high customer satisfaction and loyalty among members, a strong heritage in walking holidays, unique offerings, and recent tech investments. However, it generated minimal operating surplus, which threatens its success and customer satisfaction due to limited investable resources, especially in the UK Country Houses. The Board and executive team agreed that a clear strategic goal for financial sustainability is essential. The focus will be on three key priorities for ongoing success: delivering a surplus of £ 1 m or more for investment, prioritising membership growth, and enhancing product innovation and performance.
- Since joining HF Holidays, Chris has valued its core strength: its members. Owned by members, HF Holidays represents shared values. For over 111 years, this model has fostered memorable walking holidays, emphasising fun, friendship, and love for the outdoors. To progress, the Society must enhance its marketing and expand its membership, as increased bookings lead to more members and vice versa. Membership is crucial at HF Holidays, with a focus on community, connection, and belonging through engaging outdoor experiences. Last year, the Society welcomed 2,638 new members, showcasing its appeal to those who cherish adventure and camaraderie.
- First strategic priority. Membership matters most. Insights: Over the past two years, the majority of new members have joined at the £100 minimum level, while investment withdrawals have exceeded new investments. Current members were not increasing their investments as they did before COVID. The Society has reviewed member benefits and identified three strategic themes: Simplifying Membership by enhancing the membership journey by streamlining processes across platforms to eliminate friction and attract new members. Delivering Greater Value by redefining benefits to emphasise exclusivity, offer discounts, and connect members with like-minded individuals, ensuring they recognise their unique value with HF Holidays. Building Community by placing the Engagement at the core of the strategy. The Society will launch a community forum and an opinion group to involve members in future decisions, as well as a new magazine to showcase the Society and its adventures. The goal is to place membership at the heart of HF Holidays.
- Second strategic priority. Led by Product. Insights: The Board and executive team will aim to evolve and innovate the product offering, placing it at the core of the growth engine. Members and customers expect the Society to develop new programmes in UK country houses and globally in partnership with tour operations. Guided walking comprises nearly 60% of UK sales, while self-guided holidays account for just over 30%. Despite the remainder coming from family and special interest holidays, a growth was seen in customers booking partner-based holidays, with guided walking at the core. In 2024, the Society welcomed 46,596 guests—a 4.5% increase from the previous year —while revenue rose to £34.7 million, representing an 11% improvement. However, despite progress, the Society did not meet the target surplus. Introducing new holidays will be vital, and the Skyline Challenge was launched for those seeking an exhilarating weekend walk. The rail-based holidays, such as A Week in Provence, Hikes of the Haute Savoie, and the Swiss Mountain Snow Train Adventure from London, were expanded. The Balkans offerings now include Romania, Montenegro, and Albania, along with new holiday destinations in Italy, such as Amalfi, Capri, and the Sorrentine Peninsula. The new Highlights of the American Rockies has performed well. The Society aims to develop innovative products that drive growth by tapping into customers' desires to travel during off-peak seasons and the rise in solo travel, all while prioritising sustainability. The feedback received was valued and helped enhance the product range. Additionally, acknowledging surveys and Q&As enabled the Society to meet the expectations of its members and

customers and improve the quality of its holidays and services. In 2024, the new feedback system yielded 14,000 survey responses—a 60% increase - showing improved scores across all measures compared to 2023. The Net Promoter Score (NPS) increased to 71, up from 69 in 2023, with scores above 50 being considered exceptional.

- Sustainability is also a priority; the aim is to reduce our carbon intensity by 5% annually, striving for net zero by 2040—or sooner. In the previous year, the Society announced at the AGM that HF Holidays achieved B Corp Certification with a score of 84.9, reflecting its commitment to ethical practices and environmental standards. This certification required the organisation to undergo rigorous evaluation and meet targets that demonstrate the Society's actions align with its values.
- In 2024, the Society allocated £55,000 of members' donations to worthy causes through the Pathways fund. It provided 62 people with outdoor holidays who otherwise couldn't go and supported essential footpath repairs, including step renewals in the Peak District and Isle of Wight – both previously helped by the Pathways Fund. Looking ahead to 2025, the Society is excited to launch new initiatives, including footpath repairs in collaboration with the National Trust at Roseberry Topping, bridge repairs on the Dales Way, and vital projects such as Glencoe Mountain Rescue. It will continue to offer assisted holidays, with bookings available in the Isle of Wight, Lake District, Exmoor, and South Downs. The members' choice to travel with HF Holidays supports sustainable tourism and the communities it serves.
- Third strategic priority. Simplify, optimise and invest to enhance financial sustainability. The Society's journey relies on effective IT and digital solutions and therefore has invested in integrated IT systems to improve processes and efficiency, reducing costs. Additionally, data is optimised for smarter decisions, offering insights to monitor performance and trends against budget. This focus aims to enhance commercial and financial performance while increasing efficiency.
- No strategy succeeds without focusing on the people behind it. Moving forward, Chris will concentrate on culture, purpose, and values to build on T.A. Leonard's legacy and ensure lasting success. HF Holidays thrives due to the remarkable people who bring the holidays to life- from the dedicated colleagues designing and operating the vacations to the volunteer Leaders contributing to around 2,500 programmes. Their passion and commitment set HF Holidays apart. The Society's purpose and values have been revitalised in a way that honours the Society's history.
- The Society's strategic goal is to build finances for future investment. The aim is to use holiday sale funds to enhance the country houses, ensuring quality experiences for members and guests. These projects strengthen the estate's value and the Society's longevity. The capacity to invest must be at the core of the strategy.
- Chris recognised and congratulated David Harrington on his retirement. After 40 years of dedicated service, David has left a lasting impact on HF Holidays. Chris was grateful for the handover David provided during the short time they worked together before he officially took on the role in November.
- He finished by extending his thanks to members, leaders, field advisors, directors, honorary officers, and all colleagues—both in the houses, offices and remote. Their dedication and passion to drive HF Holidays forward are second to none.

14. Confirmation and Announcement of voting

MG confirmed that the voting procedures have ensured a fair and transparent process. For the purpose of the minutes, the voting results have been provided under each agenda item.

15. Date and time of the next Annual General Meeting to be announced

The next AGM was confirmed to take place on 11 April 2026. The venue will be announced in due course on the Society's website and via regular communications to members.