

Annual Assurance Report Procedure

PROCEDURE VALIDATION

Version	Corporate area	Name	Action	Date
1	Internal Audit	L. Petracca - R. Dvorak	Creation	10/10/2022
	General Secretary	Carlos Ulecia	Validation	
	Management Committee		Approval	
2	All the involved parties		Update	01/07/2025

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OBJECTIVE AND SCOPE

This Minor Hotels Europe and Americas internal procedure provides a detailed framework to ensure the correct issuance of the Annual Assurance reports to landlords as per the current signed contracts between the owners and MHEA.

The annual revenue assurance report is a confirmation issued by the Internal Audit Department or the External Audit Firms that the financial information and related calculations elaborated and communicated to hotel owners by the different Departments after year end, is complete, accurate and aligned with contracts' requirements.

WORKFLOW

#	Description	Deliverable	In Charge	Receiver	Deadline
1.	Confirmation of the list of centers that, based on currently signed contracts, require an annual assurance audit report—either by the Internal Audit Department or by external audit firms (e.g., PwC, Deloitte).	I. Following verification with the BUs, the Asset team will send the list of applicable centers for the current year to the Legal Dpt. This list must clearly indicate which center require audit reports to be issued by an External Audit Firm.	HQ Asset	HQ Legal	<20/10
		II. Copies of all active contracts, addenda, and any other relevant documentation must be provided. Highlighting the audit clause and detailed information on the scope of work, including deadlines and metrics (e.g., Revenue, EBITDA, Rent...).	HQ Legal	Internal Audit	<30/11
		III. Any changes to the above-mentioned documents or communications with landlords that may affect audit criteria or calculations after the deadline must be reported immediately.	HQ Asset Finance	Internal Audit	Upon Detection
		A dedicated SharePoint will be set up to store and manage all related documentation.			
2.	Internal Meeting for Clarification and Validation.	I. Definition of scope of work per center, including the content and structure of the annexes.	Internal Audit	HQ Asset	<30/11
		II. Tentative Planning and Report Issuance Timeline.		HQ - BU Finance	

III. Confirmation of Internal Recipients and Responsibilities for review and submission.					
3.	A request for quotation (RFQ) must be issued whenever external support is required.	I. RFQs are sent to selected external firms to obtain proposals for the required services.	Internal Audit	General Counsel CFO	<15/12
4.	For reports issued by an external audit firm, confirmation of the name of the contracted firm must be provided.	I. The Finance Dpt of the Bus will communicate the name of the contracted external audit firm and the scheduled report issuance date.	Finance	HQ Asset HQ Conso. Internal Audit	<15/12
5.	Dedica Portfolio: Any applicable basket consumption must be included in the December closing, based on the reporting date. Once the individual hotel financial statements are officially issued, a coordinator, appointed annually, is responsible for reviewing the data, ensuring alignment with defined criteria, and submitting the final docs to the HQ Consolidation Dpt.	Individual financial statements, related calculations, and any other relevant documentation for Dedica Portfolio must be collected and maintained for reporting purposes. A financial coordinator must be appointed to centralize and oversee the reporting among BUSE and BUNE. This role ensures timing, consistency and completeness of the financials.	Finance	HQ Conso.	Dec reporting date as per closing calendar
6.	Dedica Portfolio: The HQ Conso. Dpt. is responsible for verifying the harmonization of accounting criteria to USALI and preparing the consolidated data. This includes the NCA, fees and basket consumption, if any.	Consolidated Table upload in the SharePoint including NCA, fee calculations, and basket consumption, where applicable.	HQ Conso.	Internal Audit	<15/02
7.	All contractual and financial information communicated to landlords after the year-end closing must be uploaded to the designated SharePoint.	I. A copy of the email containing the annual financial information sent to landlords must be uploaded to the SharePoint. II. All relevant files, calculation formulas and supporting docs must be included.	Finance HQ Conso.	Internal Audit	<15/02
8.	Validation of Uploaded Information	Sign-off must be completed via email by the responsible of the departments involved.	Finance HQ Asset HQ Conso.	Internal Audit	<15/02
9.	Annual assurance reports issued internally.	The signed PDF must be sent via email to the designated internal recipients.	Internal Audit	Internal recipients HQ Asset	<15/03
10.	All annual assurance reports must be issued in accordance with the commitments outlined in the signed contracts.	SharePoint Upload for External and Internal Reports	Finance Internal Audit	--	15/03
11.	Annual assurance reports, whether issued by the Internal Audit Department or external audit firms, must be reviewed and formally shared with the landlords. In case of any doubts or specific requests for adjustments, the Internal Audit Department must be contacted immediately to ensure timely clarification and resolution.	A copy of the email containing the Annual Assurance Reports sent to landlords must be uploaded to the designated SharePoint platform to ensure proper documentation and traceability.	Agreed internal recipients	Landlords	<31/03