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**International Business**



**Entrepreneurship in Chile from a Viewpoint of a Foreign Investor**

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**Declaration:**

I hereby declare that I am the sole author of the thesis entitled “Entrepreneurship in Chile from a Viewpoint of a Foreign Investor“. I duly marked out all quotations. The used literature and sources are stated in the attached list of references.

In Prague on.....

.....

*Signature of the student*

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## List of Abbreviations

AFP	Administradora de fondos de Pensión
APEC	Asia-Pacific Economic Cooperation
BE	Book value of equity plus adjustments
CORFO	Corporación Nacional Forestal
CLP	Chilean Peso
EIRL	Empresa Individual de Responsabilidad Limitada
FONASA	Fondo Nacional de Salud
INAPI	Instituto Nacional de Propiedad
IPR	Intellectual Property Rights
ISAPRE	Instituto de Salud y Previsión
IRS	Internal Revenue Service
MERCOSUR	Mercado Común del Sur
MFN	Most favored nation
LAIA	Latin American Integration Association
SAG	Servicio Agrícola Granadero
SEIA	Servicio de Evaluación Ambiental
SEREMI	Secretaría Regional Ministerial
SII	Servicio de Impuestos Internos
TRIPS	Trade-related Aspects of Intellectual Property Rights
OECD	Organization for Economic Co-operation and Development
TPP	Trans-Pacific Partnership
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

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## Introduction

The word Chile has been adopted from the ancient indigenous Aymara language and means “the Country at the End of the World”. And indeed, this country lies at the end of the world. Its 4.200 km long shore is bathed by the waters of Pacific Ocean while the Andean mountain range has created a natural barrier between the country and the rest of the continent. The extraordinary length of its territory provides the country with an amazing variety of climates and landscapes. Chile is often called the “Switzerland of South America” and as such it is not only its natural beauty, but also business opportunities that attract the attention of the world. In spite of its segregated geographical location, it finds itself on the top of most international economic comparative rankings.

I have chosen to analyze entrepreneurship in this country, since I have lived there 15 years and developed my very own business project in the tourism and hospitality industry in the north of Chile – in the Atacama Desert. (See Appendix 1) I initially arrived in Chile as a tourist without any knowledge of either Spanish language or the business and cultural environment. I have spent time working in various tourist enterprises, acquiring all necessary cross-cultural experience, proficiency in Spanish language along with the expertise of the developing Chilean tourism industry. In combination with my background education in the field of hospitality and relevant praxis in several European countries I was overtime able to design, plan, develop and direct a successful business project. As an enthusiastic entrepreneur, I started the business on my own by acquiring land in the Atacama Desert, on which all the facilities were built. At first, the operations were rather simple and I was the sole employee of the company, but over 5 years of operation, the Lodge came to have 6 rooms, sophisticated wellness and expedition facilities and 17 employees. (See Photogallery) Focusing on discerning travelers, tailor-made service packages were offered, filling a niche opportunity in the local market. This business model became quickly an example to emulate. I sold the business in October 2013.

The goal of this thesis is to depict business environment of Chile along with the assessment and evaluation of the business project, while defining any eventual shortcomings and suggestions for improvements. The method applied to solve the mentioned problems is an initial analysis of the general features and syntax of analytical findings with relevant conclusions. The thesis consists of three chapters, where the first two are theoretical. Political, economic, social, technological and legal aspects of Chile are analyzed in the first chapter. Trade policies of Chile towards foreign investors, along with legal requirements for

starting a company and the general framework for starting a business in Chile is analyzed in the second chapter. Both chapters will provide a broad informational platform. Third – the practical chapter - will analyze problems of setting up a company in the tourism and hospitality industry. The company's strategic and financial analysis will be performed, along with valuation of the company. Conclusions and recommendations will be drawn. This thesis is written with present conditions in mind, reflecting the current political and economic situation of Chile today. Those conditions may change over time. The bibliographic sources used for the theoretical part of the thesis are mainly Chilean government informational sources in electronic form, along with comparative economic charts of International Organizations and electronic sources of VSE library. The practical part of assessment and analysis is based on accounting materials of Atacamadventure Wellness & Ecolodge, accompanied with selected awards and photographic material.



# 1 PESTLE Analysis of Chilean Economy.

## 1. 1 Political Analysis.

Ever since 1925 the Chilean legislation has been based on a Constitution, which guaranteed popular democracy although in the military coup d'état in 1973 most constitutional provisions were suspended. In 1980 a new Constitution was approved and then enacted in 1981. In that version of the Constitution, the president was popularly elected and he was the focus point of executive power. Further changes enhanced the Constitution in 2005 among which the entitlement for all citizens older than 18 to vote stands out. The influence of the military in government, which until that point had major power, was from then on significantly reduced.

Present day Chilean political framework is rooted in a thriving democratic system, which ensures the stability of its economic policies, fiscal environment and monetary discipline. The current president of Chile, Michelle Bachelet, has been reelected for her second term in 2013. The president is the head of state and the head of government at the same time. The executive power is entrusted into hands of the government while the legislative power is exercised by the government along with the bicameral National Congress. There is a multi-party system in place with two dominant coalitions: the center-left Coalition of Parties for Democracy (Concertación de Partidos por la Democracia) and the center-right Alliance for Chile (Alianza por Chile). Historically the political parties were divided into the left, the right wing and the center. Under Pinochet's military government (1973-1990) the leftist parties were banned and other parties were ordered to suspend their activity, leaving Chile purely in hands of the dictator Augusto Pinochet. The parties were restored again in 1987. Once restored, the center and left emerged as a strategic alliance whilst the right wing remained supportive to Pinochet. The highest judicial body is the Supreme Court.

The main government goals are to reduce social inequality, to improve the education system and to implement counter-cyclical policy. There are plans for investments into renewable energy, to enhance Chile's productivity, to become self-sufficient in terms of food production and move away from the dependence of Chilean economy on copper.

Chile is divided into 15 regions, which are further divided into 54 provinces and 346 communes. The capital city is Santiago de Chile. Regional and provincial governors are appointed by the president.

## 1.2 Economic Analysis.

Chilean GDP per capita in 2014 was recorded as US\$ 14,500 in 2014 and GDP per capita in purchasing power parity terms at US \$21,990 in 2013.<sup>1</sup>

Chilean GDP is composed of 3,6 % agriculture, 31,4 % industry and 65 % services.<sup>2</sup> Within services, the financial sector is of an eminent importance and relatively large. Banks are well capitalized and profitable. There are three pillars in the Chilean financial system: the banks, pension funds and insurance funds. Other important sectors of services are tourism and transport. Agriculture is also an important sector of Chilean economy. Due to Chile's geographical location and diversity of climates, the agricultural production is varied. The most exported products are wine and fruit. The 4300 km long coastline is a source of a unique fishing advantage, enabling Chile to be positioned among the top ten seafood producers in the world. Atlantic salmon, Pacific salmon and rainbow trout are most exported fish resources.

Mining is of an utmost importance for Chilean economy. Mining products accounted for 56,8 % of total export in 2014.<sup>3</sup> The country's export growth relies on a highly sought-after commodity – copper. There is a heavy dependency of Chilean economy on global commodities prices – particularly copper prices. Global prices of commodities have seen a decline over the past few years, resulting in depreciation of the national currency – peso. This has consequently affected Chile's purchasing power in world markets. The copper price decline has affected the overall economy growth, causing its slow down. On the other hand, through Chile's fiscal prudence and diversified markets in terms of cross-border trade and in spite of the dependency of Chilean economy on world copper prices, the economy slowdown is only minimal. That is in comparison to the impact of commodity prices decline in other South American countries economies – namely in Brazil.

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<sup>1</sup> WTO. World Trade Organization. [online]. [Geneve]: WTO. [seen 2016-04-09] Available at: [https://www.wto.org/english/tratop\\_e/tpr\\_e/s315\\_e.pdf](https://www.wto.org/english/tratop_e/tpr_e/s315_e.pdf)

<sup>2</sup> GFMA. *Sources for Country Economic Reports & GDP Data*. [online]. [Santiago de Chile]:Sources for Country Economic Reports & GDP Data. [seen 2016-02-09]. Available at: <https://www.gfmag.com/global-data/sources/source-for-country-pages>

<sup>3</sup> COCHILCO. *Chilean Copper Commission* [online]. [Santiago de Chile] Boletín Mensual Electrónico COCHILCO, February Available at: [http://www.cochilco.cl/productos/boletin.asp?anio=2015&mes=02&tabla=tabla18\\_1](http://www.cochilco.cl/productos/boletin.asp?anio=2015&mes=02&tabla=tabla18_1).

Chart 1 Chile Unemployment Rate



Source: CHILE UNEMPLOYMENT RATE 1981-2016 CHART. *Trading Economics*. [Online]. [seen 2016-03-01]. Available at <http://www.tradingeconomics.com/chile/currency>

Chile is further competitive in manufactured goods exports, which account for about 11% of the GDP. Manufacturing is based on processing of minerals (copper wire and fertilizers), food processing and forestry resources (wood products).

Overall Chilean exports accounted for 63 billion USD in 2015. Main exported commodities are fuels and mining products, copper and copper alloys being the top exported product, taking up 54 % of exports. Followed by 31,1 % agricultural products especially wine and fresh grapes and 13,7 % manufactures.<sup>4</sup> Overall Chilean imports also account for 63 billion USD. 74 % of Chilean imports is taken up by manufactures, 15,5 % by fuels and mining products such as petroleum and 9,7 % by agricultural products, where bovine meat is on the top position.<sup>5</sup> Main import as well as export partners are China, European Union and the United States. Trade in commercial services shows 4 billion deficit in 2014, where travel is the most prominent service traded.

As for FDI investment, the total amount invested in Chile was in 2014 15514 billion USD.<sup>6</sup> FDI outflows of that same year account for 5740 billion USD. This shows a clearly marked foreign investors interest in Chile. FDI is one of the pillars of modern global economic system, being a key driver of economic growth. FDI is not only a source of capital, it is beneficiary to the host country by so called “Spill-over effect”, which is explained as a

<sup>4</sup> Chile Statistics. WTO.org. [online]. [seen 2016-05-11]. Available at [www.stat.wto.org](http://www.stat.wto.org)

<sup>5</sup> Ibidem

<sup>6</sup> Ibidem

knowledge transfer to local supply chains. Main Investors and destinations are similarly like in case of exports and imports China, European Union and the United States.

Inflation rate is at 4,5 %. Unemployment is at 5,9 %.<sup>7</sup>

### 1.3 Social Analysis.

Because of Chile's colonial past, the society has been historically composed of the aristocratic higher class, descendants of Spanish settlers and the lower class descendants of domestic servants and peasants. The native indigenous population has lived segregated. The higher class have governed the country while living comfortable lives. In the second half of the 19<sup>th</sup> century, a middle class emerged and started to grow in size. In that period Chile's economy was dependent on nitrate exports, supporting to European markets, which collapsed after World War I, leaving the aristocrats bankrupt and powerless. At that stage traders, manufacturers, intellectuals and professionals have joined the middle class, which while increasing in size, demanded the attention of the government in terms of an economic and social change.

Based on the historical evolution, today's society is divided into three classes. The upper class composed of descendants of the old aristocracy, including wealthy traders, industrialists, politicians and military. As it did historically, nowadays it is the upper class that exercises the most influential power in the society. It was also the upper class that supported the imposition of the dictatorship and consequent restoration of democracy. The lower class consists predominantly of miners, farm- craft- and factory workers. It was this class, which backed Salvador's Allende pro-democratic coalition and turned to left-wing parties after the end of dictatorship of Augusto Pinochet in 1990. The middle class is largely varied when it comes to professions and incomes.

Currently, the population is composed of 93 % of mestizos – descendants of mixed Spanish settlers and Native American inhabitants. 3 % is pure Native American, namely the Araucarians. The remainder are European immigrants, among which German community in southern Chilean provinces stand out. Further there are smaller communities of Italians, Swiss, Spanish and Yugoslavian who came to Chile in the mid-19<sup>th</sup> century. The population

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<sup>7</sup> Trading Economics. *Trading Economics*. [online]. [Santiago de Chile]. Indicators [seen 2016-02-09]. Available at: <http://www.tradingeconomics.com/chile/inflation-cpi>

of Chile is currently approaching 18.000.000.<sup>8</sup> About one third of the population lives in Santiago.

Chile has a remarkable welfare system, which was first enacted in 1920. Since 1981 a new social security system has been implemented, which was privately administered, but government regulated, presenting the whole system as a framework of private insurance policy in combination with mutual fund investments. Under the National Health Service the majority of the population receives free medical care.

The Roman Catholic Church, including the controversial Opus Dei, has historically exercised a strong influence in Chilean society. At the same time, native Americans are still practicing traditional religions in mostly segregated communities in the north and the south of the country. Due to a significant influence of Church on governance of the country, divorce was prohibited until 2008 and abortion became legal only recently – in the beginning of 2016.

Chile's politics on reducing poverty proves to be very effective, since the current registered proportion of the population living below the poverty threshold is at 14,4 %.<sup>9</sup> In spite of that, inequality is still moderately high.

## 1.4 Technological Analysis.

As a member of WTO Chile has implemented the Agreement on Technical Barriers to Trade ensuring that all technical regulations and conformity assessment procedures are in line with WTO rules. Those rules are based on non-discrimination and transparency principles. Chilean technical standards based on internationally recognized criteria of ISO and the International Electro-technical Commission are drafted by The National Standardization Institute (INN). These standards pertain to areas of health, safety, construction and food, among others. Whenever new products are placed on the market, compliance with technical regulations is verified and based on set standards, a declaration of conformity is issued. In terms of imported goods, Chile recognizes results of certifications from 14 countries.

Chile has a cutting-edge telecommunications network. It has 37 airports, and 52 ports. Railroad connects the northern city of Iquique with southern Puerto Montt, even though

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<sup>8</sup> Trading Economics. *Trading Economics Chile Population*. [seen 2016-02-09]. Available at: <http://www.tradingeconomics.com/chile/population>

<sup>9</sup> Worldbank. *The World Bank*. [online]. [Geneva]. The World Bank. Country Data Chile. [seen 2016-02-09]. Available at: <http://data.worldbank.org/country/chile>

passenger transportation is restricted. Railroad is mainly used for commodity transportation, especially copper. The northern section of railroad is interconnected with Andean High Plateau in Bolivia, Peru and Argentina. The Chilean railroad network comprises approximately 6000 km. Chile's road network remains the main mean of moving freight and people. Out of approximately 80.000 km of available road network, about 20.000 km are paved. That includes the Pan-American and Southern Highways.

As a result of Chile's complex geology, the major part of the northern territory is covered by the Atacama Desert. Most coastal cities rely on water transportation from the Andes. Since they do not have their own water springs, the water supply is ensured by a comprehensive system of pipelines connecting the Andean rivers with coastal cities in need of water. The water pipelines that traverse the Atacama Desert are truly remarkable. As an example, the northern mining city of Antofagasta with 300 000 inhabitants is supplied by potable water from the Andean springs of Toconce, from a distance of nearly 300 km.

Most of the country's electricity requirements are covered by imported electricity. For this reason, one of the top current priorities of the Chilean government is development and implementation of renewable energy solutions.

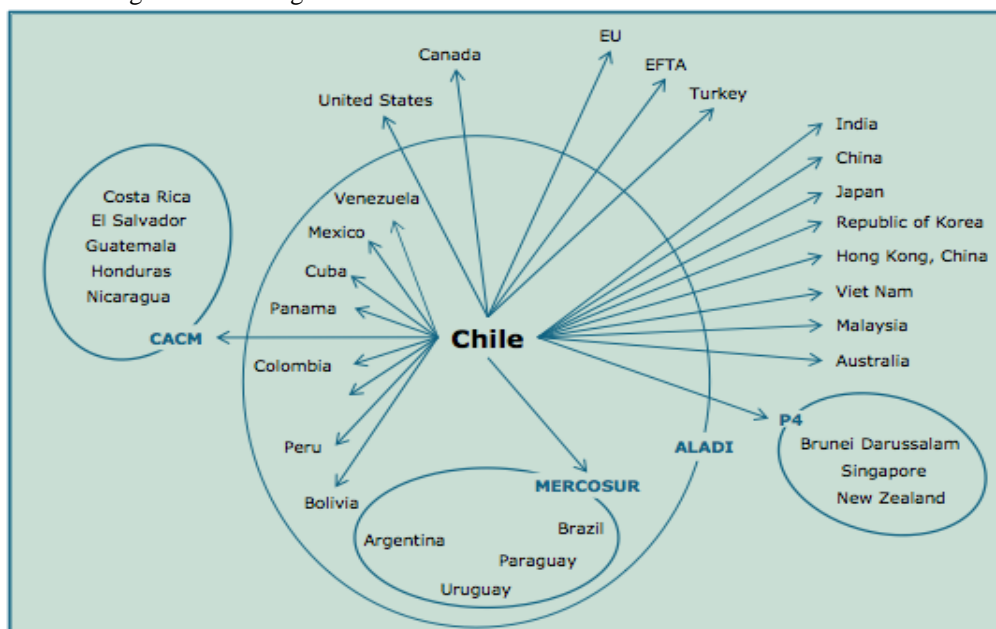
Chile has recently been criticized by International organizations in that its investment into research and development is too low, affecting the country's technological progress. Of course the technological progress has to do with Chile's educational system, which needs to be reformed, and as already mentioned, education reform is one of the current goals of the Chilean government.

### 1.5 Legal Analysis.

The legal analysis is examined from the point of view of an investor, and as such, Chile is well known within the global business community as the best location for starting and doing business in South America. It belongs to OECD high-income countries and has one of the most open and rapidly growing economies in the world. Chile became an OECD member in 2007. It has been a member of the GATT since 1949 and its successor the WTO since 1995. As such, it is bound by the rules of the WTO and the country's obligations as for the market openness are defined in Chile's Schedule of Commitments. Double taxation is avoided through agreements with numerous countries. Outside of the WTO standards, Chile bases its open trade strategy on regional trade agreements, strategic partnership agreements and free trade agreements ensuring free movement of capital, goods and services. There are

currently 14 FTAs in force.<sup>10</sup> Out of those the recently signed, it is the TPP that stands out. It is a mega-FTA which brings together 12 Pacific Rim economies accounting for 40 % of the world GDP and its goal outside of an economic alliance is cooperation in scientific, technological and financial fields among the member countries.

Chart 2 Regional Trade Agreements



Source: Regional Trade Agreements Information System (RTA-IS). [online]. [seen 2016-03-01]. Available at: <http://rtais.wto.org>; and WTO document WT/REG/W/87 of 3 November 2014

Since 1974, the promotion of the Chile's export sector has been based on the reduction of tariffs and elimination of restrictions on imports. Customs tariff is based on the Harmonized Commodity Description and Coding System – version 2012. Ad valorem tariff applies to most imports, excluding some agricultural products. The MFN tariff has been set at a flat rate since 1979, reaching 6 % in 2003. As a result of free trade agreements, the average applied tariff was less than 2 %.<sup>11</sup> As of 2014, 0 tariff on importation of any products from Least Developed Countries was applied, excluding wheat, wheat flour and sugar.<sup>12</sup> Chile is recipient as well as beneficiary of the Generalized System of Preferences as participates in the Global System of Trade Preferences among Developing Countries. So far preferences

<sup>10</sup> CIEChile. *Foreign Investment Committee* [online]. [Santiago de Chile]: Foreign Investment Committee. [seen 2016-02-09]. Available at: [www.ciechile.gob.cl](http://www.ciechile.gob.cl)

<sup>11</sup> Policies towards the tradable sectors in Chile. Ministry of Finance [online]. [seen 2016-03-28]. Available at: <https://www.oecd.org/eco/growth/34047798.ppt>

<sup>12</sup> WTO. World Trade Organization. [online]. [Geneve]: WTO. [seen 2016-04-09] Available at: Law No. 20.690 of 28 September 2013 and WTO document G/C/W/695-WT/COMTD/N/44 of 14 April 2014.

received include Australia, New Zealand, the Russian Federation, Japan, Turkey and Kazakhstan.<sup>13</sup>

Chile has the lowest perceived corruption levels in Latin America and one of the lowest worldwide.<sup>14</sup> There are no debilitating terrorist threats, no powerful drug cartels nor communist insurgencies and in general terms the crime rates are low.

### 1.5.1 Legal Forms of Companies in Chile

When considering establishment of a business in Chile and before any business activity may be initiated, it is important to define the best structure related the company's purpose. The most common legal forms are corporations and partnerships. The decision, as to which form is the most suitable depends largely on the business strategy of the investor and the size of the capital input. There are four types of legal structures most suitable for a foreign investment project.

#### a. Individual Enterprise with Limited Liability

It is possible for a natural person to acquire the title of a business entity as an Individual Company with Limited Liability (Spanish abbreviation E.I.R.L). It is distinguished by a possession of a commercial character, which is differentiated from the property of the owner. This possession is defined by a constitutional deed. The deed also determines the liability of the company. The name of the company must include the name of the founder or a fictional name including the abbreviation E.I.R.L.

#### b. Limited Liability Partnership

In these companies, the responsibility of the partners is limited to the amount of their contribution to the common capital or to a greater amount specified in the partnership deed. The purpose, administration, audit system of the company can be freely agreed by the partners. The partners can be natural persons or business entities, nationals or foreigners, not less than two and not more than fifty. A notarized deed is required, which is then archived in the Register of Commerce, relevant to the company's domicile and published in the Official Gazette within 60 days of receiving the extract of the deed. The name of the company may state the name of one or several partners, but always must include the word "limitada" (limited).

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<sup>13</sup> Preferential Trade Agreements. WTO.org. [seen 2016-05-11] Available at: [www.ptadb.wto.org](http://www.ptadb.wto.org)

<sup>14</sup> Transparency International. *Transparency International. The Agency Against Corruption*. [online]. [Santiago de Chile]. Corruption Perception Index 2015. [seen 2016-02-09]. Available at: <http://www.transparency.org/cpi2015#results-table>



c. Closed Corporation /Sociedad Anónima (S.A.)

This is a company based on a common capital, supplied by shareholders, who are only liable by the amount of their individual inputs. The corporation is managed by a board of directors composed of at least three members, who are replaceable. The company decisions are made based on a simple majority. The notarial deed must include an identification of each shareholder, the objectives of the association, its duration, the value of its capital, its administrative and profit distribution scheme.

d. Joint Stock Company (SpA)

This is a newly created variant of a closed corporation and can be established with only one shareholder. It is very flexible.

### 1.5.2 Overview of Tax Structure

Foreign investors are subject to the same tax system applicable to Chilean residents. Tax policies aim to be neutral, in order to make sure foreign entities are attracted to the Chilean market and not being unduly taxed. Direct tax is imposed on profits from certain capital, dependent or independent work or investment. Chilean residents are obliged to pay taxes from profits of any origin – should the source of income be located within or outside the country. At the same time, non-residents are obliged to pay taxes from incomes generated in Chile. There are three basic principles of the tax structure:

- a) The final tax targets are individuals. The taxes paid by companies are those that are paid by the company owners.
- b) The taxable base consists of a set of taxes, accounting for a tax period.
- c) The owners or partners of companies only pay taxes, once they have withdrawn their utilities.

The tax structure is divided into first category tax (20 %), based on a specific economic activity, which is further enhanced with an additional tax. Further, there is a main consumption tax - the value added tax (19 %), and then other taxes i.e. tobacco tax, fuel tax apply accordingly.

Chart 3 Tax Chart

Tax	Product	Rate (%)	Tax base	
			Imports	Domestic goods
Value added tax (VAT)	All goods	19	Customs value plus import duty	Selling price at all transaction levels
Luxury tax Art. 37 of Decree Law No. 825/74	Articles made of gold, platinum and ivory; jewellery, natural or synthetic precious stones; fine furs; rugs and fine tapestries; caviar; air or compressed gas guns	15	Customs value plus import duty	Selling price at all transaction levels
Luxury tax Art. 37 of Decree Law No. 825/74	Pyrotechnical articles (fireworks), unless for industrial, mining or agricultural use	50	Customs value plus import duty	Selling price at all transaction levels
Tax on beverages	Non-alcoholic beverages (mineral waters, artificial beverages and syrups)	10 or 18 depending on the sugar content	Customs value plus import duty	Selling price at all transaction levels, except for retail sale
	Alcoholic beverages, sparkling wines, champagne, full-bodied wines or sweet wines, chicha, cider and beer	20.5		
	Liqueurs, pisco, whiskies, distilled spirits, including liqueur wines or aromatized wines similar to vermouth	27		
Tax on tobacco products	Cigars	52.0	Consumer price	Consumer price
	Cigarettes	0.0010304240 UTM <sup>b</sup> per unit plus 30% tax on the consumer price, including tax per packet	Consumer price	Consumer price
	Processed tobacco	59.7	Consumer price	Consumer price
Tax on fuels	Gasoline	6 UTM <sup>b</sup> /m <sup>3</sup>	Customs value plus import duty plus VAT	Producer price, including VAT (first sale)
	Diesel	1.5 UTM <sup>b</sup> /m <sup>3</sup>	Customs value plus import duty plus VAT	Producer price, including VAT (first sale)

Source: Servicio de Impuestos Internos [online]. [seen 2016-03-01]. Available at: [http://www.sii.cl/aprenda\\_sobre\\_impuestos/impuestos/impuestos\\_indirectos.htm](http://www.sii.cl/aprenda_sobre_impuestos/impuestos/impuestos_indirectos.htm).

## 1.6 Environmental Analysis.

Approximately two thirds of the Chilean population live in the central area. The high concentration of population has caused severe environmental pollution affecting mainly water and air resources. Complex environmental management has therefore been implemented. Since wood is one of most important economic components, the high rate of wood harvesting is also becoming an environmental issue. Wood harvesting is the principal cause of the spread of erosion, and has a negative effect on biodiversity.

Chile has a complex system for protecting areas covering 20 % of its territory, this system is comprised of 30 parks, 36 national reserves and 10 natural monuments.<sup>15</sup> Several treaties have been ratified in order to protect Chile's biodiversity, above all endangered plant and animal species. Out of all the Western Hemisphere Convention, the Antarctic Environmental Protocol and Antarctic Treaty are of special note. In order to protect the environment and overall public health, Chile imposes prohibitions on specific imports such as toxic substances. General sanitary and phyto-sanitary requirements have to be met when importing animals, livestock and plants. Post-entry quarantine system may be applied, when considered by the authority of Servicio Agrícola y Ganadero (SAG).

<sup>15</sup> CONAF. *Corporación Nacional Forestal* [online]. [Santiago de Chile]: CONAF. [seen 2016-02-09]. Available at: <http://www.conaf.cl/parques-nacionales/parques-de-chile/>

Business projects, which may create a disruption of natural ecosystems, local communities, protected or historical areas, must undergo an evaluation by an environmental impact study (SEIA). This is performed by a public decentralized organization that bases its management on evaluation of projects, defined by a valid environmental system. The goal is also to protect the general health and hygiene of the public. Significant alteration of landscape through an economic activity is not permitted. After evaluation of an economic project, there are 60 days, in which any organization or individual directly affected by the project may oppose the resolution of the act.<sup>16</sup>

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<sup>16</sup> SEA. *Servicio de Evaluación Ambiental SEA*. [online]. [Santiago de Chile]. Servicio de Evaluación Ambiental. [seen 2016-02-09]. Available at: [www.sea.gob.cl](http://www.sea.gob.cl)

## 2 The Framework for Starting a Business in Chile.

Based on facts analyzed in the first chapter, I can state that Chile is considered the lowest risk country with the most secure operating environment for doing business in Latin America. At the same time, entrepreneurship is considered a solid base of the country's future development and it is looked upon as a manner in which Chile may move away from its dependency on copper in the future. This is why a broad governmental platform to support Start-Ups has been created.

According to the World Bank Report, the ease of doing business in Chile ranks 48 out of 189 economies worldwide in 2016.<sup>17</sup> Out of the topics observed, getting financial credit is the most difficult, whereas starting a business is the easiest. In terms of Chilean capacity to attract and develop new enterprises, Chile ranked 16th in the Global Entrepreneurship and Development Institute Index in 2016.<sup>18</sup> It has also ranked the highest with its macroeconomic environment, market efficiency, infrastructure, institutions and correct technology array in Latin America.<sup>19</sup>

Foreign direct investment is welcome in all sectors of the economy. Through favorable investment climate, Chile is one of the most popular locations of FDI in South America.

### 2.1 Market Challenges and Opportunities.

When considering investment in Chile, in order to succeed, it is vital to bear in mind the nature of the market. Chilean market is medium sized – with 17,1 Millions<sup>20</sup> inhabitants in 2010 and has a high degree of openness. Chile's open trade policies have attracted variety of international investors, while it was precisely the size of the market that caused Chilean market being overlooked by others, leaving niche business opportunities still available. Chilean businessmen are more conservative in comparison to Europeans. It is wise to take this fact into consideration when planning sales. Bureaucracy is well developed to the point where it may sometimes present obstacles in conducting business through lengthy processes and long waiting periods between individual process steps. It is recommended that foreigners

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<sup>17</sup> Economy profile Chile 2016. *Doing business.org* [online]. [seen 2016-02-09]. Available at: <http://www.doingbusiness.org/data/exploreeconomies/chile/~/-/media/giawb/doing%20business/documents/profiles/country/CHL.pdf?ver=3>

<sup>18</sup> GEDI. *The Global Entrepreneurship and Development Institute*. [online]. [Santiago de Chile]: The Global Entrepreneurship and Development Institute. [seen 2016-02-09]. Available at: <http://thegedi.org/countries>

<sup>19</sup> World economic forum. *World Economic Forum*. [online]. [Santiago de Chile]. Global Competitiveness Report 2014-2015. [seen 2016-02-09]. Available at: [http://www3.weforum.org/docs/WEF\\_GlobalCompetitivenessReport\\_2014-15.pdf](http://www3.weforum.org/docs/WEF_GlobalCompetitivenessReport_2014-15.pdf)

<sup>20</sup> Transparency International. *Transparency International. The Agency Against Corruption*. [online]. [Santiago de Chile]. Transparency International. [seen 2016-02-09]. Available at: <http://www.transparency.org/country/#CHL>

find a reliable local partner, either agent or distributor, who with knowledge of local cultural features and connections, can help overcome communication barriers, which are clearly not only the language barrier.

Another important fact is that due to Chile's colonial past, a large share of Chilean businesses are controlled by a relatively small number of families and, therefore, there is a limited competition in several business sectors. On the other hand, Chile welcomes foreign investors in a vision of future expansion of their own activities, and hope of acquiring access to external markets, while benefiting from a transfer of technological information at the same time. Labour's attitude is also positive, since it is felt that foreign companies provide stable work environment and create new employment opportunities. Much of Chile's basic services and infrastructure have been privatized. Business sectors of tourism, hotel industry, civil construction, transportation, energy supply, education, and healthcare can be of interest to an investor. Mining, retail, agricultural and forestry sectors are the country's key sectors, where - as already mentioned - mining is the largest and the most important. Based on the facts mentioned above, for a foreign investor, establishing a branch office or local subsidiary is probably the best option of entry into Chilean market.

## 2.2 Capital Transfer Modalities

As a WTO member, Chile extends the National Treatment policy to all foreign investors, allowing them to own up to 100 % of a firm's equity. The foreign direct investment has over time become the base of Chile's national development strategy, hence the premise of neutral policies towards it. There are two legal mechanisms available at the moment of transferring the capital when investing in Chile. The first option is Chapter XIV of Central Bank's Compendium of Foreign Exchange Regulations.<sup>21</sup> It is a system of registration, operating through commercial banks, which are linked to the Central Bank of Chile. The minimum amount, which can be transferred through this channel is 10.000 USD. The modalities of investment via this mechanism are credits and foreign exchange. Foreign Direct Investment valued less than 10.000 USD does not require an approval of the Central Bank.

The second option is the Statute of a Foreign Investment or the Decree of Law 600. It is the most frequently used system. Since this decree was created, more than 60 % of foreign investment entered Chile in this manner. The principles of this statute are above all the

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<sup>21</sup> CIEChile. *Foreign Investment Committee* [online]. [Santiago de Chile]: Foreign Investment Committee. [seen 2016-02-09]. Available at: [www.ciechile.gob.cl](http://www.ciechile.gob.cl)

economic liberty, non-discrimination, non-disclosure of processes, righteousness of jurisdiction. In terms of discrimination, D.L.600 ensures equality of treatment between foreign and national investors. The most important point of this mechanism is signing a Foreign Investment Contract with the State of Chile, a contract that cannot be modified unilaterally. This ensures the stability of the agreement and represents a formal guarantee for the investor. The rights granted by D.L.600 are mainly the transfer of the capital and liquid utilities abroad, the right to access the formal exchange market in order to obtain a more favorable exchange rate, the right of tax stability, exemption on taxes on imported physical property and technology.<sup>22</sup> The foreign investor has up to 3 years to materialize his capital input, but exceptions can be made. The minimum amount of investment is 5.000.000 USD as 100 % foreign exchange modality and 2.500.000 USD in terms of any other modality. In order to be able to invest in Chile, application needs to be filled and handed in to Committee of Foreign Investments along with already mentioned contract with the State of Chile.

### 2.3 Governmental Financing Platforms

Chile does not provide subsidies to foreign investors. There are, however, incentives for remote areas or disadvantaged regions of Chile in form of a support for micro, small and medium sized enterprises. And as mentioned in the previous paragraph, foreign investors are allowed to own up to 100 % of the firm's equity. Currently there are 22 government-backed institutions, from which the economic development agency CORFO stands out. It aims to improve the competitiveness and productive diversity of the country through investment, innovation and entrepreneurship, by empowering the human capital and technological capacities, in order to achieve sustainable development.<sup>23</sup> What distinguishes CORFO is particularly its portfolio of business development programmes – “Chile Invests”, “Chile Competes” and above all “Start-Up Chile”.<sup>24</sup> The later was launched in 2010, focusing on *“world-class bootstrapped organizations, high-potential entrepreneurs and early-stage companies with innovative and high-growth business plans to enable them to quickly launch and run operations in Chile. Start-Up Chile offers entrepreneurs a complete “start-up*

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<sup>22</sup> CIEChile. *Foreign Investment Committee* [online]. [Santiago de Chile]: Foreign Investment Committee. [seen 2016-02-09]. Available at: [www.ciechile.gob.cl](http://www.ciechile.gob.cl)

<sup>23</sup> CORFO. *Chilean Economic Development Agency* [online]. [Santiago de Chile]:CORFO [seen 2016-02-09]. Available at: <http://www.english.corfo.cl>

<sup>24</sup> Romani, G. Financing entrepreneurial activity in Chile:scale and scope of public support programs. *Venture Capital (London)* ISSN: 1369-1066. Date:1.1.2009. 11/1 Page 59

*ecosystem" including entry and logistical support, funding and a sophisticated support network to facilitate the successful launch of their operations.*<sup>25</sup> The condition, which the entrepreneurs have to meet is to have secured a minimum one-year residency visa, an opened bank account and obtain a Chilean ID.

Some other programmes are the “Innova Chile”, created in 2005, with the solid base for innovation of the business sector. Their main financing instruments are business incubators (27 in 2012)<sup>26</sup>, the Seed Capital Program, technological support and Angel Investor Networks. The Seed Capital Program was created in 2001 as a support to new innovative enterprises in the form of non-refundable credits, oriented towards formation of a business plan and initiation of business activities. It was the Seed Capital which during a Start-ups Selection process chose my company as a prospective project and has contributed non-refundable 12.000 USD to the firm’s start-up phase.

## 2.4 Starting Up a Company as a Foreigner

To enter Chile for business purposes, initially a normal tourist visa is required. There is no explicit business visa available. So as per legal definition, everyone who enters Chile for business, tourism, health, study, family visits, religious reasons etc., only uses the already mentioned tourist visa. Those, who enter Chile as tourists, may stay in the country 90 days. Should they desire to stay longer, they may apply for an extension of their tourist visa, costing 100 USD.<sup>27</sup> Entering Chile as a tourist does not entitle one to immigrate or exercise remunerated activities though. Only in very special case, the Ministry of Interior may authorize such an activity, with duration of 30 days, which may be extended as long as the tourist visa lasts. Such permits cost 150 % of a visa based on a contract, in accordance with the nationality of the applicant. From this point of view, when planning to launch a business in Chile, it is necessary beforehand to establish a subsidiary or branch office. This can be done with the possession of a tourist visa. The subsidiary will then employ its workers - national and foreign. In such case, a temporary resident visa based on a contract is issued. This visa enables the employee to work exclusively for the company in question. That work permit is valid for two years. After completing two years, the employee may file for a

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<sup>25</sup> Chilean economic development agency CORFO; start-up chile program launched for entrepreneurs interested in starting businesses in chile. (2010). *Investment Weekly News*, 665. Retrieved from <http://search.proquest.com/docview/742275500?accountid=17203>

<sup>26</sup> OECD. Organisation for Economic Cooperation and Development . *In: Boosting growth through innovation and entrepreneurship* [online]. [Paris]: OECD, 2013. Retrieved from <http://search.proquest.com/docview/1462399214?accountid=17203>

<sup>27</sup> MINREL. *Ministerio de Relaciones Exteriores*. [online]. [Santiago de Chile]: Foreign Investment Committee. © 2008-2016 [seen 2016-02-09]. Available from: [http://www.minrel.gov.cl/prontus\\_minrel/site/edic/base/port/politica\\_consular.php](http://www.minrel.gov.cl/prontus_minrel/site/edic/base/port/politica_consular.php)

permanent residency visa. According to Chilean labour law, companies employing more than 25 workers, have to comply with 85 % of the company workforce being Chilean nationals.<sup>28</sup> There are exemptions from this rule for foreigners living in Chile longer than 5 years, those married to a Chilean and technicians, who are irreplaceable by Chilean workers. The work contract is subject to legal norms of “Código del Trabajo” (The Labour Code). It regulates diverse types of contracts, obligations and rights of employers and employees. The minimum age of employable workers is 18 years. It is necessary to stipulate the nature of services and the place where the work will be done within the work contract. All benefits included have to be listed here as well. The contract has to be signed by both parties and produced in duplicate. Each party keeps one copy of the document. The employer has the general obligation to protect the employee, provide clean working environment, safe workplace, effective training and education of an employee. On the other hand, employees have the obligation of due diligence and care for the job, fidelity, loyalty and protection of the professional secrets of their employer. Each employee has to be affiliated in a Social Security System (Administradora de Fondos de Pensiones / AFP). The employer is obliged to deduct the required amount and deposit it in the respective AFP. The affiliation is done directly by the employee, who chooses the AFP of his own preference. The AFP then informs the employer the amount that needs to be deducted from employee’s salary and paid into the fund. The deducted amount is generally 10 % of gross salary, which is added to the retirement funds. There are two to three additional percent deducted for insurance for disability and survivors fund. The obligatory amount discounted for health insurance is 7 % of the gross salary. The employee can choose to be affiliated in public health system FONASA or private health system ISAPRE. It is the responsibility of the employee to inform the employer about the amount to be paid to the relevant health system. There is a rigorous labour law in Chile. The employer has to be aware of all norms and requirements and comply with those. Disputes between employers and employees are dealt with through the office of “Dirección del Trabajo”.<sup>29</sup>

Registration of a company’s trademark is another factor to consider, since not doing so might bring serious legal and economic repercussions for the company. The application Institution INAPI.<sup>30</sup> Chile is member of the World Intellectual Property Organization since 1975 and a

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<sup>28</sup> CIEChile. *Foreign Investment Committee* [online]. [Santiago de Chile]: Foreign Investment Committee. [seen 2016-02-09]. Available at: [www.ciechile.gob.cl](http://www.ciechile.gob.cl)

<sup>29</sup> DT. *Dirección del trabajo*. [online]. [Santiago de Chile]. Dirección del Trabajo. [seen 2016-02-09]. Available at: [www.dt.gob.cl](http://www.dt.gob.cl)

<sup>30</sup> INAPI. Ministerio de Economía, Fomento y Turismo. [online]. [Santiago de Chile]. INAPI. [seen 2016-02-09]. Available at: <http://inapi.cl/portal/institucional/600/w3-channel.html>



member of various IPRs under WIPO. As a member of WTO, Chile is bound by the TRIPS Agreement.

## 2.5 Initiation of Business Activities

As stated above, in order to start a business, the suitable model of a business entity must be determined. Then, a notarial deed is drawn and registered at the relevant regional Register of Commerce. After this is accomplished, the preparation for initiation of business activities may start. The Initiation of Activities document is a sworn declaration, through which the company informs the SII office (the Internal Revenue Service Office) about initiation of business activities, which may be subject to taxation. In case of non-residents, the initiation of business activities will proceed, when an investment has been materialized through a constitution of a business entity. All taxpayers who have initiated business activities are obliged to print receipts/invoices with an authorized printing company and seal accounting books and documents at the IRS. This is necessary to back up all economic activities carried out by the company. Further, the company has to obtain a work license “patente municipal” from a relevant municipality where the business operates.

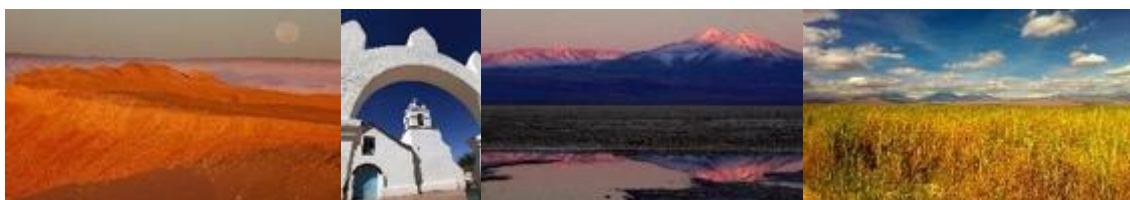
### 3 Analysis of a Selected Foreign Investor's Project in Chile

As mentioned in the first chapter, the reason I have chosen to write about Chile is that I have lived there for several years and have established my own business in the tourism sector. In the following section I analyze the project, which I planned, executed, and finally sold in 2013.

The idea to build a hotel came quite naturally, after I spent most of my professional life in various branches of the tourism and hotel industry. I had collected a portfolio of invaluable experiences from a diverse international background.

Having lived and worked in the Atacama Desert for several years I acquired a permanent resident visa, which gave me the rights and obligations similar to those of a Chilean national with the exception of the right to vote. I bought 5000 m<sup>2</sup> of land on the outskirts of the town of San Pedro de Atacama, then built a house with a team of local workers, using predominantly local materials. In order to preserve the traditional village image and follow the building restrictions issued by the municipality, the prevailing material was adobe – or mud bricks. This material has great insulating characteristics. It is the material used in the Atacama Desert since the first settlement and is still widely used today. The town of San Pedro de Atacama is located at an altitude of 2.400 meters in a depression between the Andean and Domeyko mountain ranges, at the edge of Atacama Salt Flat, in northern Chile. (See Appendix 1) This location creates a specific microclimate, even though the general weather features of Atacama Desert are undeniably tough. Those are high temperatures - up to 50 degrees Celsius during a daytime in the summer and minus 15 degrees Celsius during the night in the winter. The average yearly rainfall is only about 0,05 mm, which explains why adobe is frequently used as building material. It preserves the freshness of the night air during the hot desert days and provides warmth accumulated from the day during the cool nights and, as a consequence, air-conditioning is not needed.

Chart 4 Atacama Desert



Source: Marketa Ceska photographs. 2010

The house itself was initially planned for personal use, but as soon as it was completed, I realized that the 250 m<sup>2</sup> size had a business potential. I, therefore, enquired about all necessary steps for establishing a company and to transform the private property into a business.

### 3.1 Setting Up a Company

In the previous chapter I described legal requirements and the different company structures for setting up a company. As a sole owner of the property, and originator of the business idea, I opted for the EIRL - Individual Company with Limited Liability. First a constitutional deed for the company had to be completed by a lawyer and certified by a notary. Then came the registration in the Commercial Registry. (See Appendix 2) Once successfully registered, an extract of the registration had to be published in the Diario Oficial (National Gazette). Once that was published, the newly created company declared the initiation of business activities to the regional office of IRS in this case in the city of Calama. The IRS office provides the provisory tax registration number, which is eventually replaced by an official identification card. (See Chart 5). Our first set of invoices and receipts were printed by an authorized printing company and then stamped by the IRS. That was what was necessary for establishment of the company which in total took 6 weeks.

Chart 5 Firm's Identification Card



Source: SII. Calama. Chile. 30.10.2013

The more complicated part came in turning a private property into a hotel. The business objective was to provide a full package of services. Consisting of client transfer from the airport in Calama (100 km away), adventure expeditions into the Atacama Desert and close by Andean mountain range, full board at the hotel and catering for full day expeditions along with wellness services such as massages, infrared sauna and an indoor heated swimming pool.

In order to obtain the final operating license Patente Municipal (See Chart 6), enabling a company to perform income generating services, several steps were required. First, all

architectural plans had to be updated and approved by the San Pedro municipality. Based on the previously acquired personal construction approval granted by the same authority, we were able to connect to the town’s network of drinkable water and electricity. There also were several sanitary standards that had to be met before applying for the sanitary authorization. Meeting this standard is the cornerstone for obtaining the operating license. Those requirements are determined by the nationwide health and safety standards. Some might require construction interventions, for example in the case where septic cameras are not in line with accepted standards. This would then require another clearance and another round of already mentioned permits and approvals. Sanitary requirements for the restaurant had to be met by adapting the kitchen to industry standard, along with food storage space adaptation. Once all the bureaucracy of assessments was completed, the regional representative of SEREMI de Salud (The Health Ministry) visits the property for a visual check for compliance to all described requirements and an on-site review of previously submitted documents. After the visit and a positive evaluation and report of the representative, a certificate was issued, which was then used for issuance of the operating license for hotel and restaurant services.

Chart 6 Hotel Operating License

**MUNICIPALIDAD SAN PEDRO DE ATACAMA**  
**PATENTE MUNICIPAL**

**FOLIO** .9344  
**ROL** 20871

**Contribuyente** EMPRESA DE SERV. GASTRONOMICOS HOTELERIA  
**Dirección** PASAJE ALANA N° 2 AYLLU DE SOL COR  
**Nombre** ATACAMADVENTURE WELLNESS & ECOLOGIE  
**Período** II SEMESTRE 2013  
**Vigencia** 31-12-2013  
**Actividad** 551010-630400  
**Capital** 66.921.815  
**Calificación** HOTEL CON SERVICIO DE ALIMENTACION

Código	Descripción	Monto
03-01-001-001-01	De Beneficio Municipal Comercial	167.304
03-01-002-002	En Patentes Municipales	22.000
03-01-003-003	Propaganda	11.280
<b>Sub Total</b>		<b>200.584</b>
<b>Ips</b>		<b>0</b>
<b>Multas</b>		<b>0</b>
<b>Total</b>		<b>200.584</b>

**DUPLICADO**

**Firma y Timbre Tesorería**

**UNA VEZ PAGADA LA PATENTE, ESTA DEBERA PERMANECER EN UN LUGAR VISIBLE**

Source: Municipality San Pedro de Atacama, Chile. 30.10.2013

Also, for the usage of a 4x4 vehicle which I acquired for operation of expeditions into the Desert and the Andes, a similar procedure was necessary in order to obtain a registration with the Ministry of Transport. A subsequent safety license was issued which enabled the Lodge to operate such 4x4 activities, also being insured by an authorized insurance company. As for a time scale, obtaining of all required certification and operational permits

took approximately two months. So in spite of extensive bureaucratic procedures that there are in Chile, the overall time span can be considered brief.

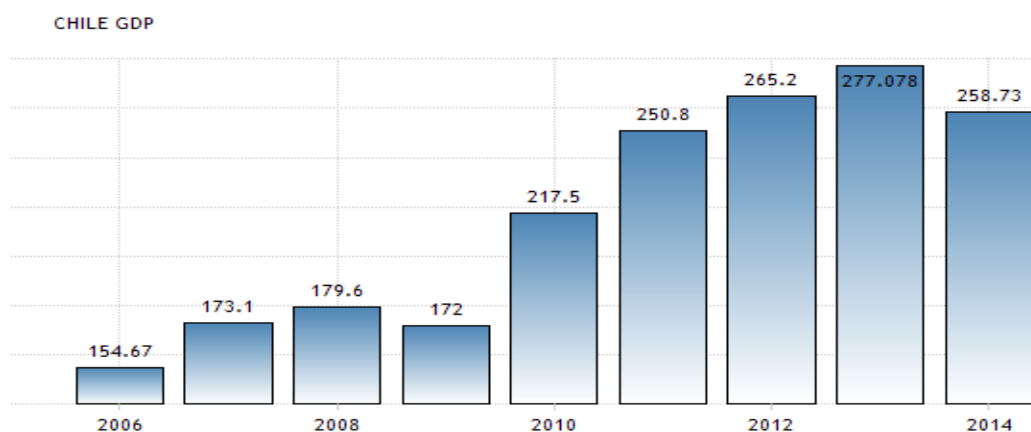
### 3.2 Strategic Analysis. Sizing Up a Company

In order to understand a firm's current financial position we must first size-up the business by examining its overall economic conditions, the industry in which the firm operates, and the strengths and weaknesses of the firm itself. The general term business size-up presents the assessment of a firm's external environment and is further determined by the SWOT analysis which shows a firm's Strengths, Weaknesses, Opportunities and Threats. A good size-up helps to better interpret a firm's financial statements.

The most important external factor in this process is the home country's economy. And since the tourism industry is closely tied to it, this means that a change in country's economic performance will directly impact firm's costs and revenues and, therefore, have a major impact on the firm's financial performance. The economic activity of a country is typically measured in terms of the total amount of goods and services produced over a particular period, typically a year. This measure is known as the GDP, gross domestic product.

As seen in the table below – throughout the time of the lodge operated, the Chilean economy was in an expansion, so therefore all industries – above all the tourism industry - registered a boom during that period.

Chart 7 Chile GDP 2006-2014

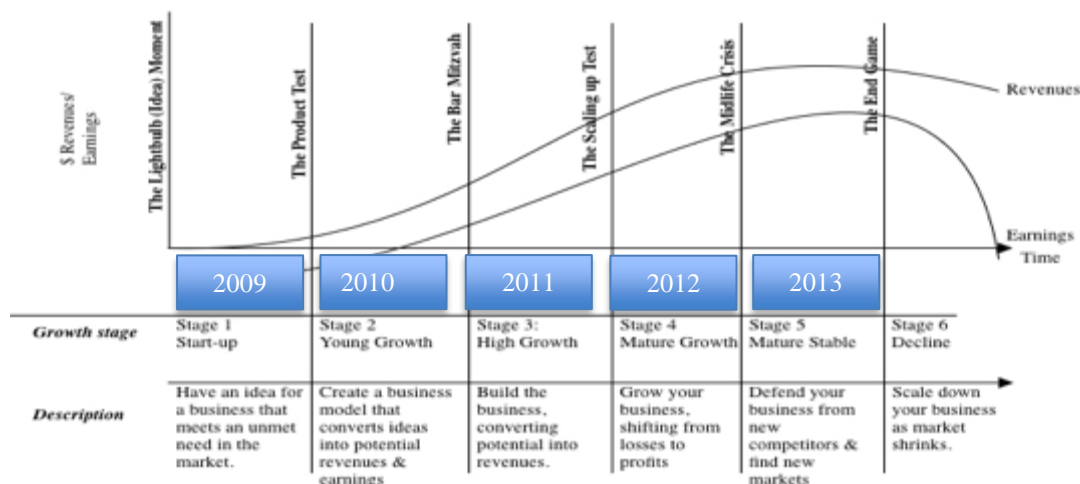


Source: Chile GDP. *Trading Economics*. [online]. [seen 2016-02-09]. Available at: <http://www.tradingeconomics.com/chile/gdp>

Further, as already mentioned, it is important to assess the condition of the industry in relation to the business in question. Those findings could be the keys to the success for a firm to successfully compete within the industry. According to figures released by Chilean National Tourism Service in Chile Tourism Report for 2011, tourist arrival data showed an 11,9 % year on year increase.<sup>31</sup>

Industries, as well as businesses, go through several stages in their life cycle. These stages include start-up, rapid growth (young and high), mature growth, maturity and decline. As with all start-ups, the start-up phase of Atacamadventure Wellness & Ecolodge was by a low demand, high operating costs and negative profits. Luckily that stage only lasted 10 weeks. The initial investment came from my own resources along with an Angel Investor's Fund contribution, and the Seed Capital from the CORFO's Governmental Financing Platform. The stage of rapid growth is characterized by rapid growth of revenues and positive profits. The gross sales made in the first month of operations were increased twelve times by the end of the first year. The second year, sales increased by 3,66 %, compared to the first year. At the mature stage, the competition tends to intensify, revenue still grows, but at slower rate, which shows by an increase of 1,06 % in the third and 1,24 % in the fourth year of the operations of the lodge. The fifth year data is not available, since the lodge was sold.

Chart 8 Firm's Business Life Cycle



Source: Harvard Business Review. The Five Stages of Small Business Growth. [online]. [seen 2016-06-11]. Available at: <https://hbr.org/1983/05/the-five-stages-of-small-business-growth>

<sup>31</sup> Research and Markets: Chile Tourism Report Q1 2012 - Hilton Enters Chilean Market in June 2011; US-Based Hotel Chain Hilton Opened its First Hotel in Chile. Coventry: , Jan 27, ProQuest Central.

The competitive conditions of an industry are usually assessed based on Porter's Five Forces. Firms deal with various factors and intensities of competition within their industry. The extent of these forces determines the overall profitability of the industry. The projection of these forces on the business were as follows:

- The threats of new entrants<sup>32</sup>

The Atacamadventure Lodge created as a unique concept, combining personalized all-inclusive services to discerning travellers at medium scale rates. With these distinctive features the Lodge filled an existing market gap. The firm, therefore, enjoyed an advantaged position in the hotel and tourism industry of the local market. In the period when the Lodge was established, there were only low cost hostels, medium cost hotels without any tourist services and top end luxury all-inclusive hotels available. Hence, Atacamadventure Wellness & Ecolodge quickly became an example to emulate and copy.

- The threat of substitute products or services<sup>33</sup>

For reasons mentioned above the initial stage of the business development was protected against substitute products and services, since a competition was non-existent at that point.

- Bargaining power of suppliers and the bargaining power of customers<sup>34</sup>

Since there was no direct competition of the Lodge product and services, the bargaining power was predominantly in my hands.

- The rivalry among the competitors<sup>35</sup>

In the first two years of operation of the Lodge there was no competition, since there were no similar hotel products on the market in San Pedro. The third year, businesses inspired by the success story, tried to copy the model and rates, which is when competition became an issue. This was the point when price wars started and competing through comparison of business performance and positioning based on various Internet traveller portals also grew in importance.

Because of the unique concept and the rate scale of the Lodge, the average yearly room occupancy was around 90 % year-round, during the whole period of my

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<sup>32</sup> Cheng, D. S. Y. (2013). Analyze the hotel industry in porter five competitive forces. *Journal of Global Business Management*, 9(3), 52-57. Available at: <http://search.proquest.com/docview/1470776993?accountid=17203>

<sup>33</sup> Ibidem

<sup>34</sup> Ibidem

<sup>35</sup> Ibidem

management and ownership. (See Appendix 4). The average hotel room occupancy in Chile is said to be 41 %.<sup>36</sup>

A further step in sizing up a company is the evaluation of marketing and operations management. Through my background, education and experience, I directed operations and performed marketing management by myself. The Lodge was mainly marketed through e-commerce using major Internet travel portals and hubs. I later established business relations with a Brazilian tour operator, who quickly became my leading supplier of clients. A determining element of a business size-up is also evaluation of the Supply and Demand risk. Due to the fact that the establishment of the Lodge has filled a unique market gap, both of these risks were brought down to near zero.

Human resources management certainly needs to be considered when sizing-up a company. This involves the question, how would prospective investors view the firm's human resources, since in terms of rendering services, a qualified labour force is of a great importance. This was probably the most difficult part in the overall operation of the Lodge. Qualified and honest labourers were extremely scarce in San Pedro at that time. This meant that I found myself as the director of the lodge, stepping in for missing workers frequently.

### 3.3 Financial Analysis. Measuring Financial Performance

Financial Analysis is used to determine the financial health of a firm. It is by exploring the information in firm's financial statements that various performance measures can be developed. These measures are of interest to anyone who is concerned with a firm's financial performance. Above all, it is of interest to the firm's owners, management, banks, and potential investors and buyers. Each stakeholder has a particular focus with more emphasis on a specific measure than others do. Even though a firm's performance measures reflect its past performance, those can often be used to forecast future financial statements. For the purpose of this thesis I will only focus on crucial financial performance measures.

A key financial benchmark is the return on equity (ROE), which measures the firm's profitability relative to its equity investment. Return on equity can be calculated as net

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<sup>36</sup> Horwarth Hotel HTL. Hotel News Source. [online]. [Santiago de Chile]. © 2003-2016 [seen 2016-09-09]. Available <http://www.hotelnewsresource.com/pdf16/HOR070616.pdf>



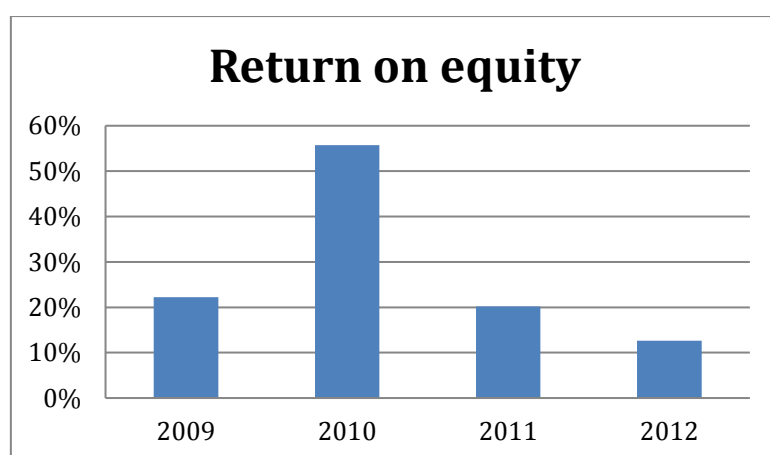
income available divided by common equity. The return on equity of Atacamadventure Wellness & Ecolodge was 22,2 % in the first year of operation, 55,8 % in the second, 20,2 % in the third and 12,6 % in the fourth year of operation. The global average for travel and leisure is 16,56 % and for publicly traded companies in Chile 11,12 %. <sup>37</sup> For a better understanding of the company's performance, those ratios can be compared over time. ROE as a vital measure for all businesses, can be broken down into three components – profit margin, asset turnover, and financial leverage – which are then multiplied together. This is the so called DuPont method. In this manner we can find out how each of the components contribute to ROE.

$$\text{ROE} = (\text{net income/revenues}) \times (\text{revenues/assets}) \times (\text{assets/equity})$$

The financial performance of Atacamadventure Wellness & Ecolodge can be observed in the table below:

Performance measure	2009	2010	2011	2012
Return on equity	22,2 %	55,7 %	20,2 %	12,6 %
Profit margin	29,23 %	34,64 %	16,67 %	13,93 %
Asset turnover	0,4935	0,7844	0,6036	0,5091
Financial leverage	1,54	2,05	2,01	1,78

Chart 9 Return on Equity



Source: Balance Sheets of Atacamadventure Wellness & Ecolodge. Chile 2009-2012

<sup>37</sup> *Returns on equity*. [online]. [Spain]. Return on Equity, © 2003-2016 [seen 2016-09-02]. Available from: <http://www.returnsonequity.com/country-Chile.html>

The profit margin measures how effective the firm is at creating earning for each unit of sales generated. It is expressed as a percentage. This measure can be compared over time. The asset turnover reflects the firm's ability to generate revenue from its asset base. It is a number which can either be compared to industry averages when available or, in the case of the Lodge, its evolution over time can be assessed. In general the asset base has increased with the construction of new units, the wellness center, acquiring additional 4x4 vehicles, and ongoing outdoor equipment purchases. The financial leverage represents the use of debt in order to increase the firm's ROE while increasing risk exposure. As in the case of asset turnover, financial leverage results can either be compared to an industry average or its evolution can be assessed overtime. All measures show a significant improvement in the second year of operation and a moderate decline in following years. The sudden increase and following decrease was caused mainly by accounting techniques used by the accounting office to minimize yerly revenue taxation. Generally, an increase in ROE can be caused by improving operating efficiency, increasing the profit margin, asset use efficiency or by utilizing more debt. In case of Atacamadventure Wellness & Ecolodge all three measures have contributed to an overall increase in ROE. An increase of indebttness might be risky for the firm, since it also increases the probability of losses.

### 3.4 Valuation of the Company

When valuing a company, it needs to be recognized whether we are valuing the firm as a whole, or just the equity portion. Ultimately, value is what someone is willing to pay for a company and its assets. If a firm is publicly traded, then it can be argued that its value is its current stock price multiplied by the number of outstanding shares. The valuation is a challenge for a private firm because it has no such market price. This is why some simple rules of thumb suggest that a private firm should be discounted by 20 to 30 percent compared to similar publicly traded firm. A valuation of a company is as much an art as it is a Science. There are many methods that can be used and it always depends who is preparing the valuation. Whether it is the buyer or the seller. For the purpose of this thesis I will choose The Book Value plus Adjustments Method. Which is based on a book value of equity plus adjustments of possible hidden values.

Assets year 2012	Liabilities
399 484 180	175 046 471
	Equity
	224 437 709

The BE = 224 437 709 CLP (book value of equity) (See Appendix 6) + 270 399 428 CLP (value of the premises of the hotel) (See Appendix 3).

The final value is 494 837 137 CLP, which translated in USD currency, calculated at an exchange rate of October 2013, when the lodge was sold 1 USD/ 490 CLP) is 1 009 871 USD.

This valuation method is quite basic and doesn't include items such as Good Will that is well-established client database, leading positioning on local market and the fact that during my ownership of the lodge, the property was awarded three times Service Excellence Award by Tripadvisor. It has been positioned among the first 5 properties from existing 26 in the area throughout the period of nearly 5 years. Neither does it include further awards such as the title of a Luxury Lodge by the Chilean Tourism Board.(See Appendix 5)

On the other hand as already mentioned, in spite of a wide choice of valuation methods from which we could choose in order to evaluate the firm more precisely, it is finally the potential buyer's portfolio and their interest, which determines how much they are willing to pay for the business in question. Atacamadventure Wellness & Ecolodge did not turn out to be an easy sale. The trouble with selling was not the firm's performance nor its product or services. It became the victim of my virtue. There were large hotel chains interested in the property, but thought the asking price too costly. Since the characteristics of the construction of the lodge had to initially comply with local requirements by using local materials for construction, those hotel chains had their own development plans and were mainly interested in the location, the premise and operating licenses. The rest of the creation of "home away from home" was useless to them, and would have been destroyed to make way for a large hotel.

On the other hand, a single owner or a couple who would take over the lodge, would be required to meet several conditions, mainly financial which proved not so easy to fulfill. That buyer would probably have to leave the city with all its comforts and move to an oasis in the driest desert in the world with highly limited infrastructure. I mention this since in

general this type of businesses and necessary funding are found in the cities, not villages. Second condition would be to have their own capital to invest, since taking a loan from the bank would be very expensive. With current sales and profits, the loan taker would initially work 5 years without any personal earnings, since all the firm's revenue would just cover the costs and the interest of the bank loan. Third condition was that the buyer would have to be experienced in the hotel industry in order to take over and continue the established style of the business. This is in order to assure steady income, needed for payments of costs and generation of profits. And last, but not least, the potential buyer would have to know the area well enough to be able to manage the overall operations and the human resources, which in that area were difficult to find and maintain.

## Conclusions

Chile is one of the most developed, stable and open economies of South America. The Atacamadventure Wellness & Ecolodge was established in the beginning of the expansion cycle of the Chilean economy. This had an important positive impact on the tourism and hotel industry necessary for the Lodge to develop. The Lodge featured an absolute advantage in terms of product and services offered by being unique on the local market. The precise e-marketing targeted powerful travel portals and effectively delivered clients, who were the cornerstone of the future success. The tailor-made services and home-like characteristics of the lodging made the clients feel “at home”, while being away from their own. At the same time they were receiving highly personalized, customized services. The effectiveness of Internet reports from those clients who were leaving very satisfied, soon required no further publicity. The Lodge rooms were filled throughout the year, which is why with initially two rooms by the third year the lodge had 6 rooms and lodging for 16 guests.

As stated before, the most complex issue of the lodge operation was human resources. Because of the size of the lodge and the nature of its services provided to the guests, the staff working at the lodge has acquired a familiar approach to the guests and to me the manager. The positive side was that the work atmosphere was cordial and friendly, but on the other hand the employees started to show lack of respect and comprehension of the hierarchy within the company. This then caused behavioral disruptions, followed by conflicts, resulting in several occasions forced involvement of the Chilean Labor Law. A recommendation for delivery of smoother hotel operations: an effective human resources management i.e. chain of command, which would keep leadership more detached, have less personal involvement and commitment to the staff from the general manager, while maintaining a lean professional relationship with employees.

Another issue was the very business idea that made the lodge initially a success story. While being successful in the current conditions, the idea has mainly worked out because of my personal involvement. This meant that when I wanted to sell, not only was it not easy to find a buyer who would have the funds required, but also who would have sufficient knowledge and capabilities to be able to make the Lodge continue to generate a profit. The recommendation here is as follows. It would be convenient to think ahead and try to foresee a possible sale situation when preparing the general business plan. Most likely, if the project was meant to be sold from the very beginning, the whole concept would have been different.

With less services and therefore less costs. But in that case it would miss out on the market gap opportunity and therefore its absolute advantage on the market and hence its performance and success. Finally, the lodge wasn't sold based on the valuation of the company and the property, but on the pure buying power of the buyer and on the negotiation skills of both sides.

I do not have any further recommendations at this stage, since the performance of the business as explained above was more than satisfactory, exceeding in every way industry averages.

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Figures: Photo Gallery



Figure 1 Standard Double Guest Room



Figure 2 Superior Double Guest Room



Figure 3 Superior Double Room Bathroom



Figure 4 Superior Double Room Bathroom





Figure 5 Mezzanine. Living Room



Figure 6 Wellness Area. Outdoor Whirlpool



Figure 7 Dining Room and Kitchen



Figure 8 Kitchen and Bar





Figure 9 Massage Room



Figure 10 Wellness Area. Sun Platform



Figure 11 Outdoor Wellness Area



Figure 12 Lodge Atacamadventure



Figure 13 Infrared Sauna



Figure 14 Heated Indoor Swimming Pool





Figure 15 Atacamadventure Lodge. Main building



Figure 16 Standard Guest Room Bathroom



Figure 17 Family Room



Figure 18 Atacamadventure Vehicle



Figure 19 Food and Beverage



Figure 20 Food and Beverage



## Appendices

### Appendix 1 – Maps

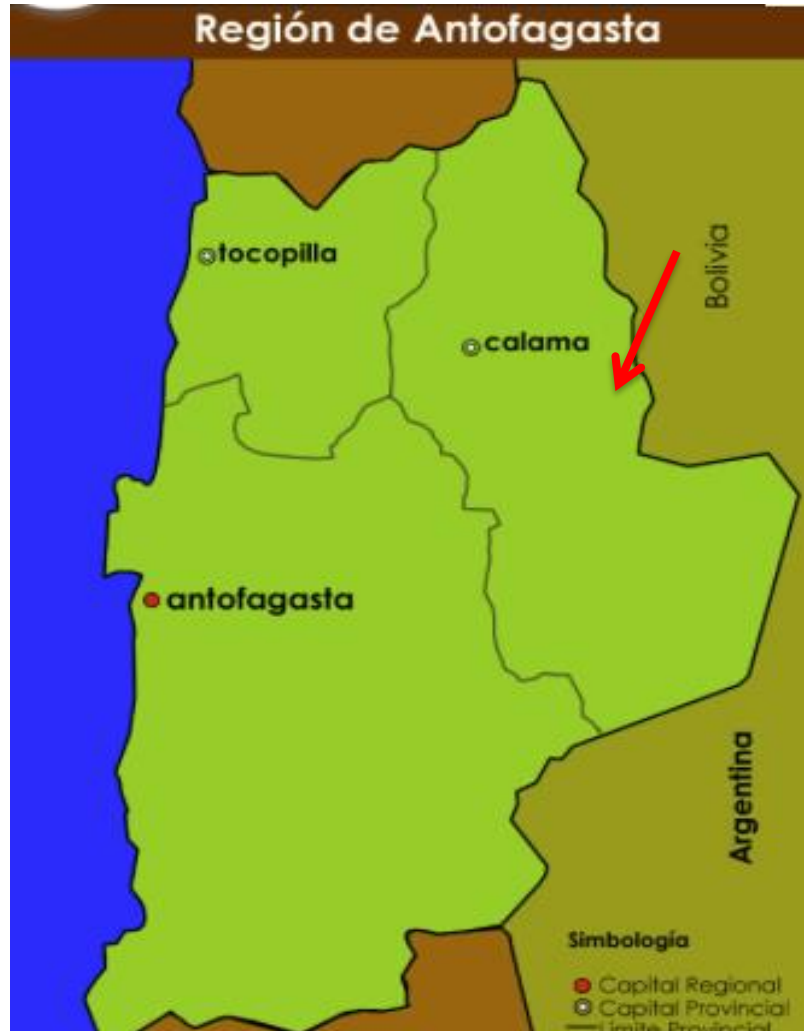
#### Map of Chile

#### Map of the Antofagasta Region

#### Satellite shot of Atacamadventure Wellness & Ecolodge in San Pedro de Atacama



Source: Escolares. Geografía de Chile. Escolares ©2014 [seen 2016-02-09]. Available from: [www.escolares.net](http://www.escolares.net)



Source: Escolares. Geografía de Chile. Escolares ©2014 [seen 2016-02-09]. Available from: [www.escolares.net](http://www.escolares.net)



Source: Google Maps. San Pedro de Atacama. [seen 2016-02-09]. Available from: [www.googlemaps.com](http://www.googlemaps.com)

## Appendix 2 – Constitutional Deed of Atacamadventure



**INSCRIPCION EXTRACTO CONSTITUCION**  
**"MARKETA KRUCKOVA SERVICIOS TURISTICOS EMPRESA**  
**INDIVIDUAL DE RESPONSABILIDAD LIMITADA"**  
**O**  
**"ATACAMADVENTURE E.I.R.L."**

**N° 50.** En Calama, a 23 de Febrero de 2009.- Para su inscripción en el presente Registro, se me ha presentado documento del tenor siguiente: EXTRACTO: **CARLOS SALAZAR VALENZUELA**, Abogado, Notario Público y Conservador de Minas Suplente del Titular de El Loa-Calama, don VICTOR ANTONIO VARAS PLAZA, Sotomayor 1.961 Calama, Certifica: Por escritura pública otorgada con fecha de hoy ante mí, doña **MARKETA KRUCKOVA**, checa, divorciada, administradora turística, RUT 14.705.458-0, Pasaje Alana N°2, San Pedro de Atacama, edad 32 años; constituyó Empresa Individual Responsabilidad Limitada con razón social: **"MARKETA KRUCKOVA SERVICIOS TURISTICOS EMPRESA INDIVIDUAL DE RESPONSABILIDAD LIMITADA."** pudiendo actuar con nombre de fantasía **"ATACAMADVENTURE E.I.R.L."**  
Objeto Social: asesorar y/o vender y/o organizar viajes por cualquier tipo de vías, especialmente mediante el uso de todo tipo de vehículos propios o arrendados; intermediar, organiza o gestionar servicios turísticos en nombre propio o de una tercera persona, como por ejemplo: Reservar billetes (de cualquier tipo de



transporte), reservar habitaciones y otros alojamientos, alquiler de alojamiento (ofertas hoteleras y no hoteleras), alquiler de coches (con o sin choferes), reservar o vender paquetes turísticos o programas turísticos, fletaje de aviones, reservar entradas para museos, teatros y otros espectáculos, contratar servicios de guías, contratar pólizas de seguros, cambiar moneda y emitir cheques de viaje (también se pueden enviar bonos), comprar, adquirir, editar o imprimir guías turísticas. También podrá organizar actividades deportivas; organizar y montar programas turísticos, traslados, alojamiento, un lodge con excursiones (transporte pasajeros), servicio de alimentación en excursión y dentro de la lodge, servicios de restaurant, servicios de relajación propios o contratados, y en general, la realización de cualquier otro negocio que permita un mejor aprovechamiento de la estructura social; además de la administración, comercialización y negocios de terceros, y cualquier otra asesoría profesional que estime conveniente la empresa.- **Administración:** administración de la sociedad y uso de la razón social corresponderá a doña MARKETA KRUCKOVA. **Capital:** \$20.000.000 que titular ingresa en este acto caja social siguiente forma: con un vehículo Station Wagon marca Mitsubishi, Placa Patente Unica e Inscripción en el Registro Nacional de Vehículos Motorizados N° BTBX. 32-0; y con \$2.000.000, aportados dinero efectivo. **Duración,** 05 años a contar fecha presente escritura, renovable periodos iguales y sucesivos. **Responsabilidad,** limitada monto aporte.- **Domicilio** San Pedro de Atacama, sin perjuicio establecer otras sucursales.- Demás estipulaciones escritura extractada.- **DOY FE.-** Calama,



FOJAS NOVENTA

FS.: 90



12 de Febrero de 2009.- Una Firma y Timbre del Notario. CONFORME CON EXTRACTO Y ESCRITURA QUE AGREGO BAJO LOS Nos. 86 y 87, EN EL REGISTRO DE DOCUMENTOS DE COMERCIO. DOY FE. REQUERENTE: **MARIELA ANDREA LEUTUN ULLOA.-**



CERTIFICO QUE EL EXTRACTO DE SOCIEDAD SE PUBLICO EN EL DIARIO OFICIAL N° 39.290  
PAGINA Treinta y siete DEL Dos de Febrero 17  
DE febrero DE 2009 DOY FE CALAMA

23 FEB. 2009



CERTIFICO: QUE LA PRESENTE COPIA DEL REGISTRO DE COMERCIO DE ESTE CONSERVADOR SE ENCUENTRA CONFORME CON SU ORIGINAL. DOY FE. CALAMA, 22 DE MAYO DE 2009.-

CERTIFICO : QUE LA PRESENTE INSCRIPCION DEL REGISTRO DE COMERCIO DE ESTE CONSERVADOR, SE ENCUENTRA VIGENTE, POR NO REGISTRAR ANOTACION MARGINAL DE HABER SIDO DISUELTA O DECLARADA NULA LA SOCIEDAD.- DOY FE.- CALAMA, 22 DE MAYO DE 2009.-

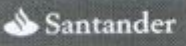





CERTIFICO: Que la presente fotocopia que consta de 1 folios, es fiel y verdadera a la vista. Doy Fe. Calama, 06 MAYO 2009

VICTOR ANTONIO VARAS PLAZA  
NOTARIO PUBLICO CONSERVADOR DE MINAS TITULARES  
EL 10 - CALAMA



# Appendix 3 – Bank Appraisal of the premises of the Lodge

		<b>INFORME DE TASACION GARANTIAS GENERALES</b>		Código Banco: 1.114.558 Código Empresa: R-0141-13-02 COORDENADAS: FECHA: 17/04/2013 UF: 22.900,36													
BIENES RAICES URBANOS																	
RESUMEN EJECUTIVO			ANTECEDENTES														
SOLICITANTE - SUCURSAL: Calama Sotomayor EJECUTIVO Solicitante: Vanessa Del Carmen Alday Lazo CLIENTE: Emp De Inv Pedro Rivera Ramos RUT cliente: 77184830-3 PROPIETARIO: Marketa Kruckova RUT propietario: 14705455-0 DIRECCION propiedad: PJE ALANA Lote 2 Nombre Lote o Conjunto: Ayilo de Solcor ROL DE AVALUO: 3520-244 COMUNA - CIUDAD: San Pedro de Atacama, Calama REGION: Region II TASADOR: Jeanette Alejandra Araya Olivares RUT: 13743725-2 EMPRESA: TRANSISA RUT: 78093110-8			Mercado Objetivo: SI Antigüedad: 2 VIDA UTIL REMANENTE: 88 AVALUO FISCAL (\$): \$ 21.804.933 ACOGIDA: Ordenanza Local DPL 2: NO SELLO VERDE: NO APLICA COPROPIEDAD INMOB.: NO OCUPANTE: Propietario DESTINO SEGUN SI: Hotel-Motel TIPO DE BIEN: Hotel USO ACTUAL: Hotel PERMISO EDIFICACION N°: 101/2005 02/2011 RECEPCION FINAL N°: 02 30/04/2009 EXPROPIACION: NO Construcciones de adobe: NO														
<b>PLANO DE UBICACION</b> 			<b>DESCRIPCION GENERAL</b> Terreno de forma irregular y topografía normal de 5.248 m2 ubicado en el Lote 2 de pasaje Alana en el Ayilo de Solcor, perteneciente al Oasis de San Pedro de Atacama, cercano a la intersección con calle Tocopilla, de conexión con el área residencial y comercial consolidada (distante a 10 minutos a pie). Se trata de un Hotel con edificaciones realizadas en 3 etapas: La 1ª tiene Permiso de edificación 101/2005 por 587,3 m2 con Recepción final 02/2009 por 323,6 m2 de alb. de bloque y HªA correspondientes al edificio principal con bodega y una cabaña. La 2ª etapa con Permiso de obra menor 02/2011 por 58,72 m2 corresponde a Vivienda y una cabaña. Se desconoce si esta superficie se encuentra recepcionada. La 3ª etapa correspondería a edificaciones construidas respecto al primer permiso de edificación correspondientes a SPA de 56,63 m2 (con piscina temperada 12 m2 y jacuzzi) y Sala de masajes de 9,8 m2 de estructura de madera. De estas no se tuvo antecedente de recepción. (3 cabañas proyectadas aprobadas, no han sido construidas). Se encuentra en excelente estado de conservación, cuenta con urbanización pública y privada (generador eléctrico, iluminación solar, 2 estanques de agua, 3 bombas, calderas, calefacción por gas, entre otros).														
<b>FOTO PRINCIPAL</b> 			<b>USO EXCLUSIVO SUBGERENCIA DE TASACIONES BANCO SANTANDER</b>  CON FECHA 06-05-2013, MAXIMO VALOR RECOMENDADO. SE ADJUNTA RECEPCION FINAL POR 323.6M2 - JML.  SE RECOMIENDAN LOS SIGUIENTES VALORES CONSIDERANDO SUPERFICIES QUE NO CUENTAN CON RECEPCION FINAL:  <table border="1"> <thead> <tr> <th>VALORES RECOMENDADOS</th> <th>\$</th> <th>UF</th> </tr> </thead> <tbody> <tr> <td>VALOR COMERCIAL</td> <td>270.398.428</td> <td>11.803</td> </tr> <tr> <td>VALOR LIQUIDEZ 80%</td> <td>216.319.542</td> <td>9.446</td> </tr> <tr> <td>MONTO SEGURO</td> <td>216.361.588</td> <td>9.448</td> </tr> </tbody> </table>			VALORES RECOMENDADOS	\$	UF	VALOR COMERCIAL	270.398.428	11.803	VALOR LIQUIDEZ 80%	216.319.542	9.446	MONTO SEGURO	216.361.588	9.448
VALORES RECOMENDADOS	\$	UF															
VALOR COMERCIAL	270.398.428	11.803															
VALOR LIQUIDEZ 80%	216.319.542	9.446															
MONTO SEGURO	216.361.588	9.448															
Tasador: TRANSISA RUT: 78093110-8			 Victor E. Olivares Bustamante Abogado de Tasaciones Subgerente de Tasaciones Banco Santander Chile JML Firma y timbre SUPERVISOR BANCO SANTANDER SANTIAGO														
NOTA: INFORME DE USO EXCLUSIVO BANCO PARA VALORIZACION DE GARANTIA																	

## Appendix 4 – Reservation Sheet May 2011 & February 2012

	Ckamur	Antu	Yepun	Puri	Turi	Tturi 2
1	Diaz x 2 SUP B&B Booking	Vigorelli x 2 B&B Booking	Ziff x 2 B&B Venere	Pollock x 4 B&B dir	Walls x 1 B&B Trails	Dickenschield x 3 B&B
2	Diaz x 2 B&B Booking	Ainley x 2 AI dir	Ziff x 2 B&B Venere	Pollock x 4 B&B dir	Walls x 1 B&B Trails	Dickenschield x 3 B&B
3	Diaz x 2 B&B Booking	Ainley x 2 AI dir	Ziff x 2 B&B Venere	Jedzejewska x 2 B&B TWIN Table	Walls x 1 B&B Trails	Dickenschield x 3 B&B
4	Diaz x 2 B&B Booking	Ainley x 2 AI dir	Ziff x 2 B&B Venere	Jedzejewska x 2 B&B TWIN Table		Dickenschield x 3 B&B
5	Robertson x 2 RO Booking	Robertson x 2 RO Booking	Ziff x 2 B&B Venere	Jedzejewska x 2 B&B TWIN Table	Navigli x 1 B&B Booking	Dickenschield x 3 B&B
6	Robertson x 2 RO Booking	Robertson x 2 RO Booking	Qiu x 2 RO Booking	Jedzejewska x 2 B&B TWIN Table	Navigli x 1 B&B Booking	Dickenschield x 3 B&B
7	Robertson x 2 RO Booking	Robertson x 2 RO Booking	Qiu x 2 RO Booking		Navigli x 1 B&B Booking	Dickenschield x 3 B&B
8	Kace x 2 SUP B&B Expedia	Qui x 2 RO Booking	Gruenwald x 2 B&B Venere	Sorgi x 2 B&B SUP Booking	Navigli x 1 B&B Booking	Briggs x 3 B&B Booking
9	Kace x 2 B&B Expedia	Carcino x 2 B&B Booking	Gruenwald x 2 B&B Venere	Sorgi x 2 B&B SUP Booking	Navigli x 1 B&B Booking	Briggs x 3 B&B Booking
10	Kace x 2 B&B Expedia		Gruenwald x 2 B&B Venere	Sorgi x 2 B&B SUP Booking		Briggs x 3 B&B Booking
11	Kace x 2 B&B Expedia	Mahfuz x 2 B&B Booking	Gruenwald x 2 B&B Venere	Medeiros x 2 B&B SUP Booking	ESO x 1 B&B	ESO x 1 B&B
12	Medeiros x 2 B&B SUP Booking	Meyer x 2 AI Turavion	Gruenwald x 2 B&B Venere	Meyer x 2 AI Turavion	ESO x 1 B&B	ESO x 1 B&B
13	Medeiros x 2 B&B SUP Booking	Meyer x 2 AI Turavion	De Chico x 3 B&B Booking	Meyer x 2 AI Turavion	ESO x 1 B&B	ESO x 1 B&B
14	Medeiros x 2 B&B SUP Booking	Meyer x 2 AI Turavion	De Chico x 3 B&B Booking	Meyer x 2 AI Turavion		
15	Medeiros x 2 B&B SUP Booking	Centurion x 2 B&B Booking	De Chico x 3 B&B Booking	Pereira x 4 B&B Booking	Nielsen x 1 B&B Tablet	Moreno x 2 B&B Book
16	Medeiros x 2 B&B SUP Booking	Centurion x 2 B&B Booking	De Chico x 3 B&B Booking	Pereira x 4 B&B Booking	Nielsen x 1 B&B Tablet	Moreno x 2 B&B Book
17	Medeiros x 2 B&B SUP Booking	Quezada x 2 B&B dir	De Chico x 3 B&B Booking	Pereira x 4 B&B Booking	Nielsen x 1 B&B Tablet	Wolters x 2 B&B Exped
18	Medeiros x 2 B&B SUP Booking			Pereira x 4 B&B Booking	Nielsen x 1 B&B Tablet	Frek x 2 B&B Booking
19		Spanjol x 2 TWIN AI dir	Eimer x 2 B&B Booking	Wicks x 2 B&B Harper	Becerra x 2 B&B dir	Frek x 2 B&B Booking
20	Adin x 2 AI Tablet	Spanjol x 2 TWIN AI dir	Eimer x 2 B&B Booking	Wicks x 2 B&B Harper	Becerra x 2 B&B dir	Frek x 2 B&B Booking
21	Adin x 2 AI Tablet	Spanjol x 2 TWIN AI dir	Eimer x 2 B&B Booking	Wicks x 2 B&B Harper	Becerra x 2 B&B dir	King x 2 B&B Tablet
22	Adin x 2 AI Tablet	Spanjol x 2 TWIN AI dir	Eimer x 2 B&B Booking	Raffy x 2 B&B Booking	Becerra x 2 B&B dir	King x 2 B&B Tablet
23	Adin x 2 AI Tablet	Trapa x 2 MAT AI dir	Trapa x 2 MAT AI dir	Duffy x 3 Venturas	Milanesi x 1 Venturas	King x 2 B&B Tablet
24	Duffy x 3 Venturas	Trapa x 2 MAT AI dir	Trapa x 2 MAT AI dir	Gebrad x 3 B&B Booking	Milanesi x 1 Venturas	King x 2 B&B Tablet
25	Duffy x 3 Venturas	Trapa x 2 MAT AI dir	Trapa x 2 MAT AI dir	Gebrad x 3 B&B Booking	Milanesi x 1 Venturas	Huber x 2 B&B Tablet
26	Duffy x 3 Venturas	Trapa x 2 MAT AI dir	Trapa x 2 MAT AI dir	Gebrad x 3 B&B Booking	Milanesi x 1 Venturas	Huber x 2 B&B Tablet
27	Duffy x 3 Venturas	Trapa x 2 MAT AI dir	Trapa x 2 MAT AI dir	Gebrad x 3 B&B Booking	Milanesi x 1 Venturas	Auman x 2 B&B Bookin
28	Lapeyere x 2 B&B Booking	Trapa x 2 MAT AI dir	Trapa x 2 MAT AI dir	Gebrad x 3 B&B Booking	Milanesi x 1 Venturas	Auman x 2 B&B Bookin
29	Lapeyere x 2 B&B Booking	Mevesen x 2 B&B Bookin	Wouters x 3 MAT + sgl B&B Turavion	Francesconi x 4 B&B dir	Mevesen x 2 B&B Booking	Auman x 2 B&B Bookin
30	Walentovski x 3 B&B Booking	Mevesen x 2 B&B Bookin	Wouters x 3 MAT + sgl B&B Turavion	Francesconi x 4 B&B dir	Mevesen x 2 B&B Booking	Auman x 2 B&B Bookin
31	Walentovski x 3 B&B Booking	Mevesen x 2 B&B Bookin	Wouters x 3 MAT + sgl B&B Turavion	Francesconi x 4 B&B dir	Mevesen x 2 B&B Booking	Kuruc x 3 B&B Booking

	Ckamur	Antu	Yepun	Puri	Turi	Tturi 2
1	Carvalho x 1 AI dir	Needham x 1 AI PA	Hockings x 2 AI PA	Lupion x 4 B&B Booking	Schuller x 1 Venturas	Werb x 3 B&B Booking
2	Espinoza x 2 B&B dir	Needham x 1 AI PA	Hockings x 2 AI PA	Lupion x 4 B&B Booking	Carvalho x 1 AI dir	Guasp x 2 B&B Booking
3		Needham x 1 AI PA	Hockings x 2 AI PA	Lupion x 4 B&B Booking	Carvalho x 1 AI dir	Quezada x 3 B&B
4	Vigneron x 2 AI Tablet	De Smet x 2 B&B Booking	Glatz x 2 B&B Booking	Lupion x 4 B&B Booking	Carvalho x 1 AI dir	
5	Vigneron x 2 AI Tablet	De Smet x 2 B&B Booking	Glatz x 2 B&B Booking	Lupion x 4 B&B Booking	Carvalho x 1 AI dir	
6	Vigneron x 2 AI Tablet	De Smet x 2 B&B Booking	Glatz x 2 B&B Booking	Nuber x 2 B&B Booking	Carvalho x 1 AI dir	Vilodre x 2 B&B Expedia
7	Vigneron x 2 AI Tablet	De Smet x 2 B&B Booking	Glatz x 2 B&B Booking	Nuber x 2 B&B Booking	Carvalho x 1 B&B dir	Vilodre x 2 B&B Expedia
8	Vigneron x 2 AI Tablet	Nogueira x 2 B&B Venturas	Santos x 3 TWIN Venturas	Nothafft x 4 MAT + TWIN Vent	Carvalho x 1 B&B dir	Vilodre x 2 B&B Expedia
9	Raposo x 2 AI SUP dir	Nogueira x 2 B&B Venturas	Santos x 3 TWIN Venturas	Nothafft x 4 MAT + TWIN Vent	Carvalho x 1 B&B dir	Delgado x 2 B&B dir
10	Raposo x 2 AI SUP dir	Nogueira x 2 B&B Venturas	Santos x 3 TWIN Venturas	Nothafft x 4 MAT + TWIN Vent	Carvalho x 1 B&B dir	Delgado x 2 B&B dir
11	Raposo x 2 AI SUP dir	Nogueira x 2 B&B Venturas	Santos x 3 TWIN Venturas	Nothafft x 4 MAT + TWIN Vent	Delgado x 2 B&B dir	Gutierrez x 2 B&B dir
12	Raposo x 2 AI SUP dir		Daolio x 3 B&B Booking	Oliveira x 4 B&B Booking		Gutierrez x 2 B&B dir
13	Raposo x 2 AI SUP dir	Schlickmann x 2 B&B Book	Daolio x 3 B&B Booking	Oliveira x 4 B&B Booking	Junges x 1 B&B Booking	Gutierrez x 2 B&B dir
14	Raposo x 2 AI SUP dir	Schlickmann x 2 B&B Book	Daolio x 3 B&B Booking	Oliveira x 4 B&B Booking	Junges x 1 B&B Booking	Gutierrez x 2 B&B dir
15	Laurindo x 3 B&B Booking	Schlickmann x 2 B&B Book	Daolio x 3 B&B Booking	Oliveira x 4 B&B Booking	Junges x 1 B&B Booking	Serben x 2 B&B Tablet
16	Laurindo x 3 B&B Booking	Schlickmann x 2 B&B Book	Sanchez x 2 B&B Booking	Struys x 2 B&B Booking	Junges x 1 B&B Booking	Vega x 4 B&B Booking
17	Laurindo x 3 B&B Booking	Schlickmann x 2 B&B Book	Osorio x 3 TWIN B&B dir	Struys x 2 B&B Booking	Junges x 1 B&B Booking	
18	Junge x 2 B&B Umfulana		Hertrich x 2 B&B Umfulana	Struys x 2 B&B Booking	Soto x 2 B&B Booking	Soto x 5 B&B Booking
19	Junge x 2 B&B Umfulana	Wolff x 2 B&B dir	Hertrich x 2 B&B Umfulana	Bieri x 2 B&B SUP Venere	Soto x 2 B&B Booking	Soto x 5 B&B Booking
20	Junge x 2 B&B Umfulana	Wolff x 2 B&B dir	Hertrich x 2 B&B Umfulana	Bieri x 2 B&B SUP Venere	Soto x 2 B&B Booking	Soto x 5 B&B Booking
21	Junge x 2 B&B Umfulana	Wolff x 2 B&B dir	Loudon x 1 B&B Booking	Bieri x 2 B&B SUP Venere	Soto x 2 B&B Booking	Soto x 5 B&B Booking
22	Sensicle x 2 B&B Tablet	Wolff x 2 B&B dir	Loudon x 1 B&B Booking	Bieri x 2 B&B SUP Venere		Meindl x 2 B&B Booking
23	Sensicle x 2 B&B Tablet	Wolff x 2 B&B dir	Schulte x 3 B&B Booking	Persson x B&B Expedia	Gonzalo x 1 B&B dir	Meindl x 2 B&B Booking
24	Sensicle x 2 B&B Tablet	Wolff x 2 B&B dir	Schulte x 3 B&B Booking	Persson x B&B Expedia	Gonzalo x 1 B&B dir	Crass x 2 B&B Booking
25	Marque x 3 B&B Booking	Wolff x 2 B&B dir	Muller x 2 TWIN B&B dir	Persson x B&B Expedia	Gonzalo x 1 B&B dir	Crass x 2 B&B Booking
26	Marque x 3 B&B Booking	Barrientos x 2 RO Booking	Muller x 2 TWIN B&B dir	Albertse x 2 RO Booking	Gonzalo x 1 B&B dir	Crass x 2 B&B Booking
27		Vigorelli x 2 RO Booking	Muller x 2 TWIN B&B dir	Albertse x 2 RO Booking		Dickenschield x 3 B&B Boo
28	Pluvinae x 2 B&B dir	Vigorelli x 2 B&B Booking	Muller x 2 TWIN B&B dir	Pollock x 4 B&B dir	Walls x 1 B&B Trails	Dickenschield x 3 B&B Boo

## Appendix 5 – Awards & Press

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**LGAI CHILE S.A.,**  
Certifica que el Centro Turístico:

***Marketa Kruckova Servicios Turísticos E.I.R.L.***  
***Atacamadventure Wellness & Ecolodge***

RUT: 76.049.704-5  
Pasaje Alana N°2, San Pedro de Atacama,  
Región de Antofagasta, Chile.

Queda clasificado como:

***Alojamiento Turístico –***  
***Centro de Turismo de Naturaleza o Lodge***

Calificado como:

***Lujo***

**Es conforme con los requisitos de la norma NCh3009.Of2006**

Fecha de Otorgamiento: 27 de Junio del 2013  
Fecha de Vencimiento : 27 de Junio del 2016

Para Verificar validez del certificado tomar contacto telefónico  
al +56 (2) 2562 90 18 o vía e-mail a: certificacion@appluscorp.com

  
Carolina Velásquez Cerda  
Director de Certificación CHILE

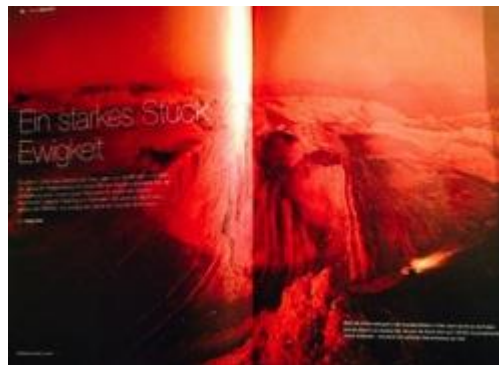


El presente certificado se considera válido siempre que se cumplan todas las condiciones  
del contrato del cual este certificado forma parte



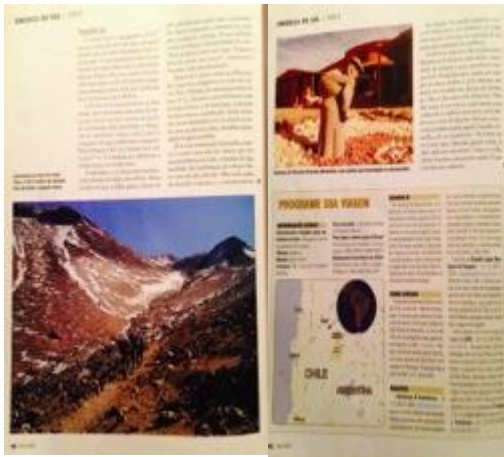


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## Appendix 6 – Balance Sheets

Balance Sheet for 2009

### Balance General

(Ejercicio comprendido entre el 06 de Marzo de 2009 al 31 de Diciembre de 2009)

<b>RAZON SOCIAL</b>	<b>MARKETA KRUCKOVA SERVICIOS TURISTICOS EIRL</b>				<b>Nº DE RUT</b>	<b>76.049.704-5</b>		
<b>DIRECCION</b>	<b>PASAJE ALANA Nº 2</b>				<b>CIUDAD</b>	<b>SAN PEDRO DE ATACAMA</b>		
<b>GIRO COMERCIAL</b>	<b>SERVICIOS TURISTICOS Y HOTELERIA</b>				<b>CODIGO</b>	<b>551010</b>		
<b>REP. LEGAL</b>	<b>MARKETA KRUCKOVA</b>				<b>Nº DE RUT</b>	<b>14.705.458-0</b>		

C U E N T A S	T O T A L E S		S A L D O S		I N V E N T A R I O		R E S U L T A D O	
	DEBITOS	CREDITOS	DEUDOR	ACREEDOR	ACTIVO	PASIVO	PERDIDAS	GANANCIAS
CAJA	60.382.721	50.284.497	10.098.224	0	10.098.224	0	0	0
I.V.A.	3.156.907	1.735.853	1.421.054	0	1.421.054	0	0	0
MERCADERIAS	2.947.308	0	2.947.308	0	2.947.308	0	0	0
P.P.M.	1.262.790	0	1.262.790	0	1.262.790	0	0	0
VEHICULOS	18.000.000	0	18.000.000	0	18.000.000	0	0	0
INTERESES DIFERIDOS	11.052.980	3.155.758	7.897.222	0	7.897.222	0	0	0
CTA. PARTICULAR SOC. M.K.	14.000.000	0	14.000.000	0	14.000.000	0	0	0
RETENCION 2ºCAT	26.664	46.664	0	20.000	0	20.000	0	0
LEYES SOCIALES	1.475.040	1.676.694	0	201.654	0	201.654	0	0
CAPITAL	0	20.000.000	0	20.000.000	0	20.000.000	0	0
IMPTOS. POR PAGAR	0	353.483	0	353.483	0	353.483	0	0
PTMO. BCD. SANTANDER	4.679.213	25.522.980	0	20.843.767	0	20.843.767	0	0
DEP. ACUM. VEHICULOS	0	1.875.000	0	1.875.000	0	1.875.000	0	0
HONORARIOS	466.664	0	466.664	0	0	0	466.664	0
GASTOS GENERALES	6.077.855	0	6.077.855	0	0	0	6.077.855	0
REMUNERACIONES	8.943.345	0	8.943.345	0	0	0	8.943.345	0
DEPRECIACION	1.875.000	0	1.875.000	0	0	0	1.875.000	0
REP. Y REMODELACION LOCAL	8.192.377	0	8.192.377	0	0	0	8.192.377	0
RECARGOS ADICIONALES	1.145.387	0	1.145.387	0	0	0	1.145.387	0
INTERESES FINANCIEROS	3.155.758	0	3.155.758	0	0	0	3.155.758	0
CORRECCION MONETARIA	4.880	12.212	0	7.332	0	0	0	7.332
SERVICIOS AFECTOS	0	8.832.536	0	8.832.536	0	0	0	8.832.536
SERVICIOS EXENTOS	0	33.349.212	0	33.349.212	0	0	0	33.349.212
PROVEEDORES	2.163.552	2.163.552	0	0	0	0	0	0
ANTICIPO CLIENTES	450.300	450.300	0	0	0	0	0	0
CTA. OBLIGADA SOCIO M.K.	20.000.000	20.000.000	0	0	0	0	0	0
ANTICIPO TRABAJADORES	2.060.000	2.060.000	0	0	0	0	0	0
DESCUENTO USO CELULAR	204.088	204.088	0	0	0	0	0	0
PRESTAMO INTERNO	50.000	50.000	0	0	0	0	0	0
<b>SUMAS.....</b>	<b>171.772.829</b>	<b>171.772.829</b>	<b>85.482.984</b>	<b>85.482.984</b>	<b>55.626.598</b>	<b>43.293.904</b>	<b>29.856.386</b>	<b>42.189.080</b>
<b>UTILIDAD DEL EJERCICIO.....</b>					<b>0</b>	<b>12.332.694</b>	<b>12.332.694</b>	<b>0</b>
<b>TOTALES.....</b>	<b>171.772.829</b>	<b>171.772.829</b>	<b>85.482.984</b>	<b>85.482.984</b>	<b>55.626.598</b>	<b>55.626.598</b>	<b>42.189.080</b>	<b>42.189.080</b>

ROE Net Income/Equity :  $12\,332\,694 / 55\,626\,598 = 0,2217 = 22,17 \%$

Profit Margin Net Income/Revenue:  $12\,332\,694 / 42\,189\,080 = 0,2923 = 29,23 \%$

Asset Turnover Revenues/Assets:  $42\,189\,080 / 85\,482\,984 = 0,4935$

Financial leverage Assets/ Equity:  $85\,482\,984 / 55\,626\,598 = 1,54$



# Balance Sheet for 2010

## Balance General

(Ejercicio comprendido entre el 01 de Enero de 2010 al 31 de Diciembre de 2010)

<b>RAZON SOCIAL</b>	<b>MARKETA KRUCKOVA SERVICIOS TURISTICOS EIRL</b>		<b>N° DE RUT</b>	<b>76.049.704-5</b>	
<b>DIRECCION</b>	<b>PASAJE ALANA N° 2</b>		<b>CIUDAD</b>	<b>SAN PEDRO DE ATACAMA</b>	
<b>GIRO COMERCIAL</b>	<b>SERVICIOS TURISTICOS Y HOTELERIA</b>		<b>CODIGO</b>	<b>551010</b>	
<b>REP. LEGAL</b>	<b>MARKETA KRUCKOVA</b>		<b>N° DE RUT</b>	<b>14.705.458-0</b>	

C U E N T A S	T O T A L E S		S A L D O S		I N V E N T A R I O		R E S U L T A D O	
	DEBITOS	CREDITOS	DEUDOR	ACREEDOR	ACTIVO	PASIVO	PERDIDAS	GANANCIAS
CAJA	167.618.621	139.707.091	27.911.530	0	27.911.530	0	0	0
I.V.A.	10.370.555	2.556.707	7.813.848	0	7.813.848	0	0	0
MERCADERIAS	12.029.349	11.349.022	680.327	0	680.327	0	0	0
P.P.M.	7.168.858	1.262.790	5.906.068	0	5.906.068	0	0	0
ASIGNACION FAMILIAR	145.116	58.176	86.940	0	86.940	0	0	0
MUEBLES Y UTILES	3.349.349	0	3.349.349	0	3.349.349	0	0	0
VEHICULOS	31.602.302	0	31.602.302	0	31.602.302	0	0	0
INTERESES DIFERIDOS	7.897.222	3.022.291	4.874.931	0	4.874.931	0	0	0
CTA. PARTICULAR SOC. M.K.	26.000.000	14.000.000	12.000.000	0	12.000.000	0	0	0
CTA. CTE. SOCIA M.K.	1.667.306	0	1.667.306	0	1.667.306	0	0	0
RETENCION 2°CAT	1.234.732	1.327.565	0	92.833	0	92.833	0	0
LEYES SOCIALES	5.869.538	6.510.983	0	641.445	0	641.445	0	0
CAPITAL	0	20.000.000	0	20.000.000	0	20.000.000	0	0
FOO REV. CAP. PROPIO	0	260.887	0	260.887	0	260.887	0	0
IMP.TOS. POR PAGAR	353.483	1.026.310	0	672.827	0	672.827	0	0
DEP. ACUM. MUEB. Y UTILES	0	279.251	0	279.251	0	279.251	0	0
PTMO. BCO. SANTANDER	5.104.596	20.843.767	0	15.739.171	0	15.739.171	0	0
DEP. ACUM. VEHICULOS	0	4.711.803	0	4.711.803	0	4.711.803	0	0
IMPTO. UNICO TRAMAMOORES	164.798	178.779	0	13.981	0	13.981	0	0
HONORARIOS	13.075.694	0	13.075.694	0	0	0	13.075.694	0
IMPUESTO 1°CAT	2.138.489	0	2.138.489	0	0	0	2.138.489	0
GASTOS GENERALES	19.502.862	0	19.502.862	0	0	0	19.502.862	0
REMUNERACIONES	32.279.145	0	32.279.145	0	0	0	32.279.145	0
DEPRECIACION	3.069.179	0	3.069.179	0	0	0	3.069.179	0
REP. Y REMODELACION LOCAL	5.870.201	0	5.870.201	0	0	0	5.870.201	0
COMBUSTIBLE Y LUBRICANTES	932.270	0	932.270	0	0	0	932.270	0
RECARGOS ADICIONALES	648.701	0	648.701	0	0	0	648.701	0
COSTO DE VENTAS	11.349.022	0	11.349.022	0	0	0	11.349.022	0
INTERESES FINANCIEROS	4.172.468	0	4.172.468	0	0	0	4.172.468	0
SERVICIOS PAGADOS	7.840.296	0	7.840.296	0	0	0	7.840.296	0
CORRECCION MONETARIA	326.413	673.652	0	347.239	0	0	0	347.239
SERVICIOS AFECTOS	965.847	12.418.564	0	11.452.717	0	0	0	11.452.717
SERVICIOS EXENTOS	0	142.558.774	0	142.558.774	0	0	0	142.558.774
PERDIDA Y GANANCIAS	12.332.694	12.332.694	0	0	0	0	0	0
UTILIDADES ACUMULADAS	12.332.694	12.332.694	0	0	0	0	0	0
ANTICIPO TRABAJADORES	3.045.665	3.045.665	0	0	0	0	0	0
OTROS DESUENTOS	653.341	653.341	0	0	0	0	0	0
<b>SUMAS.....</b>	<b>411.110.806</b>	<b>411.110.806</b>	<b>196.770.928</b>	<b>196.770.928</b>	<b>95.892.601</b>	<b>42.412.198</b>	<b>100.878.327</b>	<b>154.358.730</b>
<b>UTILIDAD DEL EJERCICIO.....</b>					<b>0</b>	<b>53.480.403</b>	<b>53.480.403</b>	<b>0</b>
<b>TOTALES.....</b>	<b>411.110.806</b>	<b>411.110.806</b>	<b>196.770.928</b>	<b>196.770.928</b>	<b>95.892.601</b>	<b>95.892.601</b>	<b>154.358.730</b>	<b>154.358.730</b>

ROE                      Net Income/Equity :    53 480 403/95 892 601 = 0,5577 = 55,77 %  
Profit Margin Net Income/Revenue:    53 480 403/154 358 730 =0,3463=34,64 %  
Asset Turnover    Revenues/Assets:        154 358 730/196 770 928=0,7844  
Financial leverage    Assets/    Equity:                    196 770 928/95 892 601=2,05



# Balance Sheet 2011

## Balance General

(Ejercicio comprendido entre el 01 de Enero de 2011 al 31 de Diciembre de 2011)

<b>RAZON SOCIAL</b>	MARKETA KRUCKOWA SERVICIOS TURISTICOS EIRL	<b>N° DE RUT</b>	76.049.704-5
<b>DIRECCION</b>	PASAJE ALANA N° 2	<b>CIUDAD</b>	SAN PEDRO DE ATACAMA
<b>GIRO COMERCIAL</b>	SERVICIOS TURISTICOS Y HOTELERIA	<b>CODIGO</b>	551010
<b>REP. LEGAL</b>	MARKETA KRUCKOWA	<b>N° DE RUT</b>	14.795.458-0

C U E N T A S	T O T A L E S		S A L D O S		I N V E N T A R I O		R E S U L T A D O	
	DEBITOS	CREDITOS	DEUDOR	ACREEDOR	ACTIVO	PASIVO	PERDIDAS	GANANCIAS
CAJA	224.676.396	156.155.040	68.521.358	0	68.521.358	0	0	0
MERCADERIAS	18.636.370	18.014.733	621.637	0	621.637	0	0	0
P.P.M.	13.102.336	5.906.068	7.196.268	0	7.196.268	0	0	0
MUEBLES Y UTILES	3.479.974	0	3.479.974	0	3.479.974	0	0	0
VEHICULOS	49.381.010	13.152.352	36.228.708	0	36.228.708	0	0	0
INTERESES DIFERIDOS	9.048.668	2.470.315	6.578.353	0	6.578.353	0	0	0
CTA. PARTICULAR SOC. M.K.	24.000.000	12.000.000	12.000.000	0	12.000.000	0	0	0
RETENCION FISCAT	1.814.441	1.903.662	0	89.221	0	89.221	0	0
LEYES SOCIALES	7.442.283	8.488.311	0	1.046.028	0	1.046.028	0	0
CAPITAL	0	20.000.000	0	20.000.000	0	20.000.000	0	0
FOU.BV.CAP.PROPIO	0	2.413.650	0	2.413.650	0	2.413.650	0	0
DEPTOS. POR PAGAR	672.827	1.369.822	0	696.995	0	696.995	0	0
DEP. ACUM. MUEB. Y UTILES	0	1.055.702	0	1.055.702	0	1.055.702	0	0
UTILIDADES ACUMULADAS	13.667.306	53.480.403	0	39.813.097	0	39.813.097	0	0
PTMO. BCO. SANTANDER	5.104.596	15.739.171	0	10.634.575	0	10.634.575	0	0
DEP. ACUM. VEHICULOS	2.348.625	9.426.249	0	7.077.624	0	7.077.624	0	0
DEPTO. UNICO TRABAJADORES	230.962	271.120	0	40.158	0	40.158	0	0
PTMO. BCO. SANTANDER 8872	0	5.580.660	0	5.580.660	0	5.580.660	0	0
PTMO. BCO. SANTANDER 4344	0	18.932.112	0	18.932.112	0	18.932.112	0	0
HONORARIOS	18.108.296	0	18.108.296	0	0	0	18.108.296	0
CORRECCION MONETARIA	2.397.102	2.102.420	294.682	0	0	0	294.682	0
IMPUESTO FISCAT	9.691.592	0	9.691.592	0	0	0	9.691.592	0
GASTOS GENERALES	20.791.362	0	20.791.362	0	0	0	20.791.362	0
REMUNERACIONES	36.511.773	0	36.511.773	0	0	0	36.511.773	0
DEPRECIACION	5.296.246	0	5.296.246	0	0	0	5.296.246	0
COMBUSTIBLE Y LUBRICANTES	3.234.475	0	3.234.475	0	0	0	3.234.475	0
RECARGOS ADICIONALES	761.782	0	761.782	0	0	0	761.782	0
COSTO DE VENTAS	18.014.733	0	18.014.733	0	0	0	18.014.733	0
INTERESES FINANCIEROS	2.984.655	0	2.984.655	0	0	0	2.984.655	0
SERVICIOS PAGADOS	3.624.812	0	3.624.812	0	0	0	3.624.812	0
GASTOS FINANCIEROS	1.303.813	0	1.303.813	0	0	0	1.303.813	0
I.V.A. NO RECLERADO	15.657.612	0	15.657.612	0	0	0	15.657.612	0
SERVICIOS AFECTOS	0	10.594.241	0	10.594.241	0	0	0	10.594.241
SERVICIOS EXENTOS	0	151.731.745	0	151.731.745	0	0	0	151.731.745
UT. PERMUTA VEHICULO	0	1.196.323	0	1.196.323	0	0	0	1.196.323
I.V.A.	17.670.519	17.670.519	0	0	0	0	0	0
ASIGNACION FAMILIAR	86.940	86.940	0	0	0	0	0	0
PERDIDA Y GANANCIAS	53.480.403	53.480.403	0	0	0	0	0	0
CTA. CTE. SOCIA M.K.	1.667.306	1.667.306	0	0	0	0	0	0
ANTICIPO TRABAJADORES	2.880.257	2.880.257	0	0	0	0	0	0
OTROS DESCUENTOS	529.700	529.700	0	0	0	0	0	0
SOBRERO TRABAJADORES	8.676	8.676	0	0	0	0	0	0
<b>SUMAS</b>	<b>588.357.850</b>	<b>588.357.850</b>	<b>270.902.131</b>	<b>270.902.131</b>	<b>134.626.298</b>	<b>107.179.822</b>	<b>136.275.833</b>	<b>163.522.309</b>
<b>UTILIDAD DEL EJERCICIO</b>					0	27.246.476	27.246.476	0
<b>TOTALES</b>	<b>588.357.850</b>	<b>588.357.850</b>	<b>270.902.131</b>	<b>270.902.131</b>	<b>134.626.298</b>	<b>134.626.298</b>	<b>163.522.309</b>	<b>163.522.309</b>

ROE Net Income/Equity :  $27\,246\,476 / 134\,626\,298 = 0,2024 = 20,2\%$

Profit Margin Net Income/Revenue  $27\,246\,476 / 163\,522\,309 = 0,1666 = 16,7\%$

Asset Turnover Revenues/Assets:  $163\,522\,309 / 270\,902\,131 = 0,6036$

Financial leverage Assets/ Equity:  $270\,902\,131 / 134\,626\,298 = 2,01$

# Balance Sheet 2012

## BALANCE GENERAL

(Ejercicio comprendido entre el 01 de ENERO de 2012 al 31 de DICIEMBRE de 2012)

<b>RAZON SOCIAL</b>	MARKETA KRUCKOVA SERVICIOS TURISTICOS EIRL	<b>N° DE RUT</b>	76.049.704-5
<b>DIRECCION</b>	PASAJE ALANA N° 2	<b>CIUDAD</b>	SAN PEDRO DE ATACAMA
<b>GIRO COMERCIAL</b>	SERVICIOS TURISTICOS Y HOTELERIA	<b>CODIGO</b>	551010
<b>REP. LEGAL</b>	MARKETA KRUCKOVA	<b>N° DE RUT</b>	14.705.458-0

C U E N T A S	T O T A L E S		S A L D O S		I N V E N T A R I O		R E S U L T A D O	
	DEBITOS	CREDITOS	DEUDOR	ACREEDOR	ACTIVO	PASIVO	PERDIDAS	GANANCIAS
CAJA	355.015.278	235.507.809	119.507.469	0	119.507.469	0	0	0
CTA. PARTICULAR SOC. M.K.	24.000.000	12.000.000	12.000.000	0	12.000.000	0	0	0
INTERESES DIFERIDOS	37.813.361	9.438.757	28.374.604	0	28.374.604	0	0	0
MERCADERIAS	30.269.360	29.554.939	714.421	0	714.421	0	0	0
MUEBLES Y UTILES	3.553.053	0	3.553.053	0	3.553.053	0	0	0
P.P.M.	16.957.629	7.196.268	9.761.361	0	9.761.361	0	0	0
VEHICULOS	50.526.801	0	50.526.801	0	50.526.801	0	0	0
CAPITAL	0	20.000.000	0	20.000.000	0	20.000.000	0	0
DEP. ACUM. MUEB. Y UTILES	0	1.859.508	0	1.859.508	0	1.859.508	0	0
DEP. ACUM. VEHICULOS	0	13.792.675	0	13.792.675	0	13.792.675	0	0
FOO.REV.CAP.PROPIO	0	3.904.332	0	3.904.332	0	3.904.332	0	0
IMP.TO. UNICO TRABAJADORES	451.302	487.422	0	36.120	0	36.120	0	0
IMP.TOS. POR PAGAR	696.995	2.071.235	0	1.374.240	0	1.374.240	0	0
LEVES SOCIALES	12.101.199	13.158.280	0	1.057.081	0	1.057.081	0	0
PTMO. BCO. SANTANDER 6383	11.423.664	51.406.488	0	39.982.824	0	39.982.824	0	0
PTMO. BCO. SANTANDER 998	997.142	59.828.520	0	58.831.378	0	58.831.378	0	0
RETENCION 2°CAT	875.089	1.082.753	0	207.664	0	207.664	0	0
UTILIDADES ACUMULADAS	12.000.000	67.059.573	0	55.059.573	0	55.059.573	0	0
COMBUSTIBLE Y LUBRICANTES	4.812.368	0	4.812.368	0	0	0	4.812.368	0
CORRECCION MONETARIA	1.719.912	1.243.241	476.671	0	0	0	476.671	0
COSTO DE VENTAS	29.554.939	0	29.554.939	0	0	0	29.554.939	0
DEPRECIACION	7.348.057	0	7.348.057	0	0	0	7.348.057	0
GASTOS FINANCIEROS	1.567.986	0	1.567.986	0	0	0	1.567.986	0
GASTOS GENERALES	26.440.280	0	26.440.280	0	0	0	26.440.280	0
HONORARIOS	9.935.405	0	9.935.405	0	0	0	9.935.405	0
I.V.A. NO RECUPERADO	9.177.037	0	9.177.037	0	0	0	9.177.037	0
IMPUESTO 1°CAT	7.454.103	0	7.454.103	0	0	0	7.454.103	0
INTERESES FINANCIEROS	9.753.615	0	9.753.615	0	0	0	9.753.615	0
RECARGOS ADICIONALES	1.175.636	0	1.175.636	0	0	0	1.175.636	0
REMUNERACIONES	58.779.832	0	58.779.832	0	0	0	58.779.832	0
SERVICIOS PAGADOS	8.570.542	0	8.570.542	0	0	0	8.570.542	0
SERVICIOS AFECTOS	0	16.395.435	0	16.395.435	0	0	0	16.395.435
SERVICIOS EXENTOS	0	186.983.350	0	186.983.350	0	0	0	186.983.350
ANTICIPO TRABAJADORES	919.000	919.000	0	0	0	0	0	0
I.V.A.	12.348.115	12.348.115	0	0	0	0	0	0
OTROS DESCUENTOS	2.030.065	2.030.065	0	0	0	0	0	0
PERDIDA Y GANANCIAS	27.246.476	27.246.476	0	0	0	0	0	0
PTMO. BCO. SANTANDER	10.634.575	10.634.575	0	0	0	0	0	0
PTMO. BCO. SANTANDER 4244	18.932.112	18.932.112	0	0	0	0	0	0
PTMO. BCO. SANTANDER 8872	5.580.660	5.580.660	0	0	0	0	0	0
<b>SUMAS.....</b>	<b>810.661.588</b>	<b>810.661.588</b>	<b>399.484.180</b>	<b>399.484.180</b>	<b>224.437.709</b>	<b>196.105.395</b>	<b>175.046.471</b>	<b>203.378.785</b>
<b>UTILIDAD DEL EJERCICIO.....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>28.332.314</b>	<b>28.332.314</b>	<b>0</b>
<b>TOTALES.....</b>	<b>810.661.588</b>	<b>810.661.588</b>	<b>399.484.180</b>	<b>399.484.180</b>	<b>224.437.709</b>	<b>224.437.709</b>	<b>203.378.785</b>	<b>203.378.785</b>

ROE Net Income/Equity :  $28\,332\,314 / 224\,437\,709 = 0,1262 = 12,62\%$

Profit Margin Net Income/Revenue  $28\,332\,314 / 203\,378\,785 = 0,1393 = 13,93\%$

Asset Turnover Revenues/Assets:  $203\,378\,783 / 399\,484\,180 = 0,5091$

Financial leverage Assets/ Equity:  $399\,484\,180 / 224\,437\,709 = 1,78$