



JAMBO GROUP OF COMPANIES LIMITED
PROPOSED BUSINESS PLAN
FOR
ESTABLISHMENT OF JAMBO COMMUNICATION
LIMITED IN SHINYANGA TOWNSHIP, SHINYANGA
REGION,
TANZANIA.

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List of Abbreviations

BBC - British Broadcasting Corporation,
BoQ - Bill of Quantity,
CAPEX - Capital Expenditure
CATI- Computer Aided Telephone Interviewing
DAB- Digital Audio Broadcasting
DVD-Disk Video
EIA - Environment Impact Assessment
EPG- electronic program guide
FM -Frequency Medium
GPS - Geographical Positioning System
GDP - Growth Domestic Products
IRR - Internal rate of return
MHz -Mega Hertz
MIS - Management Information System
NEMC - National Environment Management Council
NGOs- Non Government Organization
OPEX - Operating Expenditure
PVR - Personal video Recorders
KVA -Kilovolt Amperes
KASHUWASA -Kahama Shinyanga Water Supply Authority
SWOC-Strength Weakness Opportunity Challenge
SIDO- Small Development Organization
TANESCO - Tanzania Electric Supply Company
TCRA- Tanzania Communication for Regulatory Authority
TTCL -Tanzania Telecommunication Corporation Limited
TV - Television
TZ- Tanzania
TIC- Tanzania Investment Centre
TVZ - Television of Zanzibar
TZS-Tanzania Shillings
TZS - Tanzania Shilling
US\$ - United State Dollar
VAT - Value Added tax

Executive Summary

Broadcasts industry in Tanzania began on July 1, 1951. Until 1994, there was no single television network operating on mainland Tanzania. The only station of the United Republic was Television Zanzibar (TVZ), which was established in the early 1970s., compared to other large British territories in Africa.

The Jambo Communication Limited, is a newly project under Jambo Group of Companies. The proposed company will be a commercial broadcasting station fully owned private investment whose founders possess a solid track of prominent innovation and commercial success.. the company's' goal is to act as a voice for the community and voluntary sector, civil society, agencies, NGOs & citizens to work in partnership to promote community development.

The company is a Limited liability company, registered in Tanzania under certificate of incorporation No 84560 issued on the 08th July, 2011.The Planned Radio and Television will be established as a local Commercial Radio and Television Stationed in the Shinyanga Rgion.

The objectives of this plan document is to determine the viability of the proposed project, will be presented to Banks/Financial Institutions for application of Term Loan 719,241.6 US\$ so as to support smooth implementation and running of the projects: and lastly important is to facilitate the application for Tanzania Investment Centre (TIC) Certificate of Incentives.

The project will be at Ibadakule at at Jambo Industries complex which is located at (Geographical Coordinates Latitude: 3°38'35.56"S Longitude: 33°28'26.25"E) the studios will built to the highest modern standards and will comply with guidelines and regulations from TCRA.

The initial Authorized Share Capital of the company is Tshs 100,000,000/- divided into 1,000 ordinary shares of TZS 100,000/- each and the company have the power to divide the original or any increased capital into several classes, and to attach thereto any preferential, deferred, qualified or other special rights privileges, restrictions or conditions.

The company sales forecast will base in advertisement, documentaries, education programs, and entertainments. For Radio and television: Advertising annual Sales will be 450,000US\$ and 600,000US\$ respectively in a year, while live broadcasting estimated to 432,000US\$, documentary and other occasion projected sales 230,000US\$ annually.

The company wills Recruitment 20 personnel's; others will be employed according to experience from other broadcasting. The Promoters have agreed to make 179,810.4 US\$ (20%) available immediately to cover the Pre-operational costs and associated consultancy fees and expenses. Should the application be successful, the promoters will be investing 899,052US\$ in share capital in the 5 years following the launch of the service.

The scope consists of a financial model that will be used to analyse the potential financial viability of the project based on the assumptions taken for the concept and scope of the broadcasting industry on the Market Analysis. Business Plan on all aspects of assessment on SWOC Analysis, market analysis, risk analysis and the financial analysis, the proposed investment options in the broadcasting investment as prescribed on this business plan have shown that the project is commercially viable.

1.0. Introduction

1.1. Broadcasting industry in Tanzania

Broadcasts industry in Tanzania began on July 1, 1951. Until 1994, there was no single television network operating on mainland **Tanzania**. The only station of the United Republic was Television Zanzibar (TVZ), which was established in the early 1970s. Compared to other large British territories in Africa, such as Kenya, Zambia, and Nigeria, broadcasting was late coming to Tanzania. In these other countries, broadcasting was started to serve European settlers and businessmen, but Tanganyika's European population was too small to justify a radio station. Then in 1951 a BBC official proposed establishing an experimental station "to provide experience in the production of local programs for a native audience" (Kivikuri). The colonial Government put up \$30,000 and the "Dar Es Salaam Broadcasting Station" was founded. At first it only produced a single one-hour program in Swahili each week, which was replayed two more times later in the week and because the equipment was simple, it could barely be heard outside of Dar Es Salaam. But gradually hours were increased, English broadcasts added, new studio equipment and a higher shortwave transmitter purchased, and the name changed to the Tanzania Broadcasting Service.

Tanzania's use of broadcasting and notably radio has been primarily in the formal education sector; emphasis is directed toward an analysis of the major projects undertaken since independence. The survey was conducted during 1978, while the author was Visiting Research Professor at the University of Dar es Salaam. The review is mainly derived from published and unpublished reports to mid-1978. Additional direct sources include numerous interviews with education, radio and television officials, mass media seminars, and field visits to schools and broadcast facilities in Tanzania.

Jambo Communication Limited, is a newly project under Jambo Group of Companies. The Company is conglomerate made up of five independent business entities, including Jambo Oil Mills & Ginneries, Jambo Petroleum Products, Jambo Spinning Mills, Jambo Cargo Transportation and of course Jambo Food Products.

1.2. Jambo Communication Limited In context.

1.2.1. Why Jambo communication Limited in Shinyanga?

The proposed Jambo Communications Limited will be a commercial broadcasting station fully owned private investment whose founders possess a solid track of prominent innovation and commercial success. The investors' long term commitment, financial strength and resources will ensure that Jambo

Communications will under pin its ability to serve its target audience hereby achieving its core objectives.

Jambo Communications will target and serve 15-34 year olds in the Shinyanga region for the start, with a compelling mix of music and interactive speech currently unenviable in the region which stance is bound to change. The comprehensive research that has been carried out clearly shows that the young people especially in this North Lake region listen to far less Television, radio than their peers elsewhere in Tanzania; ratio of one out of 5.

With these alarming stats in mind Jambo Communications will play a consistent popular mix of music, majoring on the current top 20 hence providing a cocktail of International, Bongo Flava and Oldies music to cater for the targeted age bracket of 15-34 years. News will also be broadcasted for at least 5 hours daily, segmented into a minimum of 10 minutes of the morning rush hour, afternoon lunch break and the evening drive. Jambo Communications will sound as profound and as professional as any other radio station internationally, its music policy supporting emerging national and local artists.

With a fully dedicated management team, the radio station is bound to stand out regionally and internationally always delivering beyond expectations.

1.2.2. Jambo communication Limited Goals

Jambo Communications' goal is to act as a voice for the community and voluntary sector, civil society, agencies, NGOs & citizens to work in partnership to promote community development as well as broadcasting aims. As part of the objectives we work for social benefit, social objectives, social gain and social interest as well. We further aim to enhance the competence of women and children in the community that have been deprived of opportunities; amplifying their access in media along with social, economic, political sector ultimately creating a conducive environment for gender equality.

1.2.3. Jambo communication Limited Values

Jambo Communications Limited has the below values,

- Professionalism
- Great Services
- Integrity
- Credibility
- Privacy
- Accuracy

1.2.4. Keys to success

- Catering to the needs of listeners.
- Increasing a mix of news, sports, and weather in our programming
- Increasing advertising in our target markets.
- Creating an atmosphere of integrity and ethics.

1.2.5. Jambo Communication Limited Objectives

- Jambo Communications will promote community development by providing a forum for discussion of local issues and creating the solutions, encouraging creativity as a way of promoting self – reliance and development, supporting education and health to the community.
- Apart from providing Information and Entertainment, Jambo Communications will aim to augment the use of general knowledge and build up this capacity for the people to enable marginalized communities and groups to generate and share their knowledge and experience, to participate in discourse and decision-making at every level, to develop the richness of their culture strengthening their communities as part of the local, national and global family.
- Inform the general public by disseminating the news, views and programs related to education, health, games and sports, environment and agriculture sector and explore the places of natural and cultural importance and popularize them. Broadcast the information based materials for the protection, preservation and conservation of forests, medicinal plants, and wild animals.
- Create awareness among the general mass in order to eradicate superstitions and false notions prevalent deeply in the society and end all forms of discriminations based on caste, gender, ethnicity, geography and any other. To build capacity of women to engage in leading roles and formulate policies in order to broadcast various social issues, airing programs that will enhance the personality of the youths.
- Also encourage women’s empowerment and gender equality upholding awareness for the welfare of women and children. Contribute to the agricultural production, inventions and explorations of Shinyanga as a region and bring them into the limelight and encourage organic farming for sustainable agricultural development and poverty alleviation and instigate the technology transfer for sustainable development of agriculture through the minimization of the use of chemical fertilizers and

pesticides.

- Encourage the positive social aspects, discourage the negative ones keeping the human sentiments in the high priority in order to contribute nation building process, and recognize development and peace as an ultimate goal. Conserve the folk culture and local languages of this area and preserve religion, based on secularism, and literature and strive to alleviate conflict between ethnic groups and marginalized communities and promote social harmony. Contribute to create good governance in the Government, local agencies and private sector consequently making them accountable to the people.
- Create awareness on health, education, community development, protection of environment and bio-diversity, human rights and good governance and natural disaster mitigation as well. Broadcast programs on education and knowledge for the benefit of illiterate communities to promote education and awareness and identify, protect and promote the use of traditional knowledge of indigenous communities.
- Promote the protection of local languages, literature and folk culture, and promote democratic culture, national unity and ethnic pride. To promote the work of Tanzanian musicians, performers, and other media artists regularly broadcasting throughout the day, new material and music of upcoming Tanzanian bands, performers, and other media artists. To this end to provide broadcasting and recording facilities to encourage Tanzanian talent.

1.2.6. Vision

- To become the preferred broadcasting station catering for all age groups in the United Republic of Tanzania by creating an inclusive and just society where everyone's voices are heard.

1.2.7. Mission

- Jambo Communications is committed to providing Shinyanga residents in both rural and urban areas with the best-aired programs.
- The radio station will offer educative youth awareness programs against HIV, Teen pregnancies, violence against women and children plus any disadvantaged groups in the society, Eating healthy, Local and International news, Gospel and contemporary Youth Music, Weather and Sports just to mention a few.

- Provide high quality consulting and logistical services to clients to allow them to focus on their business growth and reach.
- Making a healthy profit for its owners and provide a rewarding work environment for its employees and also creating 15 different full-time employees in the next 3 years; continuing to bless the community by promoting ethics and moral behavior.

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2.0. Project Overview

2.1. The Industry overview and share distribution

Jambo communication Limited is a Limited liability company, registered in Tanzania under certificate of incorporation No 84560 issued on the 08th July, 2011. The Planned Radio and Television Jambo Communications will be established as a local Commercial Radio and Television Station Broadcasting Station in the Shinyanga region. The city is located approximately 175 kilometers (109 mi), by road, southeast of Mwanza, the nearest large city. This location lies approximately 475 kilometers (295 mi), by road, northwest of Shinyanga, the capital city of Tanzania. The proposed station will be located at plot 1, Badakule at a GPS location of Latitude: 3°38'35.56"S Longitude: 33°28'26.25"E with a transmission site coordinates: Kilulu Hill Shinyanga Geographical Coordinates Latitude: 3°38'35.56"S Longitude: 33°28'26.25"E)

The intended Jambo Communications Station will be a fully owned private investment whose founders possess a solid track of prominent innovation and commercial success. Jambo Communications Station will be owned by Jambo Group of Companies Limited, a conglomerate made up of five independent business entities which include Jambo Oil Mills & Ginneries, Jambo Petroleum Products, Jambo Spinning Mills, Jambo Cargo Transportation and of course the well-known Jambo Food Products. The investors in Jambo Food Products, long term commitment, financial strength and resources will ensure the Jambo Communications Station will underpin its ability to serve its target audience hereby achieving its core objectives.

The initial Authorized Share Capital of the company is Tshs 100,000,000/= divided into 1,000 ordinary shares of Tshs 100,000 each and the company has the power to divide the original or any increased capital into several classes, and to attach thereto any preferential, deferred, qualified or other special rights, privileges, restrictions or conditions. Unless the conditions of issues shall otherwise expressly declare, every issue of shares, whether preference or otherwise, or any such rights, privileges or conditions shall not be altered or modified except in accordance with the registered Articles of Association. The liability of the members is Limited and the following names comprise the company ownership and principal shareholding as illustrated on Table 1 below.

Table 1: Company Ownership and Principal Shareholders

S/No.	Shareholder's Name	Address	Number of Shares
1	Salum Khamis Salum (TZ)	P O Box 71, SHINYANGA	80%
2	Seleman Khamis Salum (TZ)	P O Box 71, SHINYANGA	20%

The address for this company is;
Jambo Communication Limited;
Plot No. 1 Shinyanga Township,
Mwanza – Shinyanga Road,
P O Box 71,
SHINYANGA.
United Republic of Tanzania.

2.2. Business plan objectives

The objectives of this study are two-fold. First is to determine the viability of the proposed project and serve as a business plan for the company's development program.

First,, it will be presented to Banks/Financial Institutions for application of Term Loan 719,241.6 US\$ to support smooth implementation and running of the proposed projects. The project promoters have commissioned a reputable engineering and project planning consulting firm to advice on detailed technical and economic evaluation of the project and in determining its viability. As the report will be used to raise debt financing for the project, it is tailored to meet standard requirements of financial institutions in the region.

Secondly, , it is meant to facilitate the application for Tanzania Investment Centre (TIC) Certificate of Incentives so as to access exemptions on duties, VAT deferments and other benefits and protections as statutorily provided for under Tanzania Investment Act (1997).

2.3. Project Description

2.3.1. Jambo Communication limitad overview.

The headquarters will be situated in Shinyanga Ibadakule at at Jambo Industries complex which is located at Ibadakule Shinyanga (Geographical Coordinates Latitude: 3°38'35.56"S Longitude: 33°28'26.25"E) the studios will built to the highest modern standards and will comply with guidelines and regulations from TCRA .They will also comply with building regulations regarding wheelchair access, health and safety.

2.3.2. Studios plan and design

The Proposed Detailed Plan of the studio area together with an overall plan of the projected studio will including the following:-

- a. The proposed location (including the name and address) and the total floor area available. It is proposed to use ground floor premises at plot Ibadakule Shinyanga , consisting of 658 square feet for expanding and modernizing the station..

- b. A description of the proposed building including details of its construction, age of building, permitted classes of use, level of access to people with disabilities and why in the applicant's view it is suitable for accommodating a broadcasting station with a regional license, and/or head office location. This is a new development just finishing construction and offers full access to people with disabilities. The current location is suitable due to its central location within the region and access to a main arterial road. The premises were retained because it is a modern development, easily accessible and fulfils all structural and technical criteria.
- c. The development's designated use is general office and there would be no difficulties with future expansion and modernization of the broadcast studio suite.
- d. A detailed drawing that includes the dimensions of the proposed main studios, technical facilities, news, office and administration areas. In particular, details of the manner by which it is proposed to construct the studios, together with details of the acoustic treatment are provided. Please note that the studio layout, equipment and studio worktop heights are so designed to facilitate full access and use by all without the need for temporary structures.
- e. Outlines of the proposed heating, ventilation and standby power plant are also provided including location of such equipment.
- f. The security mechanisms proposed to guard against unauthorized access to the on-air studios. The following studios will be provided for in the upgraded base studio:
 - 1. Studio 1 - main on-air use
 - 2. Studio 2 - Production Studio but will be configured to go on air if there is a problem with On Air Studio
 - 3. News - news reading live to air
 - 4. Recording Studio for Recording of Advertisements, Jingles etc there will also be an equipment racks room (Control Room) which will contain all Studios to Transmitter Links, Audio processing, audio monitoring, outside source collection and studio pc equipment. The studios will be constructed using methods which will ensure mean sound isolation between rooms of 55dB/A.
- g. This construction will typically consist of double-leaf walls comprising multiple layers separated by heavy acoustic panels; if partitions coincide with structural walls a triple layer will be used, with the central leaf integral with the structure. The internal walls of the studio will be mounted on a resilient foundation, and the floor of the studio is carried on a long-fiber type mineral wool blanket which reduces floor-borne vibrations and filled with sound absorbing compacted mineral wool, faced with treated hardboard perforated in a manner that will

allow tailored absorption across the audio frequency spectrum. Wall coverings are fire-retardant Hessian with wood trim.

- h. This design will produce rooms whose acoustic characteristics conform to NR28, with a maximum reverberation time of 0.3 seconds from 250Hz upwards, with permitted increase at lower frequencies to a maximum of 0.44 seconds at 63Hz.
- i. Doors are of solid construction in accordance with building fire regulations; acoustic isolation will be improved by upgrading the doors through the use of magnetic seals and rising thresholds.
- j. Entrance to the studios is provided via a sound lock, with a high isolation door at its entrance and into each studio, and acoustic absorbing treatment on its interior surfaces.
- k. Ventilation ducts are fitted above the acoustic ceilings, fed via elastic suspensions to exterior plant, which provide climate control including heating, cooling and humidity control as required. With special consideration to noise isolation, acoustic baffles are incorporated in the ducting.
- l. The building is fitted with an auto-start generator and uninterruptible power supply with associated transfer panel. Mission critical equipment is also protected by Uninterruptible Power Supplies.
- m. Throughout the studio complex, studio furniture is constructed of composite wood and fabric with acoustic inlays. The layout has been designed with at least 900mm space surrounding the furniture to allow disabled persons' access, and the worktop heights are between 750 and 850mm as recommended for wheelchair users. In addition the toilet block has also been designed to accommodate disabled persons. Access to the studio block will be controlled by a secure door, with electronic 'key fob' lock. An additional fire exit is provided from the studio block, consisting of an acoustic door with internal release bars. All studios and office areas comply with relevant building regulations particularly in regard to disabled persons' access. See drawing on following page for studio floor plan.
- a. Provided below in the BoQ, is a list of the principal technical equipment that is to be installed, together with available test and deviation limiting equipment. Key Equipment Brochures and specifications and studio schematics are provided in the confidential attachments-6 at the end of the document.

Table: BoQ for key equipments

S/No	Items	Cost in US\$
1	Rehabilitation/construction of Modern Studio	60,000
2	Studio Equipments (Shipping Inclusive)	53,544
3	2KW Transmission (Shipping Inclusive)	20,241
4	Generator 80 KVA	29,630
5	Construction, wiring, painting and sound proofing	22,010
6	Air conditioners and Installation Cost	11,249
7	6KVA Tecno GB 6000AVR	9,731
8	OB Van	8,000
9	Inverter and Backup for Studio and Transmission	7,400
10	Office furniture	4,800
11	Insurance	3,195
12	Studio Installation cost and technical Team Facilitation	3,000
13	1 Mic Book PRO	1,200
14	Logo Design/Branding materials	1,200
15	Desktop	500
16	Record Soft wares	500
17	Other cost	20,000
Total		256,200

2.3.3. Studio Operation.

Transmission network has been designed, which comprises of 2kw Transmitter with a 4Bay Dipole Antenna System, 2Kw FM Band Pass Filter which will be installed to eliminate spurious emissions and increase isolation between co-sited services and a Studio to transmitter link to transport our signal from Studio to Transmission site:

- Transmission Site Name: Kilulu Transmission Site
- Transmission Site Elevation :(m)1470
- Transmission Site Coordinates: Latitude: 3°48'22.66"S Longitude: 33°16'49.27"E)
- Studio Coordinates: Latitude: 3°38'35.56"S Longitude: 33°28'26.25"E)
- Coverage Area: Shinyanga.

The topography and the spread of population, present quite a challenge to design and efficient transmission network. Although it would be tempting to

design a network to only cover main towns and cities, in order to cover as great a population as possible we have eschewed this in favor of a plan that maximizes geographical coverage of the area.

Careful use of an Omni directional 4-Bay antenna system, effective radiated powers and choice of transmitter site has, the company believe, achieved coverage which is more than adequate untargeted service area while minimizing overspill across country border areas. The company will avoid construction of infrastructures wherever possible and resort to co sighting on property owned and operated by a variety of independent operators (Mainly TTCL).

Coverage will be excellent over a large percentage of urban Shinyanga area. Over most of the area coverage of one transmitter in the area is minimized. In practice, it is envisaged that since the population density of these areas is relatively low, most listening will take place in cars. Most car radios will provide an acceptable entertainment quality signal with mono grade coverage levels.

After the station has started broadcasting and the commercial impact (if any) of less than ideal signal strengths in the areas discussed above has been practically established, the company will consider the viability and possibility (in discussion with the Regulator) of adding low power fill-in transmitters Proposed in phase (II) schedule.

The company will also consider the possibility of implementing synchronous transmission throughout; That is to say allowing co-channel or adjacent channel usage in neighboring areas if the regulator proposes this solution to the challenge of maximization of coverage. This system is technologically possible, and the company link system would lend itself to facilitation of this.

Please note that the company is aware final transmission network plan is subject to acceptance or approval by the regulator, and as such the plan presented may differ somewhat from that eventually agreed with the regulatory body. Please see the following table showing characteristics of the proposed Transmitting station: 1. Shinyanga.

Site Name Audio feed Power	Coordinates	Height	Ant Ast/M	Ero KW Agt/M	Backup
IKILULU	3°48'22.66"S 1470 60 33°16'49.27"E	60	100 Omni	Yes	Broadband

The site will utilize vertical polarization; the transmitter site features its own independent, specifically designed antenna system, and includes a band pass filter and directional coupler.

The FM band pass filter will be of a double cavity design, unless operating within 1MHz of co-located transmitter, when a triple cavity design would be used. We propose to use 'FDB' series filters and combiners from Label Italy. Spa Coaxial Dynamics, model 88500 series (7/8") with appropriate connectors and extractor model 78015, which provide a -50dB sample to a BNC connector.

They can be oriented in the line section to provide both forward and reverse samples.

iii) Shown below is the computer-predicted coverage plot:

- Composite coverage of all sites proposed;
- Best coverage based on the defined minimum field strength for stereophonic Reception, 54 dBuV/m; The resolution of the terrain database is 90m, and receive antenna height used was 10m, as per ITU recommendations. Although a receive height of 2m, for example, would show a realistic, real-world result, it has been noted of recent that some projections have used varying, arbitrary figures for this which have tended to artificially flatter the results.

Therefore we have decided to follow ITU guidelines in the absence of any other guidelines or standards. Minimum signal levels used were derived from ITU-R BS.412-9: Rural: mono 48dBuV/m stereo 54 dBuV/m Urban: mono 60 dBuV/m stereo 66 dBuV/m.

2.3.4. Studio- Transmitter linking:

With regard for the possibility that the allocated frequency may be co- or adjacent channel, the company decided to distribute program audio and data by using diverse methods like satellite based STL, Broadband links, and the optic fiber communication Network being currently installed. Diversity FM receivers will also be deployed were feasible. Please see the following tables showing itemized capital costs and site rentals:

S/N	Items	Cost in US\$
1	Studio Equipments (Shipping Inclusive)	174,196
2	2KW Transmission (Shipping Inclusive)	56,241
3	Generator 80 KVA	29,630
4	Construction, wiring, painting and sound proofing	22,010
5	Air conditioners and Installation Cost	11,249
6	6KVA Tecno GB 6000AVR	9,731
7	OB Van	8,000
8	Inverter and Backup for Studio and Transmission	7,400
9	Office furniture	4,800

10	Insurance	3,195
11	Studio Installation cost and technical Team Facilitation	3,000
12	1 Mic Book PRO	1,200
13	Logo Design/Branding materials	1,200
14	Desktop	500
15	Record Software	500
16	Other cost	50,000
Total		382,852

2.3.5. Operating expenses of the project.

S/No	Items	Cost in US\$
1	Sales and advertisement	36,000
2	Fuels	25,000
3	Travels allowances to editors, photographers, sports	24,000
4	Administrative cost	12,000
Subtotal Operational cost		97,000
5	Utilities	12,000
Grand Total		109,000



nautel Radio Coverage Tool

JAMBO RADIO COVERAGE ANALYSIS

Description	Radio coverage plot 37
TX	2.5 KW FM w/ 4 bay antenna
RX	FM Car Receiver Stereo
Frequency	90 MHz
Base Name	Kilulu TX Site Shinyanga
Latitude	-3.80643954 °
Longitude	33.28070241 °
Latitude	03° 48' 23.18"S
Longitude	033° 16' 50.53"E
UTM (WGS84)	36M E531167 S9579263
Elevation	1470.0 m
Base Ant. Height	50 m
Base Ant. Gain	5.4 dBi
Mobile Ant. Height	1.0 m
Tx Power	2500.00000 W
Tx Line Loss	0.3 dB
Weak signal field	32.8 dBµ V/m
Strong signal field	42.8 dBµ V/m
Weak signal covered area	44540 km ²
Strong signal covered area	25223 km ²
Weak signal population reached	2805697 pop
Strong signal population reached	1678451 pop
Landcover used	Yes
Two rays method used	No
User ID	dlembuya
Radio coverage ID	NAUTELACE00834EB4_3
Generated on	4/13/2018 3:32:54 AM

3.0. Proposed Market Analysis Proposed Area

3.1. Analysis of existing marketplace.

Below is Set out, of company analysis of the radio market in the proposed market area in relation to:

- (i) The performance of existing operators
- (ii) Audience ratings
- (iii) Advertising revenue; and
- (iv) Other issues consider being relevant to the competitive assessment of the marketplace.
- (v) The Performance of Existing Operators & Audience Ratings

3.2. Overview of the broadcast business

Business advertising and consumer demographics drive demand. The profitability of Jambo FM will depend on advertisement volume, programming mix, and efficient operations. Radio Jambo FM will have the advantages of market dominance in their target market of 15-34 years.

The Radio Broadcasting industry in Tanzania is in the midst of its toughest battle, the advertising budgets are shrinking and increasing digital competition and on-line advertising will threaten its longevity. Still as the general development fluctuates, the radio station will be able to grow their gross margins year over year. The Tanzania radio broadcasting and programming industry includes about 50 companies. Major companies include Clouds Radio, East Africa Radio, E-FM Radio, Radio One, Sibuka FM, TBC and Kiss FM among others. Radio Jambo FM will target a cross section of small business segments that represent:

- (i) Industries that advertise on the radio,
- (ii) High-growth sectors, and,
- (iii) Religious consumer service, automotive, entertainment, media, food, travel, hotel, real estate, computer, and snack sectors.

3.3. Key influences on forecasts

3.3.1. Inflation

Media inflation has been a major issue in the advertising business in recent times. Fuelled mainly by demand, costs increased by 8% in 2018. Demand has continued to grow in 2019, although at a lower rate, and this will vary significantly by audience and medium.

3.3.2. Immigration

One of the most interesting developments in recent times has been the growth in the non-national population which now represents 9.5% of the total population. Marketers will need to take account of the changing face of the country and develop strategies that are relevant to these new consumer segments.

3.3.3. Digital Media

2020 will be a key year in terms of the adoption of digital media. Digital technology is powering a new generation of media opportunities that extend to all media sectors including the internet, interactive television, and podcasting of radio programs, radio and newspaper articles, and point of sale media, interactive outdoor posters, multi-media mobile phones and digital cinema projection among many others. **JAMBO FM** fully intends to be part of the new digital age as more radio choice becomes available. **JAMBO FM** fully intends to be part of the new digital age as more radio choice becomes available.

These new media opportunities present major challenges for both media owners and advertisers as they evolve and begin to reach critical mass over the next five years. The traditional approach to communications planning will not survive in the new digital world where consumers will increasingly become editors of their media and to an extent be able control their advertising consumption.

3.3.4. Television

2017 was a very strong year for television with advertising revenue growing by 14%. The key drivers of this growth were the telecoms, financial and Consumer categories. Star TV exceeded the industry average, with growth of 17%. ITV also had a strong year with revenue growth of 25%. It's expected that TV will continue to outperform the market.

If the stations succeed in pushing through aggressive price increases, revenue could be up by as much as 12%. However, the actual increase in revenue will depend on the stance taken by the advertising industry in relation to proposed price increases. Television viewing among young adults, aged fewer than 35, was down by 4%, but during the same period the system reported growth in ABC1 viewing of 6%. The growth in internet, mobile phone and games console penetration explains why young people are spending less time viewing TV, but there is a view that research sample instability could be responsible. Strong revenue growth combined with decreasing viewing levels resulted in high inflation in 2017. The cost of buying a campaign (aimed at all adults) increased by 8% during the year. However, more significantly, a sharp decline in viewing among younger adults drove inflation to 17% for under 35's. If this continues in 2012, radio may well benefit as TV prices soar.

a. Key Developments

Overall, we expect viewing to commercial television to increase by 2%, due to the launch of Clouds TV and the possible introduction of the digital television platforms.

b. Medium to long-term challenges:

Technology is revolutionizing the way television is consumed. Personal video Recorders (PVRs) are allowing consumers to time shift their viewing with ease and fast forward through commercial breaks. PVRs are only available in 2.5% of homes at present but as penetration grows, commercial break viewing will be affected which will place increased importance on other ways of connecting with the viewer such as sponsorship, advertiser funded programming and product placement. This coupled with other developments, particularly in mobile media to include the downloading of movies onto your handset poses threats for all media as competition increases to attract the consumer. The challenge for advertisers, in this new world, is to maintain relevance in an environment where the consumer is in complete control of the messages that are communicated to him or her.

3.3.5. Press

Expenditure in newspapers and magazines grew by 7% in 2017. Property and Recruitment performed ahead of display advertising with growth of 12%, despite the emergence of online as a strong medium for both categories. Press will have another strong year in 2018, particularly in the second half when Election money will be targeted by big-ticket retail offers which lend themselves to the press environment. With this in mind, we predict revenue growth of 6.5%. In total, (paid for) newspaper circulations fell by 2% in 2017 and we estimate that 2018 will see a further 1% decline which will be driven, in part, by the recent introduction of free newspapers to the market and the opportunity to obtain news information from a variety of other sources on demand from the Internet. The cost of reaching all adults grew by 8% in 2017. The main reason for the large increase was falling levels of readership across most titles. Because of the readership decline some newspapers found it difficult to secure rate card increases in 2017. As a result, we expect CPT inflation of 3% this year.

a. Medium to long-term challenges

The inevitable growth of online and mobile digital media (3G mobile phones, mp3 players etc) poses challenges for daily newspaper publishers in terms of audience numbers and advertising revenue. Sunday newspapers will be less

affected (although not immune) because they are consumed at a more leisurely pace and fulfill a different need for readers. To address this the newspaper industry is busy reinventing itself and revamping its online proposition.

3.3.6. Radio

Radio was one of the strongest performers in 2017 with an increase in revenue of 10%. This performance was partly due to its use as a cheaper alternative to TV by some advertisers. Increased choices in the way that music in particular can be consumed, MP3, iPod, Internet, Podcasting etc. contributed to a 1% decline in all radio listening. It is hoped that the launch of new regional services targeting the youth market, particularly those under 25, will contribute to raising the levels of all radio listening. Radio listening in Tanzania is very high compared with other countries and it will continue to be so, long into the future. This is partly fuelled by the different research methodologies but does more fundamentally underpin Tanzania's stronger relationship with radio and in particular with talk radio programming.

a. Key Developments

In the coming year, it is expected that radio will continue to perform well, fuelled by station launches, which if not impacting on net reach will offset potential losses. We predict that advertising spend will grow by 6%. Whilst CPT inflation in 2017 was 9% and although radio stations will be looking to drive further revenue growth in 2012 with significant price increases, we believe there will be no appetite from the market to accept these and inflation will settle at c. 4%, as a result.

b. The iPod factors

The growth in use of mp3 players and iPod is obviously a concern to radio stations globally. They have begun to compete (or "complementing" depending on one's point of view) through podcasting which is also having an effect on how producers design the content of programmes. Radio stations that do not recognize how to ensure that their services complement these opportunities will suffer in the new age. More than ever the need for radio stations is to recognize and promote the cult of personality.

c. Digital Audio Broadcasting (DAB)

The benefits of DAB include increased choice, crystal clear quality and automatic tuning. In addition, all digital radios have LCD displays which can provide extra information to the listener such as the name of the DJ, name of the song, advertisers' phone numbers, web addresses and even video! One of the first consumer applications may well be the provision of an electronic programme guide (EPG). The development of DAB will depend on a clear Government

strategy and the countries' national allowance of frequencies as determined by the Regional Radio Communications Conference in 2006. Consumers have a completely different relationship with radio than any other medium in this regard because of the way it mixes relevant news, weather and traffic seamlessly with music, current affairs or chat.

3.3.6. Online

Online performed strongly in 2011 with growth of 35%. But still only accounted for 1% of total advertising expenditure in the country, but it is gathering momentum. Online spend is expected to grow by 50% in 2018. Two factors have been holding the medium back. These are low household penetration of broadband and the conservatism of the Local advertising industry, which has been slow to recognize the opportunities available online. However, this is set to change and in 2018 it is expected that internet access at home will increase from 45% of adults to 51% by the end of the year, with expenditure growing by a minimum of 50%. Search engine marketing will grow ahead of this figure.

a. Key Developments

Broadband growth in the country has accelerated in the last 12 months and at the beginning of the year stood at 30% of internet homes (or 12% of all homes). Despite this growth, Tanzania is close to the bottom of the international league table.. Broadband is not simply a faster way to connect to the Internet, it fundamentally changes the amount of time consumers spend online. In Broadband homes 29.5% access the Internet compared with all Internet access homes 17.8%. By comparison, listening to radio, in common with other media usage was found to be lower in broadband homes at 25.5% against 29.9%. With Broadband predicted to grow by 50% of online homes by the end of 2017, we can see that this may have a further negative impact on radio listening, particularly from our core target age group for whom the internet forms an integral part of their lives.

b. Medium to long-term challenges

The future role of the internet as a communications and distribution channel is beyond dispute. Convergence means that all media channels will be powered by the internet in the future. Increased bandwidth will allow consumers to do virtually everything online, tailor-made and at high speed. Consequently, it is inevitable that online advertising will grow dramatically in the coming years, in line with the uptake of Broadband. This dynamic is already evident in the rest of the continent.

3.3.6 Cinema

Cinemas admissions are in decline, this coupled with a rise in revenue from DVD Sales where income will exceed box office receipts by 300% in 2016. In 2017, Cinema spend fell by 15%. This was driven primarily by alcohol advertisers reducing their investment, but also by the impact of price inflation on television campaigns and audience decline.

a. Key Developments

New multi screen developments are taking place, the objective being to provide more choice and so increase frequency of attendance.

b. Medium to long-term challenges

Digital projection will negate the need for the production and costly distribution of expensive film prints. It will allow for simultaneous film launches across the world and it will reduce the production costs associated with cinema advertising. Tanzanian. Theatres will not begin to enjoy the benefits of digital cinema until they introduce the new projectors and it will take a few years before there is a complete switchover.

c. The rise of home video

The impact of home theatre systems, plasma screens and new high definition TVs, coupled with the slow rise of video on demand will contribute to the gradual decline in cinema audiences.

d. How does this impact on the youth market?

Today's 15-35-year-old are relatively more affluent and much of their disposable income is devoted to lifestyle products which reaffirm their own self image and aspirations as well as their need to impress and demonstrate their success among family and friends. Other characteristics of this audience include them being career oriented, materialistic and followers of the latest fashions and technologies. They display impulsiveness, spend money readily and live life for the moment. Important lifestyle products are Clothes, luxury items, music, leisure, personal accessories, technology, web surfing, iPod, pod casting, computer games, television viewing and radio listening, all of which are fashion and image statements.

This generation, more than previous generations, is obsessed with celebrity and the lifestyles of the rich and famous. They expect the media to keep them informed of every minute detail and in this respect **JAMBO FM** will deliver. This group remains important to almost all advertisers since this age group is adventurous and more likely to be early adopters or trialists of new products and services.

Choice is part of their lives. They are the “I want what I want, and I want it now generation” and in fact they are, for the most part able to achieve this aspiration particularly when it comes to accessing music which is a key interest in their lives. Much of the short, medium- and longer-term challenges discussed in our overview of key media will impact predominantly among those aged under 35. They are a vulnerable audience to the existing radio industry It will be incumbent on a new radio operator in this market to be fully aware of these challenges and to provide a compelling radio service that delivers.

It will also be essential for **JAMBO FM** to find innovative ways to integrate new technologies such as the iPod with radio listening Demand Potential for the Type of Service proposed the business plan explain below, providing supporting documentation and research, the reasons why the company consider that there is a demand for the service proposed and how the service will contribute to the diversity of broadcasting services and programming available in the proposed coverage area. Reference is made in particular to the following:

- i) The target audience;
- ii) The services available in the Regions of Shinyanga and Kahama.
- iii) The attitudes and views of local and national advertisers and media buyers to the proposed service.

3.3.7. The target audience

a. Major Consumer Research Study

JAMBO FM has undertaken a major consumer research study with consultancy aid to support its audience projections and to estimate the likely impact of this new service on existing operators across the counties of all Shinyanga. The survey comprised 200 interviews with adults 15 to 34, which was controlled by quotas to ensure its representativeness of the broad target by the following breaks within male and female 15 to 19, 20 to 24, and 25 to 29 and over 30s.

In addition, the survey carried out using CATI (Computer Aided Telephone Interviewing) ensured full geographical representation of both urban and rural areas in the region with interviews conducted proportionate to population size. Telephone interviewing also allowed us to play music clips down the line in order to gain reactions to our music policy. The research was undertaken to help determine:

- Existing radio listening patterns and attitudes.
- Particular tastes and interests, both for music as well as news and information programming.
- Propensity to listen
- Impact on existing stations in the market.

b. Recognition of Local Radio Station

The local stations are most strongly identified within their own counties. Consequently, Faraja FM is most clearly identified as the local station in Shinyanga (71%), Kahama FM in Kahama (60%). So, as we can see, identification with a local station is quite clearly defined. Each of the stations has high recognition within their home counties with Faraja FM having the strongest recognition overall.

c. Would a regional District for JAMBO FM help grow the radio market?

As a result of the positive reaction to the programming proposition, almost three quarters of those interviewed, were of the view that the proposed **JAMBO FM** service had the potential to help grow the radio market.

d. Would advertisers increase the use of a District license JAMBO FM?

Just over half said that they would be at least very likely to use the new station if they had products or services targeting a 15 to 34 audience. Looking at the findings just among agency contacts we found a significantly higher 90% would support **JAMBO FM** and underpins the very conservative view that advertisers have about all new media opportunities. The company will need to ensure that her business to business marketing activity communicates clearly to advertisers the very significant and complementary radio advertising opportunity that **JAMBO FM** would bring.

e. Where would the revenue come from?

The majority claimed that revenue would, for the most part come from existing budgets. Agencies were more likely than advertisers to think that new budgets would be created.

f. What budgets would be affected?

Existing radio budgets would, for the majority, be reapportioned. Agency contacts also felt that press would be negatively impacted. Again, business to business marketing activity will need to demonstrate that a youth targeted service will grow the market for radio and avoid wastage when trying to reach a youth market, both reasons being vital to underscore the need to invest more in radio.

3.3.8. Anticipated sales forecasting

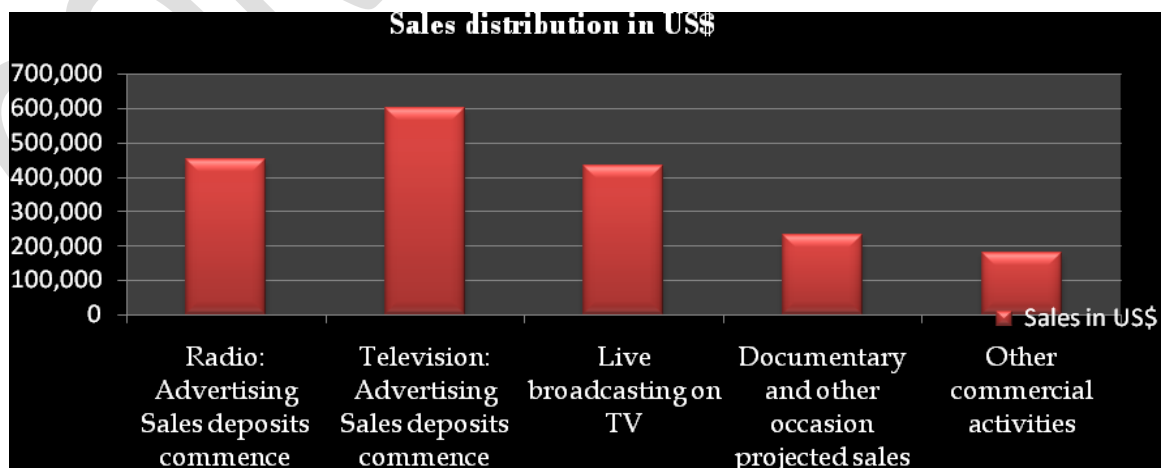
The company sales forecast will base in advertisement, production of documentaries, education programs, and entertainments.

- **Radio:** Advertising Sales deposits commence three months in advance. Estimated deposit sum is around US\$ 1,500 per day equivalent to **450,000US\$** for 300 days in a year,
- **Television:** Advertising Sales deposits commence three months in advance. Estimated deposit sum is around US\$ 1,500 per day equivalent to **600,000US\$** for 300 days in a year,
- **Live broadcasting on TV,** To different occasion per hours is 4,500US\$. Projected activities per day are 2 hours. Per month the company may acquires 4 occasions. Annual sales will be **432,000US\$**
- Documentary and other occasion projected sales 230,000US\$ annually.

Projected sales in summary

S/No	Items	Sales in US\$
1	Radio: Advertising Sales deposits commence	450,000
2	Television: Advertising Sales deposits commence	600,000
3	Live broadcasting on TV	432,000
Sub Total: Advertisement sales		1,482,000
4	Documentary and other occasion projected sales	230,000
5	Other commercial activities	180,000
Sub Total: Documentary and other commercial activities		410,000
Total		1,892,000

Graph summary



4.0. Organization and Manpower Requirement.

4.1. Staffing and Human resources development.

Jambo Communication Limited will cultivate a strong connection with youth development programs as a social and co-operate responsible -40% of the workforce will be apiring young broadcasters and will help in promoting and developing company shows and other 60% will qualified broadcasting staff. Distribution presented is 40/60.. The investor has an exemplary record in employing matters. The company believes all employment is two way street – situation where both employer and employee should benefit. *“Win win situation”*

The company believes not just formal training schemes, but also in coaching and mentoring. The company knows that the retention of staff speaks more than any contractual promise, and have an exemplary track records in this respect. Jambo communications Limited is committed equal opportunity employers and have a long and proud history of actively recruiting and employing disabled individuals.

Jambo FM in particularly, will run pre-launch program to identify broadcasting talent within the region. The company policy of not pre-recruiting a management team allows to run a high profile recruitment and head bunting campaigning to secure the best possible employees.

4.2. Recruitment

Recruitment of the 20 persons will be carried out by giving first preference to ex-technician from our local technical institutes such as Dar Es Salaam Technical collage “DIT” Mwanza Branch especially for technical support department, for presenters, media, journalist etc, the company will employ graduates fro Saint. Augustine University in Mwanza region. Others will be employed according to their experience from other broadcasting in local and if possible to international broadcasters. To ensure that the right calibre is recruited. Recruitment of expatriate personnel will be carried out in consultation with the relevant authorities in Government and the collaborating agencies.

4.3. Training and the use of Consultants

The Company plans to initially carry out on the job training for most of the technical staff by from recommended expert especially from the suppliers of of broadcasting equipments that will be specified under sales agreement. Later on, the maintenance staff will be sponsored to go on field trips outside the country with the manufacturers of the working equipments to familiarize themselves with the operations of the studio and radio a& TV transmission management.

In general the company will ensure that employees acquire new skills and procedures to increase their productivity fourfold. Educational materials will be subsidized or paid for to motivate the workers to develop themselves.

Whereas the company will endeavor to obtain the best talents to fill the permanent posts in the organization, it is intended where necessary, to continue with the policy of hiring out some specialized skills by way of consultants. Alternatively, those skills not required throughout the year will be left to consultants. These include legal counsels, systems and management consultants. To ensure efficient and scientific management, operational manuals will be prepared for the core functions of the company.

4.4. Organization and Management.

The project will be managed by qualified professionals given the vast experience that the promoters have acquired over years in running and managing similar businesses. The Board of Directors formulates policy and offer strategic business guidance to management and regularly monitor and evaluate performance of the company. Proposed organization and manpower requirement and salary structure for the broadcasting is as follows:

CATEGORY	NOs	MONTHLY SALARY (US\$)	MONTHS	ANNUAL SALARY (US\$)
CEO/Program Controller	1	1000	12	12,000
Head of News, Current Affair & Sport News/Sport Journalists	2	750	12	18,000
Presenter/Producer	4	600	12	28,800
Chief Technical Officer	1	650	12	7,800
IT Technician	1	650	12	7,800
Sound Technician	1	650	12	7,800
Financial Controller (shared Services)	1	750	12	9,000
Accountant Assistant	1	550	12	6,600
Office Manager	1	600	12	7,200
Receptions	1	300	12	3,600
HR Officers(Shared)	1	650	12	7,800
Drivers	1	300	12	3,600
Attendants	1	250	12	3,000
Sales Directors	1	650	12	7,800
Sales Executives	1	600	12	7,200
Promotion Executives	1	600	12	7,200
Subtotal Salary payment	20			1435,200
Social Charge& pension payment				14,520
TOTAL	20			159,720

5.0. Financial plan overview

The share capital (20%) and loan stock (80%) will be provided exclusively by the shareholders. The existing shareholders of Jambo Food Products have agreed collectively and individually to meet their obligations in relation to the future financing needs of the original licensed Jambo Food Products.

It is envisaged that the bank overdraft facility and capital leasing. Facility will be provided by agreement with one of the banks with which the shareholders have dealt with previously. However, in the unlikely event that such an agreement cannot be reached, the shareholders have agreed to meet the extra financing needs themselves or by providing extra collateral for securing adequate loans to cover the stations needs.

5.1. Investment Proposal and Projections.

The Promoters have agreed to make 179,810.4 US\$ available immediately to cover the Pre-operational costs and associated consultancy fees and expenses. Should the application be successful, the promoters will be investing 899,052US\$ in share capital in the 5 years following the launch of the service.

S/No	Investment Summary: equity debt contribution	Value in US\$
1	Studio Equipment for studio	382,852.00
2	Studio plan/design equipment	196,200.00
3	purchase L/vehicle	20,000.00
4	Rehabilitation and design of studio	60,000.00
5	3 purchase of heavy vehicle fully equipped studio @ 80,000	240,000.00
Subtotal Fixed Assets		899,052.00
Total Investment		899,052.00
Equity, Debt Contribution		
1	Cash (20%)	179,810.40
2	Loan (80)	719,241.60
Total Equity		899,052.00

5.2. Financial strategy and Financial plan overview

The project will be fully funded by investors own equity and loan able amount from investment bank. The shareholders have a proven record in the patience, tenacity and financial commitment required to provide a quality service to the target audience. The overall financial strategy is derived from the market size, existing loyalties and the competitive dynamic in the radio market and the level of investment required is backed by in-depth research of the market as outlined elsewhere in the document.

The shareholders will provide an estimated 179,810.6US\$ (20%) to fund the broadcasting station in two phases and over a period of five years. The company believes, on the basis of experience in Shinyanga that any less would be insufficient to bring the station to success. The Regulatory Authority that shareholders have a track record of providing additional capital if committed funds prove inadequate, due to unforeseen adversity.

5.3. Testing financial viability of project

- All estimated 899,052US\$ will be in shareholder equity but there will be an option of shareholder loans and bank draft.
- The company cautiously projecting reaching breakeven in Year 5 of the new license.
- Sales forecasts are based on prior experience and existing relationships with advertisers.
- the company expect gross sales of 39% during the first year of production at an average of 38% over five years.
- the percentage of sales will increase simultaneously while the projected percentage of sales in the first year is 22.02, second year will be 22.26,
- The estimated revenue gain in sales in advertisement and other commercial activities annually 1,892,000US\$ in the first year of implementation with an increase rate of 4% on sales volume excluding Value Added Tax.
- Cost of production in the first year is 1,147,772US\$ with increased rate of 5% which depends on inflation rate of the country,
- Estimated depreciation of equipment at a rate of 12.5% is estimated to 66,981US\$,
- The discount rate has been assumed to be 8%,
- Net earnings for the first year of production is including tax of 30%, depreciation and loan payment is 416,534\$ which shows the project start to pay necessary operational cost, the net earnings increase positive to all 5 years,
- The project annually loan payment is 180,138.70, according to above financial sensitivity, the project can recover loan-able amount of 719,241.6US\$
- Testing the viability of project, the Internal Rate of return is positive for initial investment of 892,052US\$ which is 20.33% with a payback period of project is within 3 years
- The end balance of project in cash flow statement is positive and increases tremendous.
- Testing the project viability is positive whereas IRR is positive 18.337%, and.

- Break even on sales is 185,665US\$ in the first year of implementation of project and increases positively

5.4. Financial modeling analysis and plan

5.1.1. Objective and Scope of Financial Model

The main objective of the financial modeling and analysis is to setup a financial model framework for potential generated revenues and operational maintenance costs for the full operation of Jambo Communication Limited based on the assumptions taken for the Market Analysis, the plan for the facility development, unit production costs and other overhead and operational charges.

The scope consists of a financial model that will be used to analyse the potential financial viability of the project based on the assumptions taken for the concept and scope of the broadcasting firm on the Market Analysis. The financial model has been developed in excel spread sheet and include information on costs, expenses and the subsequent sales revenue based on the average market prices and linked to the financial cash flow.

Income Statement Projections

(all numbers in US\$)

Revenue

	<u>Year 0</u>	<u>Year 2020</u>	<u>Year 2021</u>	<u>Year 2022</u>	<u>Year2023</u>	<u>Year 2024</u>	-	<u>TOTAL</u>
Annual sale on advertisements	-	1,482,000	1,541,280	1,602,931	1,667,048	1,733,730		8,026,990
Documentary and Commercial activities	-	410,000	426,400	443,456	461,194	479,642		2,220,692
Total Operating Revenue	-	1,892,000	1,967,680	2,046,387	2,128,243	2,213,372		10,247,682

Expenses

	<u>Year 0</u>	<u>Year 2020</u>	<u>Year 2021</u>	<u>Year 2022</u>	<u>Year2023</u>	<u>Year 2024</u>	-	<u>Total</u>
Salaries		145,200	152,460	160,083	168,087	176,492		802,322
Social Charges & Pension Payments		14,520	15,246	16,008	16,809	17,649		80,232
Operational Cost		97,000	101,850	106,943	112,290	117,904		535,986
Rehabilitation/construction of modern studio		60,000	63,000	66,150	69,458	72,930		331,538
3 purchase of heavy vehicle fully equipped studio@80000		240,000	252,000	264,600	277,830	291,722		1,326,152
Utilities (water and Electricity)		12,000	12,600	13,230	13,892	14,586		66,308
Studio Transmission link equipments		382,852	401,995	422,094	443,199	465,359		2,115,499
Studio design/equipments		196,200	206,010	216,311	227,126	238,482		1,084,129
Total Operating Costs		1,147,772	1,205,161	1,265,419	1,328,690	1,395,124		6,342,165

Operational Net Earnings before Depreciation, Interest & Tax		744,228	762,519	780,969	799,553	818,248		3,905,517
<i>%age Gross Contribution</i>		39	39	38	38	36.97		190.79
Depreciation		66,981	68,627	70,287	71,960	71,960		351,497
Net Earnings before Tax & Interest		677,247	693,893	710,681	727,593	746,289		3,554,021
Interest Paid (Bank Loan)		57,539	47,731	37,139	25,699	13,344		181,452
Tax (30%)		203,174.24	208,168	213,204	218,278	223,887		1,066,711
Net Earnings		416,534	437,993	460,338	483,617	509,058		2,307,541
Percent of sales		22.02	22.26	22.50	22.72	23.00		22.52

Cash Flow statement from Investing Activities for five years						
(all numbers in US\$)						
	<u>Year 2020</u>	<u>Year 2021</u>	<u>Year 2022</u>	<u>Year2023</u>	<u>Year 2024</u>	
CASH FLOW FROM OPERATING ACTIVITIES						
Cash receipts from Sales	1,892,000	1,967,680	2,046,387	2,128,243	2,213,372	
Cash paid to suppliers and employees	(1,147,772)	(1,205,161)	(1,265,419)	(1,328,690)	(1,395,124)	
Cash generated from operations	744,228	762,519	780,969	799,553	818,248	
Dividends received*	0	0	0	0	0	
Interest received	0	0	0	0	0	
Interest paid	(57,539)	(47,731)	(37,139)	(25,699)	(13,344)	
Tax paid	(203,174)	(208,168)	(213,204)	(218,278)	(223,887)	
Net cash flow from operating activities	483,514	506,620	530,625	555,576	581,018	
CASH FLOW FROM INVESTING ACTIVITIES						
Replacement of equipment	0	0	0	0	0	
Proceeds** from sale of equipment	0	0	0	0	0	
Net cash flow from investing activities	0	0	0	0	0	
CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from capital contributed	179,810	0	0	0	0	
Proceeds from loan	719,242	0	0	0	0	
Payment of loan	(122,599)	(132,407)	(143,000)	(154,440)	(166,795)	
Net cash flow from financing activities	776,453	(132,407)	(143,000)	(154,440)	(166,795)	
NET INCREASE/ DECREASE IN CASH						
	1,259,967	374,213	387,625	401,136	414,223	
Cash at the beginning of the period	416,534	437,993	460,338	483,617	509,058	
Cash at the end of the period	1,676,501	812,206	847,964	884,753	923,281	

Pro forma balance sheet

(all numbers in US\$)	Year 2020	Year 2021	Year 2022	Year2023	Year 2024
ASSET					
Current asset	416,534	437,993	460,338	483,617	509,058
Fixed Asset	899,052	917,033	935,374	954,081	973,163
Additional Investment	0	0	0	0	0
Liquidity	744,228	762,519	780,969	799,553	818,248
TOTAL ASSET	2,059,814	2,117,546	2,176,680	2,237,251	2,300,470
EQUITY & LIABILITIES					
Equity	899,052	922,787	1,004,583	1,093,629	1,190,568
Reserves					
Total Own Equity	899,052	922,787	1,004,583	1,093,629	1,190,568
Provisions	710,468	737,826	708,467	673,245	633,916
Long term loan	180,139	180,139	180,139	180,139	180,139
Short term Liabilities	270,155	276,795	283,492	290,238	295,846
Total Equity & Liabilities	2,059,814	2,117,546	2,176,680	2,237,251	2,300,470
CL/CA RATIOS	0.6486	0.6320	0.6158	0.6001	0.5812

Loan Information and Payment Schedule					
Loan Data			Loan Summary		
Original Principal	719,241.60		Scheduled Payments		180,138.70
Loan Term (Years)	5.00		Scheduled number of payment		5.00
Annual Interest Rate	0.08		Actual number of payment		5.00
Payments per Year	1.00		Total Early Payment		-
Payment	447088.00		Total Interest		1,470,885.00
Year	Payment	Interest	Cumulative Interest	Principal	Balance
0.00					719241.60
1.00	180138.70	57539.33	57539.33	122599.37	596642.23
2.00	180138.70	47731.38	105270.71	132407.32	464234.90
3.00	180138.70	37138.79	142409.50	142999.91	321235.00
4.00	180138.70	25698.80	168108.30	154439.90	166795.09
5.00	180138.70	13343.61	181451.91	166795.09	0.00

IRR for the Project

(all numbers in US\$)

	Initial Investment	-899,052
Year 2020	Additional Annual Net Profit	416,534
Year 2021	Additional Annual Net Profit	437,993
Year 2022	Additional Annual Net Profit	460,338
Year 2023	Additional Annual Net Profit	483,617
Year 2024	Additional Annual Net Profit	509,058
	IRR (in 5 years)	20.33%

The IRR above indicates that the expected return on the 899,052 initial investments after 5 years is 20.33%.

Payback Period Analysis				
	Year	Beginning Balance	Net Cash Flows	Ending Balance
Cost of investment	0.00	899,052.00	0.00	899,052.00
	1.00	899,052.00	416,533.91	482,518.09
	2.00	482,518.09	437,993.48	44,524.61
	3.00	44,524.61	460,338.19	415,813.57
	4.00	415,813.57	483,616.54	899,430.12
	5.00	899,430.12	509,058.39	1,408,488.51
Payback Period =		3.00	Years	

Break-Even Analysis in (\$)

	year 2020	<u>Year2021</u>	<u>Year2022</u>	<u>Year 2023</u>	<u>Year 2024</u>
Revenue	1,482,000	1,541,280	1,602,931	1,667,048	1,733,730
Variable	97,000	437,993	460,338	483,617	509,058
Fixed	899,052	917,033	935,374	954,081	973,163
Total	996,052	1,355,027	1,395,712	1,437,698	1,482,221
Operating Expenses					
Variable	416,534	437,993	460,338	483,617	509,058
Fixed	899,052	917,033	935,374	954,081	973,163
Total	1,315,586	1,355,027	1,395,712	1,437,698	1,482,221
Total Costs & Expenses					
Variable	513,534	875,987	920,676	967,233	1,018,117
Fixed	1,798,104	1,834,066	1,870,747	1,908,162	1,946,326
Total	2,311,638	2,710,053	2,791,424	2,875,395	2,964,442
Variable Costs/Revenue Ratio	0.28	0.57	0.57	0.58	0.59
Break-Even Point Revenues	2,751,557	4,248,969	4,395,248	4,545,483	4,715,399
Break even sales ratios	185.665	275.678	274.201	272.667	271.980

6.0. Risk Analysis

Risk is the probability that an event or action will adversely affect the organization. Risk assessment is the identification and analysis of risks associated with the achievement of operations, financial reporting and compliance goals and objectives. Risk management is a central part of the Jambo communication Limited. The Industry's management will determine the level of operations, financial and compliance risk they are willing to assume. Risk assessment is one of the Company's management responsibilities.

6.1. Macroeconomic risk analysis

Since early 1986, the Government of Tanzania has launched a comprehensive economic policy and stabilization plan with the aim to enhance the amount of infrastructure construction and improve the lives of the poor. During this time the main economic indicators significantly improved. However, uneven development of various region in the country, lack of relevant infrastructure in transportation, telecommunications, networking, health facilities, electricity and water supplies have proven to be investment barriers. Overall, Tanzania has a weak economic foundation but the project can achieve a greater impact in attaining social and economic goals for the country.

6.2. Finance risk analysis

- a) **Processing Risks:** The technology, machines and equipment used in broadcasting firm are in rudimentary stages all of which contribute to reducing production efficiency. Also quality and standards consideration in the provision media services.
- b) **Sales/market risk:** Placing of services provision on the consumer markets bears risk of demand fluctuations and rejections.

6.3. Other potential external risk

- a) **Lack of Governance:** the Governance mechanism in the provision of service is underdeveloped, actors operate in an uncoordinated and unorganized fashion, and if rules exist they are often ignored;
- b) **Lack of market coordination:** No lead organization has a coordinating role in relation to markets, technology and information such that consumer need and satisfaction in provision of broadcasting services;
- c) **Unclear and conflicting roles regulatory authorities:** Regulatory Agencies are responsible for quality control as well as enforcing TCRA, TBS, Shinyanga Municipal Council etc, are regulatory role in issuing licensing etc

- d) **Operating procedures:** Standard procedures are inadequately enforced, or not enforced at all, because of relaxed commission for communication and trade regulations; and
- e) **Integration:** there is little vertical integration of importers, mid chain actors..

6.4. Mitigating potential risk

The development of a large and complex project such as Jambo Communication Limited is necessarily accompanied by multiple risks during all the phases of the project development, construction, operation and maintenance. The right approach to manage the project in a manner which is fairly and adequately address the multiple risks in a comprehensive as well as systematic manner is to use the risk analysis and management methodology which identifies the risk issues and their instrumental cause. In this regard, the risk is eliminated or effectively managed by the party best suited with capacity to handle or deal with the risk factors.

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7.0. Economic and Social Aspects

The project is also likely to have a positive impact on the economy of Lake Zone regions and Tanzania as a whole by creating employment, and contributing to Government revenues through various taxes, which will be paid. In summary the following table will show impact investment index framework

Impact Investment Index Framework

Impact Investment Index		
Frame Work for JAMBO COMMUNICATION LIMITED		
Performance Area	Quantitative Indicator	Remarks
Investment Capital	Total investment capital, CAPEX and OPEX US\$ 899,052 US\$	Substantial amount of capital invested into the domestic economy.
Job requirements	Job creation after plant in operation 2020-2021. Direct Tanzanian Jobs 20	<ul style="list-style-type: none"> Reasonable number of direct job created to local Tanzanians with direct impact on poverty reduction through enhanced income generation; and Improving skills development for broadcasting firm development.
Technology applied	High Technology from imported equipments	<ul style="list-style-type: none"> Enhancing technological transfer; and Applied technology which is free from environmental pollution,
Other Implied Project Benefits		
<ul style="list-style-type: none"> Increased sales to the Utility Companies providing services of electricity, water and sewerage, telecommunications; Increased business transacted by local banks and institutions providing financial services; Business opportunities for local entrepreneurs in marketing and entrepreneur knowledge gained from different program, Business opportunities to contractors and sub-contractors during the minor construction phase; Increase of technology transfer & expertise to local employed staff, Capital spends in local economy over 899,052S\$ and Contribution to GDP growth through increased economic activities 		

Based on the Impact Investment Index analysis, the company can develop projections that the project can deliver both value for money in the context of broad socioeconomic impact and return on investment while complying with governance requirements. In this regard therefore, Jambo communication Limited will promote the media firm development in the country, create employment, attract new technologies, expand foreign exchange earnings and ultimately contribute substantially to the country's economic growth.

8.0.. Concluding Remarks and Way Forward

8.1. Evidence of project viability based on financial model and policy framework support

On the basis of all the analysis done on this Business Plan on all aspects of assessment on both SWOC Analysis, market analysis, risk analysis and the financial analysis, the proposed investment options in the broadcasting investment as prescribed on this business plan have shown that the project is commercially viable. Nonetheless, Jambo communication Limited through professional consultative manner, will continue to find ways of implementing cost effective options given time and financial resources that will be made available. Financial analysis results show that when the establishment of communication industry is financed using a combination of equity debt ratio (20:80%), it gives an IRR of about 20.33%. The computed IRR is well above Dollar market of the annual loan interest rate of (8.00%) which is technically interpreted that the project is financially viable. The payback period for the project is estimated at 3 years, which is within the range for this type of investment. Sensitivity analysis results also favor the project. Financial analysis for the project has shown feasible returns. Based on the investment scope and the assumptions taken in this Business Plan,

8.2. Policy Framework Support

The development of the **Jambo Communication Limited** is designed to tape advantages of the current Tanzanian market-oriented reforms. The Project will be developed and established to accelerate the industrialization process. The vision 2025 emphasizes the importance of the allocation of public funds for strategic investments and private sector financing for development investments.

The 15 years Perspective Plan (2010-2015); Prioritize private investment in the context of Public Private Partnership. The First Five Years Development Plan (2011-2016) recognizes the fundamental role of the private sector in enabling the Government to allocate its fund to strategic projects to facilitate a higher level of development. MKUKUTA II (2010-2015) identifies Public Private Partnership as a means of increasing the level of stakeholder participation and of easing the financial burden on the Government. It should be noted that existing public resources are clearly insufficient to meet Tanzanian's huge development needs. The increased use of private enterprises participation in development projects can help alleviate the financing gap. This approach is now applied by Jambo Communication Limited to ensure development of one among the ultra-modern Broadcasting industry be developed in Shinyanga Region. Private sector and investment have been recognized as the most significant potential source of additional funding required to facilitate development projects.

8.3. Conclusive Remarks and Way Forward

The development of this Broadcasting firm will be funded by private finances. The company acting through its various shareholders and structures will provide the initial risk capital amounting to 179,810.4US\$ and the amount of US\$ 719,241.6 will be raised through borrowing from investment banks either within or outside the country. The company will fund the development of the project minor rehabilitations of studio building, business offices, and purchasing media equipments as stated on this business plan. Before the Company engages into the development of this project as a private enterprise, it needs to accomplish the pre development activities to make way for the development of the designated project. The company has to accomplish the following;

a) Apply for TIC certificate

The company by using this Business Plan and other required supporting documents should apply for the TIC Certificate at Tanzania investment centre or Mwanza Zonal Office. With this certificate, the company will be able to access tax reliefs which to a large extent will help to in reducing project costs, particularly in the purchasing of imported equipments and minor building of area of proposed broadcasting building.

b) Minor rehabilitation to suit broadcasting firm requirement

The company should engage a firm to make minor rehabilitation of existing structure that will suit broadcasting firm requirements. The structure should include all vital service facilities described in this business plan. When possible, the process of design of the facility should be consultative in so much that it should allow and incorporate ideas from experienced professionals from the industry.

c) Mobilizing Funds

As previously discussed on the Financial Analysis of this business plan, financing mechanism for the broadcasting firm should be scrutinized well before commencing the project implementation. There may be several options of financing the project development but the company will find the best option. The investment team should do consultation with relevant financial institutions (Banks and non-bank Financial Institutions), both within and outside the country. This exercise should be more effective if the team works closely with central Government agencies, particularly TCRA, TIC and the Ministry technology and information