



The Music Hub

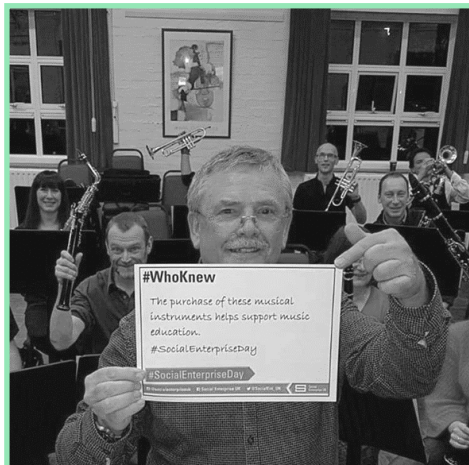


SOCIAL IMPACT REPORT 2019



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PURPOSE

Our business is inspired by the social enterprise model. We believe passionately in sustainable, profitable businesses that exist in order to make the world a better place. **Our purpose is to help nurture the future generation of musicians and make music education accessible to all.**

VISION

Our vision is to generate a profitable, sustainable business model that actively helps make more musicians by ensuring music education, supply of quality instruments and performance opportunities are available to all young people regardless of their financial situation.

VALUES

Deliver **excellent service** and **first class customer care**.

Run a **break even business model** and **donate 100% of surplus to music education**.

Support **local community music projects** directly linked to the source of our revenue.

Provide additional **non-financial support to music education services** as part of the DNA of our business.

ABOUT THE MUSIC HUB

The Music Hub is a social enterprise music shop based in Bromley, Kent. We sell all musical instruments and accessories from grand pianos to boxes of clarinet reeds. We created our business inspired by the social enterprise model so we **reinvest all our profits directly into music education services**. We believe in creating **profit for purpose**: running a sustainable business that invests its surplus in delivering **social value and impact**. Creating profit that makes the world a better place is at the core of our values and we align that with our passion to support **music education** and inspire and nurture the future generation of musicians.

We believe firmly that business has a role to play in its local communities and in wider society, and as musicians ourselves, we know the vital role music plays in education. That's why everything we do helps to support the services provided by hubs and/ or fledgling community music programmes across the country. Whatever our customers' music instrument or supplies needs, they know that when they buy from us they are directly supporting **music education in their local area** and helping **transform young lives**.

The Music Hub is a sole trader business, with a shop at *Bromley Youth Music Trust (BYMT)*, run by David Hunt supplying instruments and accessories all over the UK.

We're proud to be members of Music Mark, Music Industries Association, the Music Teachers' Association and Social Enterprise UK.



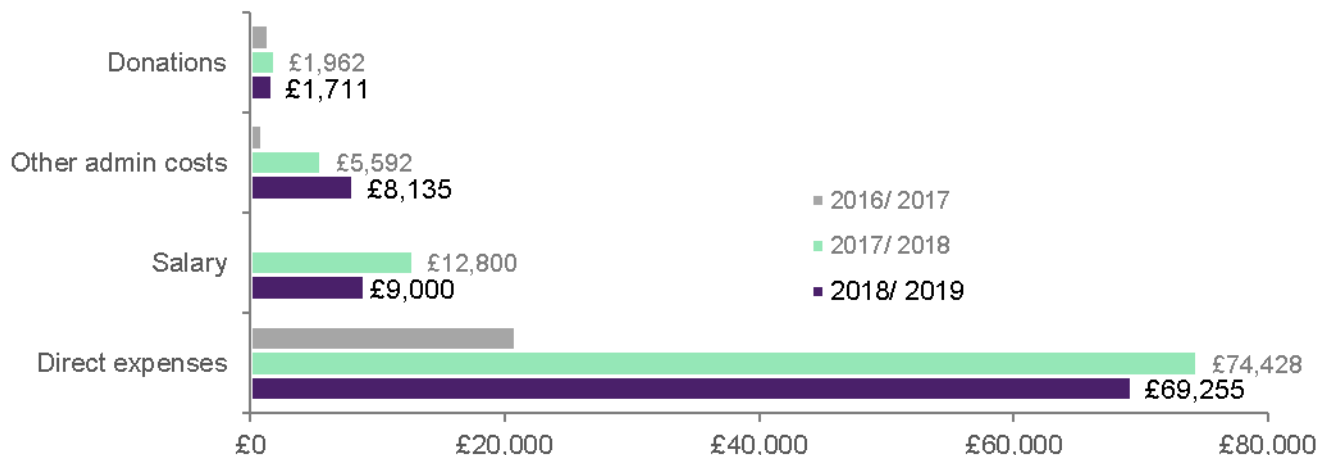
OUR SOCIAL IMPACT

We measure the social impact and value of our business in two ways:

- As a result of running a sustainable, profitable business, we are able to **donate 100% of our surplus**. We make our financial donations primarily to music education services and charities.
- There are a number of activities we undertake as a business which benefit the music industry, music education and other music services. We categorise these as **non-financial donations, sponsorships and time spent volunteering in support of music education**.

FINANCIAL DONATIONS

In 2018/ 19 we were very proud to donate over £1,700 to music education via three community music hubs and the national charity *Music for All*. In this financial year, our focus was on ensuring the sustainability of the business for the long term. As this was the first year in which we bore some of our administrative costs for the full fiscal year (e.g. rent, insurance, IT) we worked hard to improve our gross profit margin to offset this. We improved gross profit from 7.8% (FY18) to 11.1% (FY19). Net profit before donations was 1.9% in both fiscal years.



Notes 2017/ 18:

Turnover - £94,695

The Music Hub paid rent of £2,320 representing the period May 17-Feb 18

The Music Hub invested £428 in marketing

The Music Hub operated on a break even basis carrying a small loss of £87 into the following fiscal year.

Notes 2018/ 19:

Turnover - £88,105

The Music Hub paid rent of £3,339 representing the period Mar 18-Feb 19

The Music Hub invested £1,547 in marketing

The Music Hub operated on a break even basis carrying a small profit of £3 into the following fiscal year.

OUR BENEFICIARIES

At The Music Hub, we track the source of all our sales and, where possible, we make donations through related music services so that our customers can genuinely feel their purchases are benefitting local or community based projects. We also make donations to *Music For All*, the *Music Industries Association* charity which has national reach into music education.

Y/E 2018

Bexley Music Hub
Bromley Youth Music Trust
Eynsford Concert Band
Merton Music Foundation
Music for All

Y/E 2019

Bromley Youth Music Trust
Kent Music Service
Leicestershire Music Education Hub
Music for All



MUSIC FOR ALL

Music for All is a national charity that believes music should be inclusive. As well as funding instrumental lessons and supporting families by donating instruments, *Music for All* runs “*Learn to Play Days*” in over 120 venues across the UK which offer everyone the chance to have a free taster lesson on a musical instrument. We were thrilled to sponsor the *Learn to Play Day* at *BYMT* this year providing funds to pay the peripatetic teaching staff who helped over 100 families try out an instrument on the day. We firmly believe that everyone should have access to music and music education and everything we do is in support of this ambition.

We are proud to work with *Music for All* both to provide financial donations but also in a volunteering capacity, raising funds at industry events.

COMMUNITY MUSIC SERVICES AND PROJECTS

In 2018/ 2019, we donated to three community music services which are responsible for coordinating and providing music tuition in schools as well as ensemble and performance opportunities to young people in local authorities across the UK.

Our shop is based at and we work very closely with *BYMT*. 100% of our donations to *BYMT* are made to their Young Musicians’ Fund which relies entirely on charitable donations to subsidise music tuition, membership of ensemble groups and overseas touring opportunities for low income families. We are expanding the number of music services we donate to all the time and were delighted to be able to donate to *Kent Music Service* and *Leicestershire Music Education Hub* this year.

NON-FINANCIAL DONATIONS

A core part of our business model is to donate instruments either to individuals who need them or to schools to support their music department. In 2018/ 2019 we were able to donate 10 instruments to schools and individuals worth approximately £1,500.

SPONSORSHIPS

Our business model is designed to make a profit so that we can be around long term. Although we reinvest our profits to support music education, we treat the business as a commercial enterprise and make careful investments in the right marketing activities to drive revenue and business growth. At the same time, we focus our investments on activities that support music education. This year, among other things, we sponsored the Bromley *Learn to Play Day* at *BYMT* at which over 400 families came to try out an instrument. This event was supported by funding from the *Musicians' Union* and the *Band of the Grenadier Guards* who also tutored young aspiring musicians and performed for all the families who attended.



VOLUNTEERING

We regularly volunteer our time and expertise to help support the music industry and music education. During 2018/ 2019, we gave over 50 hours of our time in the following ways:

- Fundraising and awareness for *Music For All*.
- Key alumni representative and parent helper for *BYMT*.
- Pro bono performances.
- Industry representative on local hub committee.



10 instruments donated



£1,094 in sponsorships



50 volunteer hours

OUR STORIES THIS YEAR



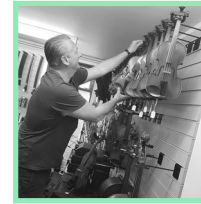
April 18

We published our first ever social impact report



May 18

We attended the annual Music Teachers' Association conference in Windsor



May 18

Our room at BYMT began to take shape as a proper shop

July 18

We joined the PwC social enterprise club and started working with a mentor



September 18

We began hiring instruments and started by shipping 24 violins to Leicester for a school project



October 18

We ran a musical instrument amnesty for Social Saturday which brought us some fantastic instruments that we sold, donated or recycled



November 18

We celebrated our 2nd birthday



November 18

We took part in the Social Enterprise UK 'Who Knew' campaign for Social Enterprise Day



January 19

We went to the NAMM Show in LA, the world's largest music trade fair, to chat with manufacturers and suppliers - we met up with some old friends too



March 19

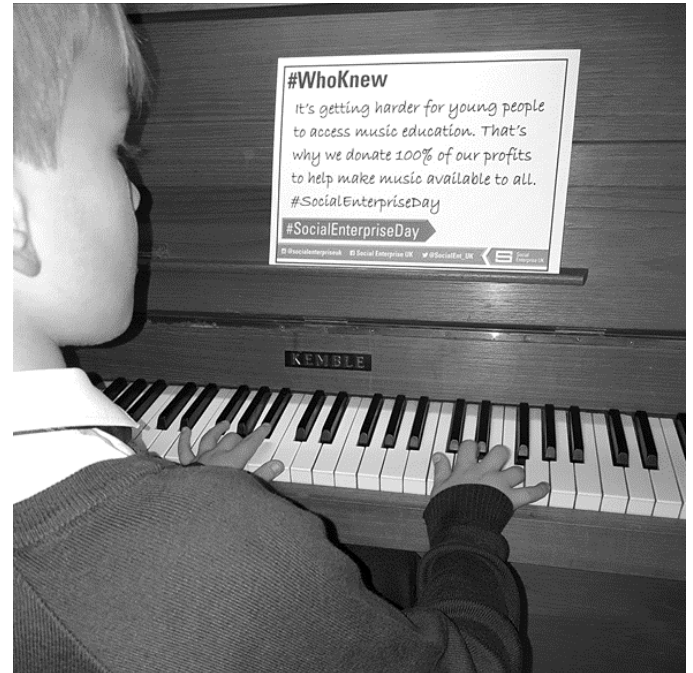
We worked in collaboration with *Music for All*, the *Musicians' Union* and the *Band of the Grenadier Guards* to put on *Learn to Play Day* at BYMT where more than 400 families came to try out an instrument and hear the bandsmen perform

OTHER INFORMATION

We believe in running a totally transparent business and in donating all of our surplus, running a break even business model. This is our full profit and loss account for 2018/ 2019 which shows the breakdown of our administrative costs.

- All direct expenses represent the cost of purchasing instruments or supplies on behalf of our customers.
- Wages are paid to David Hunt, sole trader and proprietor of The Music Hub.

Account	2019
	£
Turnover	
Interest income	2.15
Sales	88,103.39
Total turnover	88,105.54
Cost of sales	
Direct expenses	69,255.43
Direct wages	9,000.00
Total cost of sales	78,255.43
Gross profit	9,850.11
Administrative costs	
Advertising & marketing	1,546.94
Audit & accountancy fees	175.00
Bank fees	90.00
General expenses	136.93
Insurance	407.12
IT software and consumables	321.64
Postage, freight & courier	1,269.87
Printing & stationery	252.48
Rent	3,339.00
Reversed payments	(332.50)
Subscriptions	929.00
Total administrative costs	8,135.48
Operating profit before donations	1,714.63
Charitable donations	1,711.19
Operating profit after donations	3.44



CONTACT US

The Music Hub can be found online at:

- www.musichubsales.org.uk
- via Facebook/ Twitter at @musicubsales.

Alternatively you can:

- pop into Room 10 at BYMT, Bromley Youth Music Centre, Southborough Lane, Bromley, BR2 8AA between 10am-2pm weekdays
- call David Hunt any time on 07768 312270.