



**GAME ON:  
LONDON FOR  
INTERACTIVE  
ENTERTAINMENT**

**LONDON™**  
& PARTNERS

# About London & Partners

London & Partners is the official promotional company for London. We promote London and attract businesses, events, congresses, students and visitors to the capital.

We are the experts on doing business in London; helping overseas businesses to set up, and grow.

Contact us to connect with our team and find out how our experts can help you.

London & Partners can help you:

- » Create a powerful business case for expanding to London
- » Find the best location
- » Recruit the best people
- » Create the perfect office
- » Build a network of partners
- » Enjoy London life

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## Industry champions

London supports growing companies through initiatives such as the ELITE accelerator programme. Organisations such as IC tomorrow, Ukie and TIGA advise and promote games companies nationally and internationally.

# Welcome to London

No city meets the needs of ambitious games companies better than London. Countless times, the UK capital has generated multi-million-pound success stories and globe-spanning brands.

As London's official promotional company, we are dedicated to helping companies like yours realise their global ambitions.

In this guide, you'll find out why London is one of the world's top destinations for interactive entertainment companies, an overview of London's games community, and insights from those who have made it in London.

We look forward welcoming you to this remarkable city.

## THE UK VIDEO GAMES INDUSTRY IS THE LARGEST IN EUROPE

TIGA, 2014

# Why expand to London?

“ We are seeing some of the world’s fastest growing games businesses choosing London. It is a great place to do business, and with the introduction of the new UK games tax relief and computing on the school national curriculum, investment is in place for accelerated future growth of the industry ”

**Ian Livingstone CBE, Government Creative Industries Champion and Ukie Vice Chair**

## 01

**No. 1 city for expanding international games companies** ahead of Montreal, San Francisco and Singapore<sup>1</sup>

## 04

**Low-cost, speedy set-up.** Set up a business here for £68.73<sup>3</sup> and register a company in just 24 hours<sup>4</sup>



## 02

**Most desirable city** for professionals world-wide<sup>2</sup>



## 03

**Government support** with dedicated video games tax relief and other initiatives supporting creative companies



## 05

**City of opportunity:** London is the world’s leading city for economic clout, technology readiness and reputation as a gateway to the globe<sup>5</sup>

## 06

**Global connections.** Fly to over 300 destinations from five airports

## 07

**Speak to the world.** London office hours overlap with countries that collectively account for 99% of the world’s GDP

## 08

**Leading HQ hub.** London is the world’s number one city for international headquarters.<sup>6</sup> Games companies based here include Nintendo, Mind Candy and Capcom



1. fDi Benchmark, Financial Times Limited, 2014  
2. Decoding Global Talent, Boston Consulting Group, 2014

3. fDi Benchmark, Financial Times Limited, 2014  
4. The UK – number one for European headquarters, UK Trade & Investment, 2013

5. Cities of Opportunity, PWC, 2014  
6. The World’s Most Competitive Cities, Site Selection & IBM, 2013

## WHY LONDON?

# A large and profitable market

London dominates Europe's video games and console market, and is now breaking new ground in global multi-player games, eSport, virtual reality and simulations.

Beyond a vast player population – two in every three Brits are gamers – is a global consumer base, hungry for the next installment of London innovation and creativity.

Recent successes include Mind Candy's Moshi Monsters, one of the world's most popular games generating \$250m in gross sales revenue, the global expansion of educational game developer Night Zookeeper, and the 2014 sale of artificial intelligence company DeepMind to Google for \$500m.



- » **Steep growth.** UK video games sales rose to close to £3.5bn in 2013, up 17% on 2012.<sup>7</sup>
- » **Large market.** The UK video games industry is the largest in Europe.<sup>8</sup>
- » **Download dividends.** The potential profit on each download in the UK is the highest in western Europe at \$0.47.<sup>9</sup>
- » **High-spending audience.** Some 62% of UK gamers spend money on games, the third highest in the world behind Germany and China.<sup>10</sup>

### Anatomy of a gamer<sup>11</sup>

There are 34.7m gamers aged 8–74 in Great Britain. A typical player:

- » Plays games 14 hours a week
- » Prefers apps (55% of gamers)
- » 52% male and 48% female
- » Owns a computer (96%), smartphone (78%), tablet (61%), console (58%) and handheld device (36%).

7. UK Games Industry Fact Sheet, Ukie, 2014

8. TIGA [tiga.org/about-us-and-uk-games/uk-videogames-industry](http://tiga.org/about-us-and-uk-games/uk-videogames-industry)

9. UK Games Industry Fact Sheet, Ukie, 2014

10. Global Games Market Report, Newzoo, 2014

11. Gaming Revolution, IAB UK, 2014

# A magnet for talent and collaboration

As a leading city for developers and global publishers, London offers an unbeatable mix of abundant workforce, innovative start-ups and established global players.

Everything an international games company needs to grow is here: talent, venture capital, co-working space, government support, seed funding and events.

Flexible labour laws mean companies can scale up or down quickly, and a thriving community of freelancers provides quick access to niche skills.

Interactive entertainment companies can access all the partners they need in one city, forging relationships with government, film and VFX, media, advertising, technology, finance and legal experts. This unique ecosystem is enabling games companies to innovate and break ground in new industries like film and education.

Meanwhile, London's international population – the city speaks 233 languages<sup>12</sup> – makes it a top choice for expanding companies keen to explore and conquer new markets.



- » **Talent hub.** London's creative industries employed 518,000 people in 2013.<sup>13</sup>
- » **Developer base.** London is home to the largest concentration of developers/publishers in the UK with 83 studios in London in 2013.<sup>14</sup>
- » **Top universities.** London has six of the world's most prestigious institutions in the top 100, more than any other city.

12. Language Capital: mapping the languages of London's schoolchildren, Eversley et al, CILT, 2011

13. Creative Industries: Focus on Employment, Department for Culture Media & Sport, 2014

14. fDi Benchmark, a service from the Financial Times Limited 2014, fDi Intelligence based on gamedevmap, 2013

## WHY LONDON?



# Best for business

The UK Government is firmly behind the games industry, introducing a new video games tax relief in 2014 with the effect of reducing the cost of development activity by up to 25%.

“London is the best place to start up: all around us are people, companies and events that make us feel at ease and expand our horizons. It’s also a very multicultural city. We have a team to reflect different cultures so we can create products that succeed in multiple territories”

**Henrique Olifiers, Co-Founder, Bossa Studios**

Companies in London also enjoy the third lowest tax rate in Europe, and entrepreneurs can benefit from capital gains tax breaks on their first £10m, together with start-up loan schemes and tax favourable share options for employees.

Bringing your talent to London is easy too, with a range of visas for digital technology and arts specialists.

For early-stage companies, the Government’s Seed Enterprise Investment Scheme (SEIS) provides 50% tax relief of the cost of the shares, on a maximum annual investment of £100,000.

- » **Video games tax relief.** Up to 25% of the cost of games development can be claimed.
- » **Set up faster, for less.** On average, it takes just 13 days to set up a business in London.<sup>15</sup> Co-working space is available from just £10 plus VAT a day.<sup>16</sup>
- » **Lower taxes.** Reduced to 20% on April 2015, below tax rates in Germany and the US.
- » **R&D tax credits.** Companies with fewer than 500 employees benefit from a 225% rate.
- » **Entrepreneur relief.** This cuts capital gains tax on the disposal of qualifying business assets.<sup>17</sup>

15. The UK – number one for European headquarters, UK Trade & Investment, 2013

16. [www.gocowo.com](http://www.gocowo.com)

17. Allows investors to realise more capital on their investment in start-ups and small companies. The size of Entrepreneurs’ Relief has been doubled from £5m to £10m, giving business owners a special Capital Gains tax rate of 10% on their first £10m.

# A snapshot of games studios and publishers across London



01 Games Foundry	14 Pomegranate	26 Takeoff Studios	37 Bossa Studios	49 Origin8	60 Digidub	72 Inensu	83 Hotsauce Interactive
02 Two Creature Studios	15 Hide&Seek	27 Infinite State Games	38 R3D Pixel	50 I Fight Bears	61 Roll 7	73 Animal Vegetable Mineral	84 Yazino
03 Hotgen	16 Big Pixel Studios	28 Stick Sports	39 MakieLab	51 Von Nostrum Games	62 Lucky Mountain Games	74 Advanced Mobile Applications	85 Supersolid
04 PlayGen	17 PlayerThree	29 Marmalade Game Studio	40 Goldhawk Interactive	52 Honeyslug	63 State of Play Games	75 SCE London Studio	86 Bin Weevils
05 Ustwo	18 Cybersports UK	30 Sports Interactive	41 Level Up Games	53 Six to Start	64 Firefly Studios	76 Mediatonic	87 StikiPixels
06 Kybele Studio	19 Future Games of London	31 Caped Koala Studios	42 Ink Vial Games	54 We Are Rising Interactive	65 Beatnik Games	77 Soho Productions	88 Rocksteady Studios
07 Masters of Pie	20 WE R Interactive	32 Quirkat	43 Boiled Frog Gaming	55 Chucklefish	66 Cma Megacorp	78 Playniac	89 System 3
08 Casual Brothers	21 Hutch Games	33 Plumbee	44 OysterWorld London	56 Headstrong Games	67 Big Head Games	79 After Dark Studios	90 King
09 Supermono Studios	22 Curve Studios	34 BeefJack	45 Nitrome	57 Slightly Mad Studios	68 Digidub	80 Gamesys	91 Waterfront Interactive
10 Preliminal	23 Dlala Studios	35 BigWig	46 Somethin'Else	58 Strongman Games	69 232 Studios	81 Rockstar London	
11 Handcircus	24 Fabula Studios	36 Mind Candy	47 Preloaded	59 Failbetter Games	70 Niffler	82 Mindshapes	
12 Amazon London	25 Fan Studio		48 Game & Mash		71 NaturalMotion		
13 Gamar							

## LONDON'S GAMES CHAMPIONS

# Mind Candy

“Many people assume Moshi is a Japanese or American success story, but we're very proud to say it's a home-grown British phenomenon. The last five years have been an extraordinary journey”

Michael Acton Smith, *CEO of Mind Candy and Moshi Monsters creator*

### Who?

A leading producer of children's online games and entertainment.

### Where?

East London.

### Success in London

Mind Candy launched adventure game Moshi Monsters in 2008. The venture started as an online world of lovable pet monsters aimed at children aged six to 12 before expanding into branded books, magazines, console games, toys, live events and membership.

The company has since generated more than \$250m in gross sales revenue from all its Moshi Monsters products for more than 130 licensing and retail partners worldwide. Moshi Monsters is the UK's most licensed property.



### Milestones

- » May 2013: the number of Moshi Monsters registered users hits 80m across 150 territories.
- » Mid-2013: Mind Candy is employing 200 people on its Moshi Monsters business. Its revenue grows to almost £50m a year.
- » Moshi Monsters: The Movie is released in cinemas on 20 December 2013.

# Quirkat

“In London you have access to everything you need. There's a lot of creative talent. It's easy to access artwork and creative design. And you have the opportunity to talk to publishers and meet influencers within the industry such as lobbyists and MPs”

Mahmoud Khasawneh, *Quirkat founder and CEO*

### Who?

Founded in the United Arab Emirates in 2004, Quirkat is a multi-platform video games developer. The company specialises in console development and is licensed to develop for all PlayStation and Nintendo platforms.

### Where?

Quirkat expanded to east London's tech and creative cluster in 2013.

### Success in London

Quirkat's London move helped it evolve from a regional to a global player. The expansion coincided with the release of its PlayStation 3 title, Pro Foosball, developed in seven languages.



### Milestones

- » October 2012: Quirkat's Word Blocked game is included in Sony's worldwide launch of its PSM platform.
- » October 2013: the company's Pro Foosball is a TIGA Games Industry Awards finalist for Best Arcade Game – small studio.
- » April 2014: Quirkat explores book and game cross-over ideas at the London Book Fair.

# What next for London?

The games industry is one the UK's most cutting edge and fastest growing sectors, capable of delivering world class digital entertainment which is scalable internationally.



## New Opportunities

- » **Steep growth.** The global video games market is predicted to grow to \$102.9bn in 2017, up from \$75.5bn in 2013.<sup>18</sup>
- » **Digsogames at the ready.** 'Digital social games' will generate \$7bn in revenue by 2015 and player numbers will hit 1.55bn.<sup>19</sup>
- » **eSport explosion.** The sector will grow by 250% by 2018 to nearly £115m.<sup>20</sup>
- » **Smart moves.** The smart phone and tablet games industry is forecast to more than double to \$35.4bn by 2017.<sup>21</sup>

18. UK Games Industry Fact Sheet, Ukie, 2014

19. ISGA Report 2014, quoting Go.Gulf 2013, Shortt 2013, Zoo News 2013

20. IHS Technology – "eSports video: a cross platform growth story" introductory brief, May 2014

21. Global Games Market Report, Newzoo, 2014

London is one of the UK's most important games clusters and is home to some of the world's best development studios and publisher offices.

Some of the world's biggest games businesses, including Square Enix and Sony have major offices in London and games made in London include Rocksteady's Batman Arkham franchise, Mind Candy's Moshi Monsters and Sports Interactive's Football Manager, as well as mobile successes like King's Farm Hero Saga and indie hits like Mike Bithell's Thomas Was Alone.

London games businesses are making and selling games across a wide range of platforms and formats from big budget titles that push the limits of consoles and PCs to an increasingly growing number of successful studios making mobile and handheld games.

London's already thriving games cluster continues to grow and the newly introduced video games tax relief system is a clear indication of government support for the industry that will lead to more growth and investment.

London has a world class education system, giving the industry access to the very best talent in art, maths, physics and coding. And a new UK-wide computer science curriculum will see more people than ever having the skills required to work in the London games sector.

The games sector is at the very cutting edge of technology, including driving the development of virtual reality and wearable tech in to new and exciting directions.

Games as a spectator and eSport will continue to grow: more than 71 million people watched or took part in competitive gaming in 2013 and professional gamers can win bigger prize pools than some professional athletes.

## Leading the mobile revolution

The UK games industry has shifted as people spend less time on desktops and more time on tablets and smartphones. 37% of all UK games studios are now primarily focused on mobile devices, following an increase of more than 50% in the number of new studios focusing on mobile games in 2012.<sup>22</sup>

22. Video Gaming Market Update, Key Note, 2012



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