



**EDTECH: LONDON
CAPITAL FOR
LEARNING
TECHNOLOGY**

LONDON  **& PARTNERS**

EdtechUK

MAYOR OF LONDON

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:

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- » Create the perfect office
- » Build a network of partners
- » Enjoy London life

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About Edtech UK

Edtech UK is a new strategic body set up to help accelerate the growth of the UK's education technology sector in Britain and globally. It is a "front door" for industry, investors, government and educators and a convening voice for all of the education and learning technology sector. It offers membership and services to leading edtech startups, companies and organisations who wish to drive forward their growth in London and across the UK.

Edtech UK can help you:

- » Navigate the education and learning technology sector in London and across the UK
- » Join a dynamic membership of startups, companies and investors in the edtech sector
- » Kick start partnerships, ventures and collaborations
- » Grow and scale your edtech business and provide access to education institutions and the market
- » Make the most of the vibrant edtech ecosystem

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Introduction

London, like other great cities, is being revolutionised through technology. Technology is disrupting the way traditional industries operate and provide services to their customers. Nowhere is the potential of technology more profound than in the education sector. In the global competition for skills the demand for sophisticated, interactive learning platforms and aids is enormous. The burgeoning edtech industry can provide the solutions to meet the demands of 21st century education as well as developing the skills required by business, government and academia, which in a growing city like London are the challenges of today and tomorrow.

As London's official promotional company, we are dedicated to helping companies like yours realise their global ambitions. Of EdTech Europe's 2015 EdTech 20 finalists – e-learning companies recognised in terms of innovation, scale, market impact and revenue growth over the past year – 10 are based in the UK, with eight based in London. In this guide, you'll find out why London is one of the world's top destinations for education and learning technology, get an overview of the edtech community, and read insights from those who have made it in London.

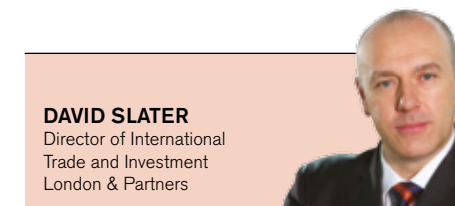
We look forward to welcoming you to this remarkable city.

The education and learning technology ecosystem has rapidly grown in the past few years in the UK, and London is leading the way in its development.

Our Edtech Incubator programme has helped to accelerate the growth of the grassroots edtech startup scene. Investment is growing at a rapid rate with fast-growing scale up businesses – from FutureLearn to Kano, Show My Homework to Gojimo and Technology Will Save Us to Proversity.

The introduction of the computing curriculum into every state school in England has accelerated the growth of interest in new approaches to technology from schools. London's education system is also performing well and London has 50 further education colleges and six of the world's top universities, along with a vibrant digital and tech economy providing access to talent and a fantastic base for your company.

Edtech has come of age. And Edtech UK is looking to do its part to make London and the UK a major education technology hub for the world.



Why base your edtech company in London?

“Growing our edtech offer is a priority for this government. It’s positive that Edtech UK is launching as both a strategic “front door” for industry, investment and government, and a convening voice for the education and learning technology sector. We recognise the importance of edtech to ensure the UK is at the forefront of technology and innovation and to secure sustainable economic growth”

Lord Maude, Minister of State for Trade and Investment

01

Edtech hub

Edtech is one of the fastest growing tech sectors in London; over 200 edtech startups and SMEs are based in the city, with 1000 across the UK¹

04

Scaling edtech

10 of the top 20 fastest growing edtech companies in Europe are from the UK⁴

05

Startup ecosystem

London is among Europe’s leading startup cities, ranking 6th in the Global Startup Ecosystem Report⁵



02

Spending on technology

UK schools spend over £900m a year on education technology²



03

Talent and expertise

London is home to four of the world’s top 50 universities and to 50 further education colleges³



06

City of opportunity

London is the world’s leading city for economic clout, technology readiness and its reputation as a city gateway to Europe⁶

07

Global HQ

London is the world’s number one for international headquarters. Major edtech companies based here include Pearson and Knewton

08

Most attractive place to do business in the EU

EY ranks London as Europe’s most attractive city for investment⁷

Education technology

refers to the “effective use of technological tools for learning” and as a sector incorporates a range of arenas including: e-learning, infrastructure, devices, apps, curriculum platforms, e-assessment, mobile learning, digital skills, Massive Open Online Courses, collaboration tools, classroom management, digital learning, student monitoring systems, digital making and badging, professional learning, adult basic education, exam preparation, career planning, coaching, tutoring, games for learning, informal learning, corporate learning and much more...

1. Edtech UK Startup Index, Education Foundation 2015
2. <http://www.bbc.co.uk/news/business-34174796>

3. <https://www.timeshighereducation.com/world-university-rankings/2015/world-university-rankings>

4. <http://edtecheurope.com/index.php/news/2015-edtech-20-finalists-winners/>
5. <http://startup-ecosystem.compass.co/ser2015/>

6. Ahead of New York, Singapore, Toronto and San Francisco according to the PWC’s City of Opportunity Index
7. <http://www.ey.com/GL/en/Issues/Business-environment/ey-european-attractiveness-survey-2015-european-cities>

WHY LONDON?

A large and profitable market

London is a major European edtech hub and is breaking new ground in Massive Open Online Courses (MOOCs), corporate and e-learning, augmented reality and digital making.

The UK is recognised globally as a pioneer in education technology. With the introduction of the computing curriculum into every school in England, the UK has positioned itself at the forefront of developments in the creation and use of education and learning technology.

Recent successes include edtech startups RefME, Proversity and Gojimo securing £10m+ in seed funding; the global success of FutureLearn, the leading MOOC platform developed by the Open University; and the international expansion of Kano, Technology Will Save Us and Show My Homework in the arenas of DIY computers, digital making kits and homework platforms for teachers.

UK education export market

The UK education exports industry is worth £17.5bn a year and the government is looking to increase this to £30bn by 2020. The Department for Business Innovation and Skills (responsible for further, higher education and trade) estimates that overseas students studying in higher education in the UK pay £3.9bn in tuition fees and £6.3bn in living expenses each year. There is a growing UK education technology sector, as well as an education, vocational and training sector that secured over £1.5bn of new business overseas.⁹

- » **Steep growth.** The edtech sector is one of the fastest growing in the UK, accounting for 4% of all digital companies (the same as fintech).⁸
- » **Education technology spending.** UK schools spend over £900m each year on education technology.
- » **Digital colleges.** London's further education colleges are leading the way in digital technology and learning, including the Digital Colleges programme, the creation of a National Digital College and new institutions such as the Makers Academy.
- » **Major events.** London is home to some of the largest education technology conferences in the world, the annual Bett Conference, Edtech Europe and the Learning Technologies conference. Edtech UK runs the Bett conference's Startup Zone ("Bett Futures") for 30 startup companies in January and an Edtech Global Summit in September.
- » **Flexible procurement.** The increased autonomy of schools (academies and free schools), colleges and universities allows for greater flexibility in procurement of technology from new suppliers.
- » **Edtech Nation.** There are also thriving clusters of edtech across the UK. According to the Tech Nation report, growing edtech activity can be seen in the Midlands, Bristol, Edinburgh, Yorkshire and Cardiff.

8. Tech Nation report 2015

9. <https://www.gov.uk/government/publications/international-education-strategy-global-growth-and-prosperity>

A magnet for talent and collaboration

As a leading city for developers, education institutions and technology, London offers an unbeatable mix of workforce, innovative startups and established global players.

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

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

Education and learning technology companies can access all the partners they need in one city, forging relationships with government departments, the Greater London Authority, Edtech UK and London & Partners teams, universities, colleges, academies and free schools, university technical colleges, studio schools, technology, finance and legal experts. This unique ecosystem is enabling edtech companies to innovate and break ground in areas such as e-learning, corporate training, digital assessment, technology and infrastructure and digital making.

Meanwhile, London's international population – 37% of the city's workforce were born abroad¹⁰ – makes it a top choice for expanding companies keen to explore and conquer new markets.



- » **Talent and employment hub.** Almost 200,000 are in digital tech employment across London, and over the next ten years there are expected to be 44,000 more digital jobs in the city.¹¹
- » **Developer base.** London is home to over 70,000 professional developers, more than any other European city.¹²
- » **Top universities.** London has four of the top 50 universities in the world, according to the Times Higher Education World University Rankings.

10. <http://www.ons.gov.uk/ons/rel/census/2011-census/key-statistics-for-local-authorities-in-england-and-wales/rpt-international-migrants.html>

11. <http://www.londonandpartners.com/media-centre/press-releases/2015/20150615london-cements-position-as-tech-capital-of-europe-at-launch-of-london-technology-week>
12. Stack Overflow, 2015

WHY LONDON?



Best for business

The UK government is firmly behind the education and learning technology sector and Edtech UK's aims. There is significant opportunity in the sector with global education technology sector spending at \$67.8bn in 2015¹³ and a global "e-learning" market worth \$165bn, which is poised to reach \$243.8bn by 2022.¹⁴

“London has all the ingredients for a dynamic edtech ecosystem – great schools, colleges and universities, innovative startups and a global hub for digital technology. I am delighted that Edtech UK is leading the charge in accelerating the growth of the edtech sector and helping to make the UK an edtech capital of the world”

Joe Mitton, Special Adviser to the Mayor of London for Business and Enterprise

In addition, with the government's expansion of new schools, the new computing curriculum, and the digital and e-learning agenda being embraced by colleges and universities, vocational and training providers and the corporate sector, there has never been a better time to start an edtech business.

Companies in London enjoy a low tax rate in Europe, and entrepreneurs can benefit from capital gains tax breaks on their first £10m, together with startup loan schemes and tax favourable share options for employees.

The UK government offers a range of visas to support skilled workers, entrepreneurs and business investors.

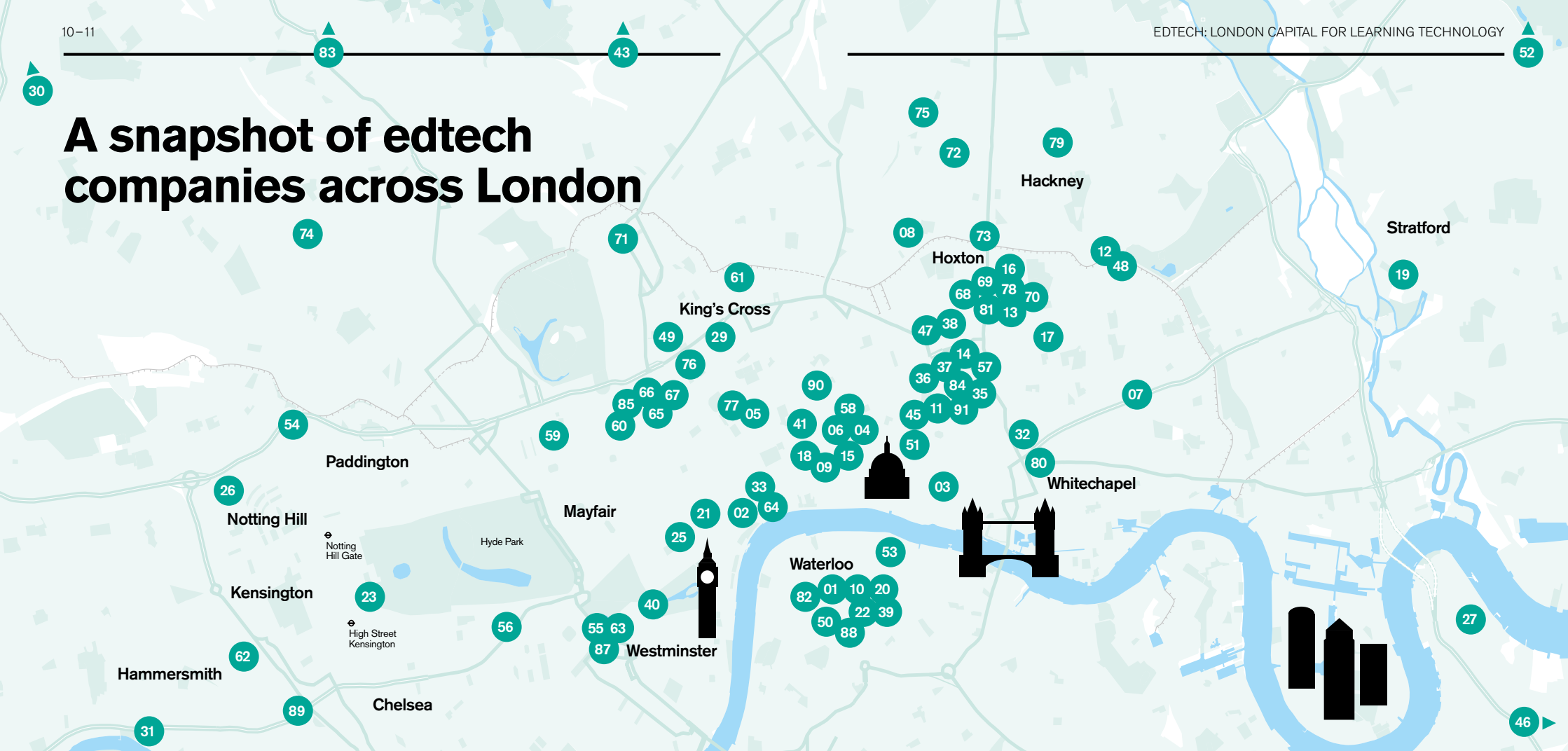
For early-stage companies, the government's Seed Enterprise Investment Scheme (SEIS) provides 50% tax relief of the cost of the shares, on a maximum annual investment of £100,000.

- » **Lower taxes.** UK corporation tax, 20% in 2015, is the joint lowest rate in the G20 and is set to become even more competitive, falling to 19% in April 2017 and 18% in April 2020.
- » **Patent Box.** This government scheme lowers corporation tax to 10% on profits from the development and exploitation of patents and certain other intellectual property.
- » **R&D tax credits.** Companies with fewer than 500 employees benefit from a 230% rate.
- » **Entrepreneur relief.** This cuts capital gains tax on the disposal of qualifying business assets.

13. <http://www.gartner.com/newsroom/id/2994417>

14. <http://www.reportlinker.com/p03262779-summary/Global-E-Learning-Market-Outlook.html>

A snapshot of edtech companies across London



- | | | | | | |
|-----------------------------|----------------------------|--------------------------------|------------------------|----------------------|--------------------------|
| 01 The Education Foundation | 17 Code Club | 33 Free Formers | 49 Mangahigh | 65 Century Tech | 81 Edspace |
| 02 Pearson (UK) | 18 Founders 4 Schools | 34 TeenTech | 50 Ai-Media | 66 I Can Make | 82 TeachBoost |
| 03 Kaplan | 19 Show My Homework | 35 Knewton | 51 Questionmark | 67 State of Ambition | 83 Blackbullion |
| 04 City & Guilds | 20 Dendrite | 36 Mendeley | 52 Groupcall | 68 ET Discovery | 84 Edalytics |
| 05 TES Global | 21 Proversity | 37 Moshi Monsters (Mind Candy) | 53 EdPlace | 69 Game Plan | 85 Night Zookeeper |
| 06 City & Guilds Kineo | 22 Times Tables Rock Stars | 38 La Salle Education | 54 Arbor Education | 70 Edurio | 86 Educational App Store |
| 07 Kano | 23 Dream Learners | 39 HegartyMaths | 55 Bright Young Things | 71 Learn Cube | 87 MediaCore |
| 08 RefME | 24 TeachPitch | 40 Macat | 56 Enjoy Education | 72 Ellumia | 88 Quipper |
| 09 Digital Assess | 25 Teachers Media | 41 SAM Learning | 57 Bigfoot Tutors | 73 Primo | 89 Kaplan |
| 10 Edtech UK | 26 Third Space Learning | 42 Oddizzi | 58 Tutorfair | 74 NurseryBook | 90 Mendeley |
| 11 Fluency | 27 Wapisasa | 43 IT IS 3D | 59 TutorMe | 75 Biblio | 91 Knodium |
| 12 Technology Will Save Us | 28 Digital Awareness UK | 44 Quizalize | 60 MyTutorWeb | 76 Lexicum | |
| 13 Hubhub | 29 Webanywhere | 45 Knowledge Motion | 61 Maths Doctor | 77 StudentFunder | |
| 14 Optimity | 30 Handsam | 46 Skoolbo | 62 Keystone Tutors | 78 Ocean Browser | |
| 15 Kelway | 31 Little Bridge | 47 Busuu | 63 TutorCruncher | 79 A Tale Unfolds | |
| 16 Gojimo | 32 Makers Academy | 48 Memrise | 64 Lessonate | 80 Pi-Top | |

LONDON'S EDTECH CHAMPIONS

FutureLearn

“It’s our aim to pioneer the best social learning experiences for everyone, anywhere. Learning should be as social and enjoyable as spending time on Facebook”

Simon Nelson, CEO, FutureLearn



Who?

The first UK-based platform for massive open online courses (MOOCs).

Where?

King's Cross.

Success in London

From its home inside the British Library, FutureLearn delivers an array of short, free, online courses to a global community of learners from more than 190 countries. Courses come from over 70 of the world's leading universities and specialist educators including UCL, the British Council and the European Space Agency.

Designed to enable learning through conversation, FutureLearn's platform allows thousands of people around the world to discuss the ideas raised in every step of a course with each other and with the expert educators.

Milestones

- » September 2015: The number of people using FutureLearn passed two million, with close to five million course enrolments between them.
- » May 2015: FutureLearn delivers the world's biggest ever MOOC, with more than 440,000 people signing up to prepare for the IELTS English language proficiency test.

FutureLearn.com

Show My Homework

“We’re proud to be part of the incredible London tech scene – it hosts a wealth of opportunity and talent but there are a lot of people you can give back to as well”

Naimish Gohil, CEO, Show My Homework

Who?

An online homework software, bringing homework into the 21st century and putting it ahead of the curve in the fast evolving edtech industry.

Where?

Heart of East London.

Success in London

Founded in London, ex assistant headteacher Naimish Gohil is the mastermind behind Show My Homework, a cloud-based homework software, which launched in 2011. Its aim is to connect everyone involved in the homework process and provide schools with a highly intuitive system for all their homework, setting, tracking and completing needs.

Since 2011, Show My Homework's success has skyrocketed. It is now used by over 1000 schools, has started breaking the US and has scaled to 2.5m users worldwide. In 2014, Show My Homework was awarded the Bett Award for Innovation in ICT, and in 2015 was invited to Downing Street as a Top 12 UK Digital Business.



Milestones

- » February 2015: moved back to East London to open a 7,5000 sq ft HQ to accommodate 50+ staff.
- » June 2015: began operations in the US to start tackling the 1000 times larger K-12 market.
- » September 2015: launched Show My Homework V4 – the faster, easier and more intuitive site to cater for US and Middle Eastern expansion.

showmyhomework.co.uk

What next for London?

The education technology industry is one of the UK's most cutting edge and fastest growing sectors. It is capable of supporting world class education and learning opportunities across a multitude of arenas that are scalable internationally – from tutoring to apps, from digital making kits to MOOCs and from devices in schools to distance learning for adults. There are considerable areas of promise.

London is already one of Europe's most important edtech clusters and is home to some of the world's leading education and learning technology companies.

Some of the world's biggest publishers and training providers have their HQs or UK bases in London, such as Pearson and Kaplan. Global technology companies such as Blippar, Knewton and Mendeley also have their European HQs in the city. In addition, major tech companies with education, training and digital skills programmes, such as Google, Facebook, Fujitsu, Apple, Accenture and Sony Computer Entertainment, have key offices in London.

There is a vibrant and growing edtech startup and scale up scene in London, with companies such as Show My Homework, TeachBoost, Blackbullion, Edalytics, Night Zookeeper, Memrise, Knodium, Gojimo, Educational App Store, Tutorfair, Dream Learners, TeachPitch, MediaCore, Third Space Learning and Quipper based in London. Edtech UK runs regular networking events and meetups in London and across the UK to connect educators, startups and investors, and "LEGup" connects and supports the growing London education gaming community. There are also new edtech co-working spaces being opened, such as Edspace.

New opportunities

- » **Steep growth.** Over \$4 trillion is spent on education globally and the global e-learning market is predicted to grow from \$165bn and reach \$243.8bn by 2022.¹⁵
- » **New technologies.** Top British tech company Blippar is developing a whole range of education products related to augmented reality and visual browsing, which are set to revolutionise the education and learning sector in the coming years.
- » **A nation of digital makers.** The BBC has launched a major national programme called "Make it Digital" to equip young people with the digital tools they need to create technology and become a nation of digital makers. This includes the creation of a new programmeable "Mini-Bit" that builds on the UK's world-leading Raspberry Pi.
- » **Edtech global.** Edtech UK's work will take edtech companies on missions around the world, be a launchpad for international business across the UK and connect people at their Edtech Global Summit each year.



“ With Blippar’s newly launched education team, and transformative technology, we are looking to play a leading role in education technology over the coming years. That’s why we were so pleased that Blippar is a founding member of Edtech UK, a unique new industry body dedicated to digital education in the UK and globally ”

Colum Elliott-Kelly, Head of Global Education, Blippar



London's edtech investment and funding infrastructure is becoming more advanced, with angels, venture capitalists and other social investors becoming increasingly interested in the edtech sector. There are two edtech accelerators – the Edtech Incubator and Emerge programmes – as well as tech accelerators and incubators with high levels of education technology companies in their cohorts, including Wayra, Wayra UnLtd, Bethnal Green Ventures, Big Venture Challenge and Founders Factory.

Government bodies such as UKTI, Jisc, Innovate UK and Tech City UK are also lending their support to the growth of the edtech sector – with Tech City UK's Digital Business Academy programme offering a wide range of free high quality learning opportunities to people interested in the tech sector and strengthening their digital skills.

Edtech is a sector now coming together to innovate, thrive and grow. Edtech UK and London & Partners look forward to working with you to make your business grow and thrive in the UK.

¹⁵ <http://www.reportlinker.com/p03262779-summary/Global-E-Learning-Market-Outlook.html>

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