



**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.

## Industry champions

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

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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# 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

## 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

## 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>



## 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

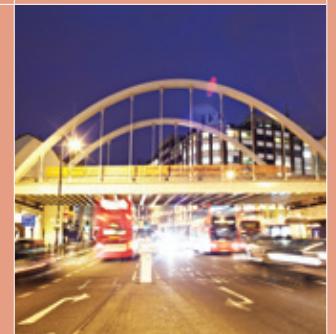
**Global connections.** Fly to over 300 destinations from five airports

## 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

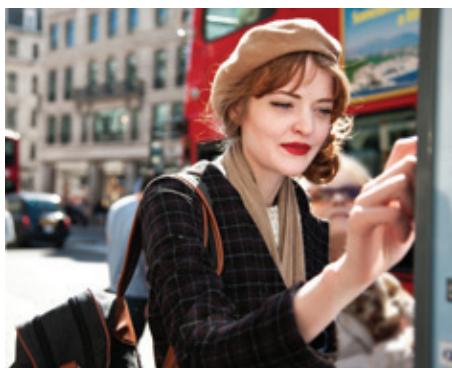
## WHY LONDON?

# 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.



### 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-video-games-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.

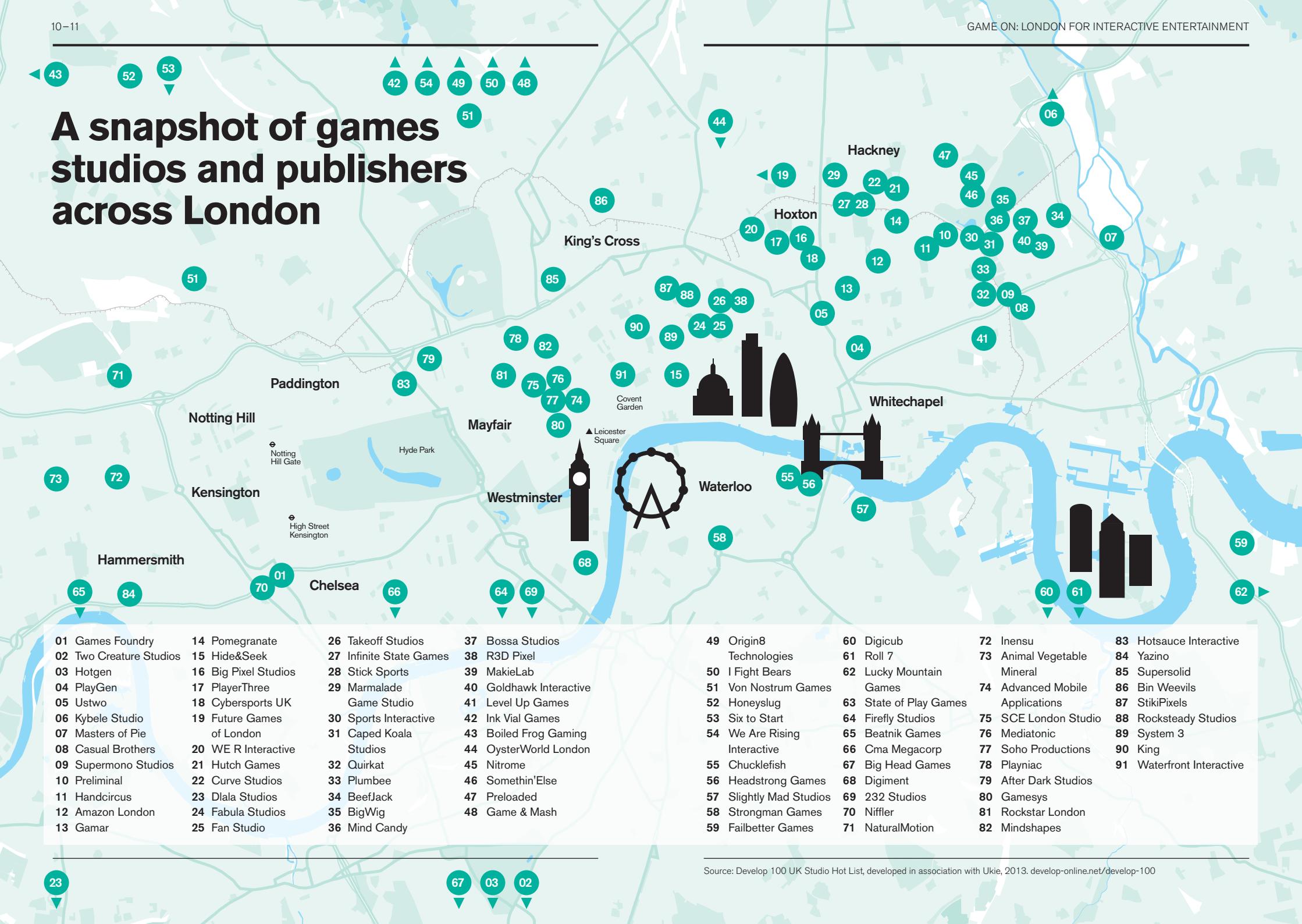
**» R&D tax credits.** Companies with fewer than 500 employees benefit from a 225% rate.

**» 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

02 Two Creature Studios

03 Hotgen

04 PlayGen

05 Ustwo

06 Kybele Studio

07 Masters of Pie

08 Casual Brothers

09 Supermono Studios

10 Preliminal

11 Handcircus

12 Amazon London

13 Gamar

14 Pomegranate

15 Hide&amp;Seek

16 Big Pixel Studios

17 PlayerThree

18 Cybersports UK

19 Future Games of London

20 WE R Interactive

21 Hutch Games

22 Curve Studios

23 Dlala Studios

24 Fan Studio

25 Fan Studio

26 Takeoff Studios

27 Infinite State Games

28 Stick Sports

29 Marmalade Game Studio

30 Sports Interactive

31 Caped Koala Studios

32 Quirkat

33 Plumbee

34 BeefJack

35 Fabula Studios

36 Mind Candy

37 Bossa Studios

38 R3D Pixel

39 MakieLab

40 Goldhawk Interactive

41 Level Up Games

42 Ink Vial Games

43 Boiled Frog Gaming

44 OysterWorld London

45 Nitrome

46 Somethin'Else

47 Preloaded

48 Game &amp; Mash

49 Origin8 Technologies

50 I Fight Bears

51 Von Nostrum Games

52 Honeyslug

53 Six to Start

54 We Are Rising Interactive

55 Chucklefish

56 Headstrong Games

57 Slightly Mad Studios

58 Strongman Games

59 Failbetter Games

60 Digidub

61 Roll 7

62 Lucky Mountain Games

63 State of Play Games

64 Firefly Studios

65 Beatnik Games

66 Cma Megacorp

67 Big Head Games

68 Digiment

69 232 Studios

70 Niffler

71 NaturalMotion

72 Inensu

73 Animal Vegetable Mineral

74 Advanced Mobile Applications

75 SCE London Studio

76 Mediatonic

77 Soho Productions

78 Playniac

79 After Dark Studios

80 Gamesys

81 Rockstar London

82 Mindshapes

83 Hotsauce Interactive

84 Yazino

85 Supersolid

86 Bin Weevils

87 StikiPixels

88 Rocksteady Studios

89 System 3

90 King

91 Waterfront Interactive

## 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>
- » **Digital games 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>

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>

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

22. Video Gaming Market Update, Key Note, 2012

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