GAME ON: LONDON FOR INTERACTIVE ENTERTAINMENT
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 to welcoming you to this remarkable city.

THE UK VIDEO GAMES INDUSTRY IS THE LARGEST IN EUROPE
TIGA, 2014

GORDON INNES
CEO
London & Partners
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

04
Low-cost, speedy set-up.
Set up a business here for £68.73 and register a company in just 24 hours

02
Most desirable city for professionals world-wide

05
City of opportunity: London is the world’s leading city for economic clout, technology readiness and reputation as a gateway to the globe

03
Government support with dedicated video games tax relief and other initiatives supporting creative companies

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. Games companies based here include Nintendo, Mind Candy and Capcom

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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
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 2012.7
> Large market. The UK video games industry is the largest in Europe.8
> Download dividends. The potential profit on each download in the UK is the highest in western Europe at $0.47.9
> High-spending audience. Some 62% of UK gamers spend money on games, the third highest in the world behind Germany and China.10

Anatomy of a gamer11
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%).

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 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 languages12 – 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 2013.13
> Developer base. London is home to the largest concentration of developers/publishers in the UK with 83 studios in London in 2013.14
> Top universities. London has six of the world’s most prestigious institutions in the top 100, more than any other city.

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7. UK Games Industry Fact Sheet, Ukie, 2014
8. TIGA tiga.org/about-us-and-uk-games/uk-videogames-industry
9. UK Games Industry Fact Sheet, Ukie, 2014
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?

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. Co-working space is available from just £10 plus VAT a day.

Lower taxes. UK corporation tax, 21% in 2014, falls to 20% by 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.

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

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15. The UK – number one for European headquarters, UK Trade & Investment, 2013
16. 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

Source: Develop 100 UK Studio Hot List, developed in association with Ukie, 2013. develop-online.net/develop-100
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.

mindcandy.com

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.

quirkat.com
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 2013.18
- Digsogames at the ready. ‘Digital social games’ will generate $7bn in revenue by 2015 and player numbers will hit 1.55bn.19
- eSport explosion. The sector will grow by 250% by 2018 to nearly £115m.20
- Smart moves. The smart phone and tablet games industry is forecast to more than double to $35.4bn by 2017.21

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 2012.22