# Executive Summary

Dead Dark Studios is an independent games company founded in 2016 that will create games for Smartphones/ Tablets and PC Indie games. Dead Dark Studios is formed of graduated students from University of Suffolk, based in Ipswich. We are yet to develop a published game but we all have the experience of working in a team. We will be making a single player 2D puzzle side-scroller indie game for Android and IOS smartphones and tablets as well as PC based game stores like Steam. Our target audience are people aged 12 and above who like mystery & puzzle solving games. We have a development team of five and it will approximately take 12 months to produce and publish our game. we will sell our game for $10/ £8 per download.

We offer the following skills:

* Game concepts for Smartphone/ Tablet and PC games
* 2D artwork and concepts
* A young, eager and friendly development team willing to learn.

# Company structure

## Company Ownership:

Dead Dark Studios is a Limited Liability Partnership (LLP) owned by our team of five junior developers and they consist of two games designers, two games programmers and one games animator. We are choosing to be an LLP company because we are all responsible for our actions and one parter will not be liable for any other partner’s misconduct and any business debts encountered.

## Company Location

Dark Dead Studios will be based in Suffolk, Ipswich but we will start by using home based locations for our developers and when we need to meet up to discuss and plan our next stage of development we will reserve a meeting room in a business hubs.

# Financing

Our finances required to start our company are primarily towards equipment and software.

Our company will purchase all the necessary software required to do our jobs which include Unity Plus, Adobe Creative Cloud and Google Suite.

## Software Requirements

|  |  |  |  |
| --- | --- | --- | --- |
| Application/s | Features | Licencies | Annual Cost (Year) |
| Unity Plus | Development environment | 2 | £637.15 |
| Adobe Creative Cloud | Artwork | 2 | £485.28 |
| Google Suite | Communication, Cloud Storage, Video Conferencing & Documentation. | 6 | £475.20 |

## Hardware Requirements

Five HP 250 G5 i7 Laptops costing £499 each.

Total costs will be £2495

## Tax Benefits

From these expenses, we can claim allowable expenses from the government which include travel costs, financial costs marketing/ advertisement.

Since we are all going to work most of the time at home we can all claim a percentage of our costs which include heating, council tax, electricity and rent.

## Legal/ Insurance

We will need business insurance to help protect our company against unexpected costs causing us to lose money.

We will need Employee’s liability insurance will cost £43 a year per employee so it’ll cost £215 to cover all our employees.

We will need to insure our laptops in case they get damaged. This will cost £154.50 per laptop meaning for all five laptops it’ll cost £777.50 for two years’ insurance. This will help cover any accidental damage, replacement parts/materials and costs in repair centres. Below shows our expenses to start up our company.

## Staff Wages

## For our programmers, their salary will be between £18,000 to £22,000 so we will be paid £20,000 per annual year which is £1667 per month.

For our designers, their salary will be between £19,000 and £21,000 so we will be paid £20,000 per annual year which is £1667 per month.

For our games animator, their salary will be £20,000 so they will be paid £1667 per month.

## Total costs

For our company to get started it’ll cost us:

* £1597.63 for our Software
* £992.50 for legal/Insurance
* £2495 for our Hardware

This totals to £5,085.13

For our development team, it’ll cost £100,000 per annual year so it’ll be £8,335 per month.

For our Kickstarter funding project, it’ll cost £3,750 once we acquire £75,000.

## Funding

To fund our costs to start the company, we will acquire a start-up loan of £5,000 from the UK government and the other £85.13 will be gathered from the team.

The government will then charge us a fixed annual interest rate of 6% on top of the loan meaning we must pay back a minimum of £300 per year.

We will receive support and guidance from the government to help fulfil our business plan and mentoring for up to 12 months after concluding our loan agreement.

There are three factors we must consider when taking out a government loan and they are as follows:

* Credit worthiness (Problems aquiring due to university loan/dept)
* Personal affordability
* Business viability (Problems aquiring due to not being reliable to gain the funds to pay back our monthly loan payment plan)

To pay this loan back and pay for my staff for our company we will use the methods:

* Crowd Funding.
* Gameplay Advertisement.
* UK Games Funding.

Kickstarter is a great way to raise money for games and other projects. Games developers in general can post game ideas backed up with art concepts and can request an amount of money from the public so they can continue to develop their game. However, they’re flaws to using this as our main funding, these are:

* The kitchen sink system where investors either reach there required amount of funding and if they don’t they get nothing at all.
* Doesn’t offer refunds to the developers.
* Charges developers a fee before starting a campaign.

We will raise £78,750 over the development of 12 months so we will need to raise £6,562.50 a month. This money will then go towards paying the developers and the software.

We will also have other ways of crowd funding to raise awareness of our game. These are advertisement videos on social media like Youtube, Facebook and Twitter. Twitter for example has about 316 million users worldwide meaning there’s alot of potential users just on this application alone.

We will also get a grant of £25,000 from the UK Games Fund. This will help pay for staff, software and hardware costs. They’re some factors we must look at before applying and they are:

* The grant will not represent more than 50% of our games funding
* Staff from outside the UK cannot be paid with this grant
* No gambling elements in the game
* Do not fund work after the work has been started

To acquire this grant, we must make a 2-minute game pitch which must cover our game idea, market research and future development.

# Total Fees

* Kickstarter have a fee charge of 5% for every successful project to pay
* Apple IOS Globally install fee is $1.24/ £1 per download
* Android in US install fee is $1.91/ £1.53
* Android in Europe install fee is $1.00/ £0.80
* Apple app store usage fee is $99/£80 a year
* Google play store is $25/ £20 forever
* Steam charges 30% of your earnings for using their platform
* Income tax is 40% of total profits.
* Standard VAT rate is 20% of total profits.

## Comparison game

Limbo is a single player 2d puzzle platformer indie styled game made by a company called Play Dead studios and there game is very similar to ours. On steam they have sold their game from $9.99/ £8 to $1.74/£1.39 so an average of $5.87/£4.69 and sold on average 4,000,000 copies. On Google play they have sold their game for $4.85/£3.88 per copy and sold an average of 750,000 copies. On Apple app store they have sold their game for $4.99/£3.99 per copy and sold an average of 750,000 copies. This is all since August 2011.

1 year Steam sales profit: $3,914,000/ £3,130,450 – standard VAT = $3,131,200/ £2,504,359 – steam fee = $2,191,840/ £1,753,051

1 year Apple App Store profits: $623,750/ £498,880 – standard VAT = $499,000/ £399,104 – install fee + usage fee = $344,000/ £275,134

1 year Google Play store profits: $606,250/ £484,884 – standard VAT = $485,000/ £387,907 – install fee + usage fee = $121,225/ £96,957

Total Profits 1 year: $2,657,065/ £2,125,142 – Income Tax = $1,594,239/ £1,275,085

## Total Profits

We think our game will be just as successful as Limbo because there hasn’t been a game like it for a few years on the app stores. For our first year of production we predict we will sell 80,000 copies of our game on the apple store and google store and 500,000 copies on steam.

Steam profits: $5,000,000/ £3,999,040 – standard VAT = $4,000,000/ £3,199,232 – steam fee = $2,800,000/ £2,239,463

Apple App Store profits: $800,000/ £639,846 – standard VAT = $640,000/ £511,877 – install fee + usage fee = $540,701/ £432,457

Google Play store profits: $800,000/ £639,846 – standard VAT = $640,000/ £511,877 – install fee + usage fee = $407,175/ £326,131

Total Profits: $3,747,876/ £3,001,903 – Income Tax = $2,248,726/ £1,801,142

**Word Count: 1150**