# Executive Summary

Dead Dark Studios is an independent games company founded in 2016 that will create games for Smartphones/ Tablets and PC Indie games.

It is formed of graduated students from University of Suffolk, based in Ipswich, with the intention of developing and published games for Android and IOS smartphones and tablets as well as PC based game stores like Steam.

## Target Audience

Our target audience are male and female players aged 12 and above who like mystery & puzzle solving games.

## Projected Pricing

The aim is to publish the first full version within 12 months with a target price of $10/ £8 per download.

# Company Structure

Dead Dark Studios is a Limited Liability Partnership (LLP) consisting of five partners, each of whom brings distinct skills sets, two are designers with experience in 2D artwork, two are programmers with experience of game concepts and one is an animator.

All are young, eager and have previously worked together as a team on previous projects

We are electing to be an LLP company so we will all be equally responsible for our joint actions with no one partner being solely liable for any misconduct or business debts.

The roles of business development and marketing, operations, finance, and strategy will be shared amongst the five partners, based on their skills.

As the firm grows and salaried staff are required then the additional roles such as Human Resources will be allocated or recruited for.

## Location

The company will be based in Ipswich, Suffolk, with everyone initially utilising home based working for development and other day to day activities.

## Working Practice

Our intention is to use sprint development techniques, meeting up at regular intervals to review progress via video conferencing from our home locations or when necessary using serviced offices or business hubs in the local area.

# Financing

The finances required to start our company are primarily to cover the costs of equipment and software, and permanent building premises are not required as meetings will be held in services offices as required.

Initially the software required to do achieve our aim will include Unity Plus, Adobe Creative Cloud and the Google Suite.

Startup funding is available……

Income will start to flow 12 months after the company is formed ….

## Software Costs

|  |  |  |  |
| --- | --- | --- | --- |
| **Application** | **Features** | **Licences** | **Annual** |
| 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 Laptops, with a target price of £500 each which currently would provide for an i7 Processor, 24 GB ram and a 250 GB SSD drive.

The above price should also include a three year return to base warrantee, this equates to a total cost of £2500 which could be leased for 2% if purchased from Dell or HP.

## Tax Benefits

As a start-up we can apply for additional tax relief from the government on top of the standard allowable expenses of travel, entertainment, buildings, vat, and other financial costs for marketing/ advertisement.

Since we are all going to work from home most of the time, we can also claim a percentage of our heating, council tax, electricity and rent, as business expensis.

## Legal/ Insurance

We will need to register our company which will incur legal costs, many of the legal forms can be found online on sites such as Gov.co.uk or GetLegal.co.uk, many of these can be completed free of charge but it is sensible to budget an amount to register the company as an LLP

We will also need Employee’s liability as well as hardware insurance.

## Partner Salary

Based on the industry standard salary table below

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Job role** | **Annual Salary** | | **Monthly** | |
| **Lower** | **Upper** | **Lower** | **Upper** |
| Programmers | £18,000 | £22,000 | £1,500 | £1,833 |
| Designers | £19,000 | £21,000 | £1,583 | £1,750 |
| Animator | £20,000 | £22,000 | £1,667 | £1,833 |

We intend to pay all of the partners an initial salary of £21,000 plus an equal share of any profits

When we require salaried staff we intend to pay them the published living wage

## Funding

To fund the start-up of 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, £6,562.50 a month.

We will also raise awareness of our game to the public. 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 simular indie styled game made by Play Dead Studios. On steam they have sold their game from $1.74/£1.39 to $9.99/ £8 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 = $2,191,840/ £1,753,051

1 year Apple App Store profits = $344,000/ £275,134

1 year Google Play store profits = $121,225/ £96,957

Total Profits 1 year = $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: 1355**

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.

## 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.