



DKLM SOLICITORS

#TechLawHub

You do not have to look far from Silicon Roundabout to recognise that London is a hotbed for tech start ups & entrepreneurs, founders and all manner of tech savvy folk.

In fact, London's Tech City, centred around Shoreditch, is widely recognised as the world's third largest cluster of technology start up companies in the world, after San Francisco and New York City.

This is, however, no coincidence and although Shoreditch is now home to major tech companies such as Google, Cisco, Amazon and Airbnb, this can all be stemmed back to David Cameron's announcement in 2010 to pour in resources to create a new Silicon Valley in East London. What started off as a meagre collection of 250 tech companies in Tech City in 2010 has rapidly grown to number more than 5,000 to date. This is, of course supported by government backed initiatives and private investment such as access to funding, innovation centres, mentoring, high speed broadband and modern infrastructure, access to human resources.

The UK government continues to put in place schemes to support the UK's burgeoning tech scene with SEIS, EIS and the Tech Nation Visa Scheme, a dedicated route to fast track talented individuals in the tech sector to contribute to the UK's Tech City success from outside the EU. See <http://www.techcityuk.com/tech-nation-visa/> for more information. Our business immigration department can also assist.

There is no doubt about the continued success of London's position as one of the world's leading cities for tech investment and innovation, with the former Mayor of London Boris Johnson, who oversaw the UK's tech revolution, saying: "It is no surprise to see that London's tech companies are attracting record levels of investment. Our world-class talent pool and culture of innovation and entrepreneurial spirit are helping the sector to grow from strength to strength."



Mr Johnson's claims are certainly backed up, with a recent Tech City UK report citing that venture capital funding in the UK reached £2.46 billion in 2015, a staggering 70% increase on the previous year! It is little wonder, therefore, that so many global tech companies choose to base their start up in the UK, given the continued appetite for investors to invest, entrepreneurs to innovate, government to provide support and resources and consumers to consume! It is a blend of all the right components to see this as a tech revolution, rather than a passing whim. What is more, London based tech companies raised more than £1.1 million in the first nine months of 2015, easily surpassing the total of nearly £900,000,000 in the whole of 2014. This all points towards sustained growth in the UK's flourishing technology sector, with a recent report by Oxford Economics suggesting that over the next 10 years, it is expected that London will be home to more than 45,000 digital technology companies, resulting in more than £12 billion in economic activity, providing more than 46,000 jobs, in addition to the existing 250,000 digital sector jobs in London alone.

There really is no better time to be involved in tech in London, and it is easy to see why. A recent report suggested that there are 17 tech Unicorns in London (a company valued at \$1 billion or more) and 13 of these Unicorns are based in London, which is more than the total in Germany and Sweden put together!

In addition, there are 36 business accelerators in London alone, with more than 70 co-working spaces to provide you with either a temporary or more permanent desk space with all the resources you need to work on your business. Co-working spaces not only provide a dedicated centre for you to build your business venture up, they are also a great space for collaboration where you could meet the programmer you are looking for, or the digital marketing guru who can get the word out there. Co working spaces are a centre for



collaboration and mutual support, with many of these spaces providing mentoring as well. It can be said that as you go about creating a new venture, your contacts and support system will play a major part in determining the success of your venture so we would thoroughly recommend you attend as many networking events as you can and take advantage of the numerous shared working spaces in Tech City. We are pleased that our free

to attend meet ups have already resulted in entrepreneurs and founders meeting the investor, or skilled entrepreneur they have been looking for. We love making connections and providing a platform for start ups and scale ups to connect, gain insight, network and launch ideas.

As office space continues to be built, co-working spaces pop up every few paces, a bustling calendar of meet ups and networking events and international interest in London's tech scene, entrepreneurs in London are well supported to convert their ideas into reality. Being based just off Old Street Roundabout, in the heart of Tech City we have witnessed the changes geared towards supporting the UK's tech entrepreneurs and founders.

With innovation centres aplenty and financial support and mentoring on your doorstep from your co-working office space (you'll be spoilt for choice) we understand that legal, accounting and other formalities are not at the forefront of your thinking. You want to get your idea off the ground and generate interest. We get it. Even if, somewhere amongst all those algorithms, cryptographic tools and POS PAN truncation considerations, you did consider putting in place a shareholder's agreement, using a term sheet for when raising investment, using a co-founder's agreement, protecting your IP or putting an Acceptable Use Policy on your website, you probably don't have the resources or the time to engage professionals, including lawyers. That is why we make available essential legal documents*, which are free to download on our website <http://www.dklm.co.uk/site/services/tech-law/> to help you put in place just some of the basic legal protection you need when setting out on your venture.

You are free to use the documents as you wish but we would always recommend speaking to a specialist lawyer who can adapt and tailor legal documents to your business' specific requirements.

We know a raft of very successful entrepreneurs who do not necessarily get co-founders, investors or employees to sign legal documents or who even take legal advice before embarking on a new venture. This all works perfectly well and you could be hugely successful. What we have found,



however, is that when it comes to bringing on board professional investors or if a small dispute arises with a co-founder or an investor, the lack of documentation can prove to be a deal breaker and could mean you fail to secure that investment. It is better to have your "house in order" so that any potential investors can see you have built your business with sound management systems in place and they may be more comfortable investing in you with this knowledge.

In line with our aim to give something back to and engage with the local tech community just on our doorstep, we host monthly themed meet ups which are free to attend. Topics include funding for start ups and scale ups, legal considerations, accounting schemes for tech companies, digital marketing and industry specific themes. Feel free to follow us on Twitter <https://twitter.com/techlawhub> to keep in the loop about upcoming free events (and lots of tech news!)

Please feel free to contact us if you have any queries at all:

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