

GLOBAL ENTREPRENEURSHIP RESEARCH ASSOCIATION

England & Wales · Charity number 1109845

Details

Status Registered

Legal form Charitable company

Company number [05352027](#)

Registered 2005-06-03

Register [View on the Charity Commission register](#)

Contact

Address London Business School
Sussex Place
London
NW1 4SA

Phone 02070008659

Website www.gemconsortium.org

Activities

Objects: THE ADVANCEMENT OF EDUCATION AND LEARNING IN THE FIELD OF ENTREPRENEURSHIP PRACTICE AND POLICY DEVELOPMENT, PRINCIPALLY BY MEANS OF THE PROVISION AND CONDUCT OF AN INTERNATIONAL PROGRAMME OF RESEARCH AND THE DISSEMINATION OF THE RESULTS OF SUCH RESEARCH AND BY SUCH OTHER EXCLUSIVELY CHARITABLE MEANS AS THE DIRECTORS SHALL IN THEIR DISCRETION DETERMINE.

Activities: The advancement of research and associated educational initiatives in the field of entrepreneurship practice and policy development.

Classification

- **How:** Provides Services, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** NOT DEFINED. IN PRACTICE WORLDWIDE.
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£730,046	£520,971	£1,208,494	0
2023-12-31	£694,312	£575,427	£999,419	0
2022-12-31	£750,472	£558,827	£880,534	1
2021-12-31	£576,262	£466,092	£688,889	1
2020-12-31	£457,709	£719,818	-	-

Trustees

Name	Role	Appointed
Anna Tarnawa		2023-02-17
DR NIELS BOSMSA		2015-02-04
Dr Ana Fernandez Laviada		2023-02-17
Dr Christian Friedl		2024-02-14
Professor Jeff Shay		2021-07-01
Rico Baldegger		2024-06-19

Accounts

Global Entrepreneurship Research Association

Annual Report

for the year ended 31 December 2024

Registered Charity no: 1109845

Registered Company no: 05352027

A company limited by guarantee

Global Entrepreneurship Research Association

Reference and Administrative Information

Company name: Global Entrepreneurship Research Association (GEM)

Charity registration number: 1109845 (England & Wales, UK)

Company registration number: 05352027 (England & Wales, UK)

Registered office and operational address:

c/o London Business School
Sussex Place
Regent's Park
London
NW1 4SA
UK

Independent Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Banker

HSBC Bank plc
90 Baker Street
London
W1U 6AX

Solicitor

Farrer & Co LLP
66 Lincoln's Inn Fields
London
WC2A 3LH

Global Entrepreneurship Research Association

Strategic Report for the year ended 31 December 2024

Achievements and Performance

The results for the year ended 31 December 2024 are shown in the statement of financial activities on page 17. The main activity during the year was the provision of an international programme of research and the dissemination of the results of this research.

Key Performance Indicators

- **Income and Expenditure and Net Movement in Funds. 2024:** surplus of £209,074 ---- **2023** surplus of £118,885.
- **Total funds carried forward. 2024:** £1,208,494---- **2023:** £999,419
- **Number of participating National Teams. 2024:** 60 (55 APS+ NES; 2 NES Only; 3 NES Country Teams¹) --- **2023:** 51 (49 APS+ NES; 4 NES Only; 2 NES Country Teams)
- **Number of global funders. 2024:** 1---- **2023:** 1
- **Number of corporate or report funders. 2024:** 4 --- **2023:** 3.

Plans for Future Periods

The company plans to continue its activities over the forthcoming years subject to satisfactory funding arrangements. The main activity is the provision of an international programme of entrepreneurship research and the dissemination of the results of this research. In addition, and in accordance with the Strategy, the Company plans to continue to promote thought leadership in Entrepreneurship through collaborative research and dialogue with partners, and by increasing the number of Special Topic Reports. Dr Aileen Ionescu-Somers, who is currently providing Executive Management Services to the company (as Executive Director), is actively engaged in working with the Board to develop and strengthen initiatives going forward that will deliver on core defined objectives of the company.

Participation in 2025: The annual GEM Global operational budget depends to a large degree on GEM Global Services Fees contributed by each GEM National Team for the Research Cycle that year. Due to global political and economic instability, early indicators suggest that National Team participation in the 2025 research cycle will undergo modification compared to 2024, since several teams confirmed funding shortage owing to reductions in USAID or other funding sources. Some 60 fee paying teams (55 APS+ NES; 2 NES Only; 3 NES Country Teams) participated in the 2024 GEM Research Cycle, but participation figures for 2025 are not yet finalized. Several teams typically confirm their involvement later in the calendar year, often beyond the end of March of the Research Cycle in question. This is because their commitment is contingent upon the timing of local sponsorship agreements and funding confirmations at the national level (mostly with governmental departments that agree their budgets on a year-by-year basis). As such, a more accurate assessment of 2025 participation will be possible in the coming weeks (by end of April). Thus, at end of March 2025, the chart below portrays the results of a survey related to expected 2025 participation sent out at end of 2024, and indicates the number of teams that have either confirmed their participation in 2025, or indicated the degree of certainty that they will confirm participation. Based on experience, it is highly likely that teams confirming 75%, 50% certainty will participate in the 2025 Research Cycle. The definition of the “percentage certainty” categories (100%, 75%, 50%, 25%, 0%) are also included below. A total of 5 teams with active participation agreements have not yet responded to the survey, but this group includes several teams that have consistently participated in research cycles over the last 5 years (and more) and thus are likely to participate in 2025. Based on these indications, GERA anticipates healthy participation of 50 National Teams in the Research Cycle in 2025, but does not expect an increase.

¹ NES Country Teams category explained under Plans for Future Periods

Global Entrepreneurship Research Association

Plans for Future Periods (continued)

% Teams Participation	No of Teams	Notes
0%	5	
25%	3	
50%	2	
75%	12	
100%	3	NES Country Team
100%	2	NES Only
100%	33	APS+NES
Total active teams that have answered the participation survey	60	
Total active teams that have not responded yet	5	
Total active teams	65	

100%	Sponsorship for the year is fully guaranteed, all formalities have been completed and there are no further barriers to participation.
75%	Sponsorship is highly likely, the sponsors has allocated the necessary funding within its budget, but some other formalities need to be concluded.
50%	Our sponsors is highly optimistic, has applied for the necessary funding and is attempting to get approval. However, final approval has not been yet given.
25%	Approaches have been made to a sponsors, who is relatively optimistic, but no formal processes have been completed.
0%	The sponsor has given a negative response and no alternative funding is being sought or time does not allow another sponsor to approve the funding.

In 2022, the Board made a decision to increase the GEM Global Management Fees which were at US\$ 10,000 per National Team in 2022. Increases are being applied as follows:

2023: US\$11,000

2024: US\$12,100

2025: US\$13,310

This decision was made for several reasons:

- GERA Founding Organization, Babson College decided not to renew its Global Sponsorship in 2023 and for the foreseeable future, thus requiring more reliance on the National Teams to cover core operational costs.
- Global inflation is pushing up GEM's operational costs while the fee at US\$10,000 was set at the same amount charged in 2005 (a reduction to US\$ 8,500 was even granted in 2015 owing to funding available from Global Sponsorships (that subsequently ended), leading to rapidly diminishing reserves (a situation that has been rectified through careful budget management and fundraising efforts in the period 2019 to 2024 inclusive).

In addition to funds generated for GEM Global operational costs from the GEM Global Services fees, the company is likely to confirm at least four Special Topic Report sponsorships in 2025. Furthermore, the launch of the 2025/26 GEM Global Report/GEM Annual General Meeting) - to be held in Mexico in February 2026 - will be sponsored by GEM Mexico and sponsors (Universidad de Monterrey and potentially, ministries within the Government of Mexico). Again, the amount to be covered by GEM Mexico through sponsorships is not yet confirmed and the GEM Global budget is prepared to backstop any shortfall in raised funds.

The GEM Executive Director continues to seek new sponsorships for flagship reports based upon partnerships. She is also introducing new funding models. For example, a partnership has been set up with the World Trade

Global Entrepreneurship Research Association

Plans for Future Periods (continued)

Organization (WTO) that publishes its Global Innovation Index partially using GEM NES Indicators. WTO is connecting GEM with prospective new members, so that they carry out the NES only at the outset (so that the relevant indicators are available). Currently there are three such cases – so-called **NES Country Teams** - that are fee paying (US\$10,000 per team). It is hoped that through the establishment of such relationships, these teams will eventually become full blown GEM National Teams, carrying out both the APS and NES and increasing their commitment to GEM over time.

In 2020, GERA launched a new product, the Ecosystems Index, and participation in this initiative has been providing some limited income since its introduction but the plan is to leverage it as much as possible in 2025.

The 2025 GEM surveys will continue to include a special topic focus on women's entrepreneurship and sustainable entrepreneurship (impact of entrepreneurship on the United Nations Sustainable Development Goals), enabling the production of two Special Topic reports in these areas of focus. In 2024 and 2025, GEM also added questions on Digitalization/Artificial Intelligence, and migrant entrepreneurs, to enable the production of special reports on these topics. This will increase the value and relevance of GERA's research products to all stakeholders. The aim is also to create new strategic partnerships such as that with WTO, and attract new sponsors to fund special reports and other activities. This will in turn increase the motivation of national participants to continue participation in or join GEM, fund the research and expand the global presence of GEM.

In addition, the GEM Executive Director has launched GEM Research and Innovation Projects (GRIPS) groups involving key stakeholders (representatives of National Teams) to ensure continued improvement and relevance of GERA's key offerings in terms of the Adult Population Survey (APS) and National Expert Survey (NES), the Global Report and for each of the GEM Special Reports. The increased involvement of existing teams and key stakeholders, through the GRIPs teams, empowers National Teams and is envisaged to assist in maintaining and increasing GEM National Team participation moving forward.

GEM surveys are conducted annually by National Teams, and the results are published in the Global Entrepreneurship Monitor (GEM) Global Report on a yearly basis at an event held in a different location each year and hosted by a National Team. Note that GEM is the acronym under which GERA publishes its' Reports.

In 2022, the GEM Executive Director introduced a formal process of application for hosting and sponsoring the GEM Global Report Launch/AGM. The opportunity to host such a prestigious event has met with considerable success amongst the National Teams, The following National Teams sought funding, donated resources in-kind and hosted the Launch in the last three years:

	2021	2022	2023	2024
Country	Dubai	Switzerland	Morocco	Spain
OVERALL EVENT COST	\$ 96'537	\$ 71'121	\$ 64'725	\$ 150'000

This new funding model has substantially alleviated the GEM Global budget, which previously covered significant costs of the Launch event (as a reference, the costs of the 2020 event in Miami was primarily covered by the GEM Global budget, to the tune of US\$170,000).

The 2024/25 Global Report Launch/Annual General Meeting took place at the University of the Basque Country and University of Deusto during the week of 17-20 February 2025 in Bilbao, Spain, sponsored by the Universities and several governmental and private sector sources. This high-profile event draws significant marketing and communication outreach, which is magnified through sponsoring stakeholders that help expand the reach and visibility of GERA's work. At the Bilbao event, the GERA Board announced that GEM Mexico will host the 2026 GEM Global Report Launch/AGM at Tec de Monterrey, Monterrey, Mexico.

Key Risks and Uncertainties and Risk Management

When considering business decisions, the Board assesses associated risk factors and there is complete transparency on the background to all recommendations. Execution of any actions or strategies will continue to be assured in 2025 by Dr Aileen Ionescu-Somers, who is currently providing Executive Management Services to

Global Entrepreneurship Research Association

Key Risks and Uncertainties and Risk Management (continued)

the company (GEM Executive Director), supported by a GEM Global team of five people. The Executive Director is renewing and updating the GEM strategy. The current strategy includes targets and objectives for a set of five strategic goals/priorities and all members of the team had responsibility for tasks/objectives to enable delivery of the established targets, all of which were achieved in 2023/24. All key risks faced by the company are taken into consideration when developing courses of action and all actions are formally approved by the Board before implementation. Internal control risks have been minimised by the implementation of procedures for authorisation of all financial transactions. The key roles of the Operations Manager have been streamlined to ensure that oversight, processes and procedures are strengthened and enhanced.

The primary risk before the company in the short and medium term – given the current volatile economic climate and somewhat inflationary context - is any potential decrease in the number of National Teams participating in the research, and in income from donations and grants. However, confirmation of participation for 2025 is looking optimistic, as indicated above, and the Executive Director has already secured several substantial sponsorships for the Global Report Launch and Special Topic Reports for 2025. There has also been an increase applied to the GEM Global Services Fees in 2025. Furthermore, three new teams have joined the consortium. As a result, it is unlikely that GEM will run a deficit in 2025, and it is expected that there may even be a small net contribution back to the reserves, as there was in 2024.

The company's medium and long-term risks and uncertainties are related to the number of local partner organisations that are part of the GEM Consortium (as members with Participation Agreements). This affects the income from National Teams and the fluctuation in foreign exchange rates related to macroeconomic factors beyond the company's control. The GERA Board and GEM Executive Director have developed a strategic plan for increasing the number of National Teams and the income they provide – for example by increasing the GEM Global Services fees in 2025, and approving a shift to online sampling (leading to lower costs for teams, thus more motivation to remain part of the consortium) - and have taken measures to minimise the foreign exchange risk to an acceptable level.

It is anticipated that the number of local partner organisations (National Teams) will remain relatively stable increase for the 2025 research cycle, whereas for 2024, participation in GEM increased. GEM has often had practical difficulties retaining teams because of the cost of conducting relatively expensive surveys particularly at times of economic uncertainty worldwide. Owing to world geopolitical events, GEM expects that in some cases sponsorship funding will be allocated by stakeholders to other priorities, leading to loss of GEM National Team participation (4/5 teams in 2025). However, newly approved teams (4 in 2025) will compensate for this loss.

Because of the increased GEM Global Services Fees in 2025, the income the company receives from National Team contributions will increase relative to 2024. In terms of current operational costs, a participation of some 50 teams in the Research Cycle each year is deemed desirable. This is the expectation for 2025.

Note that following a strategic review in 2021, and to address a deficit situation, the GEM Executive Director cut the operational budget by a third, and reduced and then froze staffing levels. Because of rapid reduction in reserves from £1,292,366 in 2016 to £578,719 in 2020, the GEM Executive Director had a goal of restoring GERA reserves to healthy levels, and to ideally achieve a reserve of two years equivalent of operational income. This was achieved in 2024. In fact, GERA is now investing some of these reserves to generate income. The reserves investment strategy, and all income and expenditure is constantly reviewed.

All in all, GEM can confidently move towards less austerity and begin to use its funds more strategically. This increased strategic approach is reflected in the 2025 budget.

An Operations Pack with detailed updates on GERA finances, status of GERA reserves, investment income and participation of National Teams is submitted to the GERA Board for review at the monthly GERA Board meeting.

Report of the Directors for the year ended 31 December 2024

The Global Entrepreneurship Research Association (GERA) or “the company” is a registered charity (registered number 1109845 in Charity Commission and registered number 05352027 in Companies House) in England and Wales, United Kingdom. GERA publishes its research results as Reports under the name Global Entrepreneurship Monitor (GEM).

Global Entrepreneurship Research Association

Report of the Directors for the year ended 31 December 2024 (continued)

The directors present their directors' report together with the audited financial statements of the organisation for the year ended 31 December 2024, which are also prepared to meet the requirements of the Companies Act.

The financial statements comply with the Charities Act 2011, the Companies Act 2006 relating to small companies and the Accounting and Reporting by Charities; Statements of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (2019 edition).

The data and analysis produced by the charity has significantly impacted government policy on entrepreneurship around the world, increasing opportunities for entrepreneurs and driving economic growth. Examples of recent 2024 GEM outputs are:

- [GEM 2023/24 Women's Entrepreneurship Report: Reshaping Economies and Communities](#), published in November 19th 2024
- [GEM 2024/25 Global Report: Entrepreneurship Reality Check](#), published in 18th February 2025
- [GEM 2023/2024 Sustainability and Entrepreneurship Report: Awareness and Actions](#), published in 25th March 2025

Financial Review

The directors' report a surplus of £209,075 (2023: surplus of £118,885) for the year and have positive reserves carried forward of £1,208,494 (2023: £999,419). They anticipate an increased 2025 revenue from National Teams, which are local partner academic or research institutions from participating countries, over the 12 months to 31 December 2025. The GEM Executive Director is constantly looking for new sponsors, and in 2024 secured one Global Sponsor (Cartier Women's Initiative (CWI)), and four Special Topic Report sponsors: the School of Management Fribourg, the Schwab Foundation (affiliated with the World Economic Forum), the Bertelsmann Stiftung Foundation and the Frank & Eileen Centre for Women's Entrepreneurial Leadership at Babson College, USA). There was therefore a net positive contribution back to the reserves at 31 December 2024.

Principal Activity

Office Address: London Business School
Sussex Place
Regent's Park
London
NW1 4SA
UK

Directors

The directors of the charitable company (the company) are its trustees for the purpose of charity law. The directors and officers serving during the year ended 31 December 2024 and up to the date of signing of the financial statement were:

	Appointed	Resigned
Dr José Ernesto Amorós Espinosa	March 2020	February 2024
Professor Jeff Shay	July 2021	
Professor Ehud Menipaz	February 2025	February 2024
Professor Ana Fernandez Laviada	February 2023	
Anna Tarnawa	February 2023	
Professor Rico Baldegger	June 2024	February 2025
Dr Christian Friedl	February 2024	
Dr Maya Dougoud	February 2025	
Dr Niels Bosma (non-voting)	February 2015	

Global Entrepreneurship Research Association

Financial Review (continued)

Secretary

Richard Alan Frost	June 2023	March 2024
Carol George	March 2024	

Qualifying Third Party Indemnity

The company has Clubs and Associations Insurance Portfolio through Hiscox. This includes management liability as follows:

- Management liability - Trustees and individual liability
- Management liability - Professional legal liability
- Management liability - Employment practices liability

Objectives and Activities

The objective of the company is the advancement of research and associated educational initiatives in the field of entrepreneurship practice and policy development, principally by the provision and conduct of an international programme of research and the dissemination of the results of such research and by such other exclusively charitable means as the directors shall in their discretion determine.

Public Benefit Statement

The Global Entrepreneurship Research Association was established on the 3rd February 2005 and is an exempt charity. The directors have given due regard to the Charity Commission's guidance on public benefit and have taken reasonable steps to ensure that this guidance has been considered in the activities undertaken by the Global Entrepreneurship Research Association to deliver its charitable purposes.

The Global Entrepreneurship Research Association delivers a benefit to the public by coordinating an annual global data collection activity, producing and disseminating as widely as possible high-quality information and analysis on entrepreneurship and its importance in economic development.

At the end of each annual cycle, GERA produces a comprehensive 'Global Report' on its findings which is launched to the global press and distributed free of charge on its website. The report is widely read and cited, raising awareness of the importance of entrepreneurship and increasing knowledge of the entrepreneurship phenomenon worldwide. This report also includes specific recommendations with a view to positively influencing government policies towards entrepreneurship.

National Teams in the different countries covered by the study produce their own 'National Reports', which are launched to local media and also distributed free of charge online. These reports also include specific recommendations with a view to positively influencing government policies towards entrepreneurship.

GERA also produces 'Special Topic' reports, which use the data collected to further research into particular fields (e.g. Women's Entrepreneurship) and make important contributions to the body of research into entrepreneurship. The Board has agreed to focus primarily on certain "Flagship" special reports in future, namely, **Women's Entrepreneurship** and **Impact of Entrepreneurship on the Sustainable Development Goals (SDG's)**. Ultimately, the aim will be to build a constellation of partnerships and funding around these specific reports, and to produce them yearly rather than sporadically.

The data collected by GERA is presented at conferences, events and seminars worldwide. The data collected and the reports produced are used free of charge by educators worldwide in a variety of teaching contexts and by

Global Entrepreneurship Research Association

Public Benefit Statement (continued)

the sponsors of the GEM National Teams, usually policymakers in governmental departments and/or entities concerned with promoting entrepreneurship at a national or regional level within countries.

Investment Policy

The Board of Global Entrepreneurship Research Association has approved a budget in 2024 for investment in a new website in order to modernise and innovate its communication channels to attract sponsors and also to better mirror GERA's global mission, objectives and activities.

Reserves Policy and Going Concern

The company reserves are needed to meet the working capital requirements for the company. As at year end the Global Entrepreneurship Research Association has a creditor balance of £70,740 which can be covered by the cash reserves without need of any additional financing. The directors considered that unrestricted reserves should be maintained at a minimum of 100% of total expected core operational expenditure for two years of operations. Given global uncertainties, this is to ensure continuity of operations in the event of the withdrawal of a funder or a fall in the number of participating National Teams. Currently, unrestricted reserves are 129% of forecast core operational expenditure for 2024 after deduction of liabilities from reserves. The directors will consider the plans for the use of reserves on an ongoing basis.

The directors have reviewed the circumstances of GERA and consider that adequate resources continue to be available to fund the activities of the company for the foreseeable future. In fact, the situation of the company can be considered very healthy. There are therefore no material uncertainties about the charity's ability to continue as a going concern.

Principal Funding Sources

Principal funding sources for 2024 were:

- Annual fees from the National Teams for which they receive membership of GERA and access to data on entrepreneurship collected as part of the Global Entrepreneurship Monitor (GEM) project.

Note: GEM Global Services Fees were increased from 11'000USD to 12'100USD in 2024 thus leading to an increase in the overall total of annual fees from National Teams.

In 2024, GEM received funding from the Cartier Women's Initiative (CWI), the School of Management Fribourg, Schwab Foundation, Bertelsmann Stiftung Foundation and from the Frank & Eileen Centre for Women's Entrepreneurial Leadership at Babson College. All of these are likely to make a contribution in 2025 also. In fact, the Cartier Women's Initiative, has confirmed its funding of the 2025/26 GEM Global Report and 2024/25 Women's Entrepreneurship report. The Holon Institute of Technology (HIT) has formally committed to a three-year contribution of unrestricted funds to GEM, covering the period from 2025 to 2027.

Structure, Governance and Management

Governing Document

The Global Entrepreneurship Research Association (GERA) is a private company limited by guarantee registered in England, established on the 3rd February 2005. It was registered as a charity on the 3rd June 2005. GERA is a not-for-profit independent entity formed from the consortium of Global Entrepreneurship Monitor National Teams (GEM National Teams) and the two founding institutions: London Business School and Babson College (USA).

Recruitment and Appointment of Directors

There are to be at least five individuals holding the position of director. New Board Members may be proposed by any of the founding institutions, National Team Representative Members or a Funding Member. Decisions for appointing a director who is additional or is replacing a Funding Member or National Team Representative Member should be taken unanimously by the Board, and the approval of all of the existing active founding institutions, National Team Representative Members and Funding Members is required. In the event of the

Global Entrepreneurship Research Association

Recruitment and Appointment of Directors (continued)

company being wound up, the directors of the company are required to contribute one pound towards the costs of dissolution and the liabilities incurred by the company while the contributor was a member.

Trustee Induction and Training

The directors as charity trustees have control of the company and its assets and funds. Each director is made aware of their duties to the company upon appointment and accepts their responsibility to keep up to date with changes in statutory requirements that affect their role and responsibilities as trustees. Each director must sign a declaration of willingness to act as a charity trustee of the company before he or she is eligible to vote at any meeting of the directors.

Organisational Structure

The Board of Directors meets in the last week of each month and is responsible for the strategic direction and policy of the company. The day-to-day responsibility for the provision of services rests with the Executive Director who is also responsible for ensuring that the company delivers the services specified in a timely manner and to a good standard.

Related parties and co-operation with other organisations

No director receives remuneration or other benefit from their work with the company. However, they are reimbursed expenses and receive payment for services provided to the company, when required, as permitted in the Memorandum of Association. During the year 2024 one (non-voting) director was contracted as GEM Senior Research Advisor and their university was remunerated for this for £9,493 (in 2023: £9,533 was paid to 1 director) for the provision of such services. Any connection between a director of the company with a customer or supplier must be disclosed to the full board of directors in the same way as any other contractual relationship with a related party.

Related parties and co-operation with other organisations

Global Entrepreneurship Research Association is a collaboration between Babson College, London Business School and the Association of GEM National Teams.

Statement of Directors' responsibilities

The Directors (who are also trustees of Global Entrepreneurship Research Association for the purposes of charity law) are responsible for preparing the Report of the Directors (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

Global Entrepreneurship Research Association

Statement of Directors' responsibilities(continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies

Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Section 418, we confirm that in the case of each director in office at the date the directors' report is approved, that:

- a) so far as the directors is aware, there is no relevant audit information of which the company's auditors are unaware; and
- b) he/she has taken all the steps that he ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board



Professor Jeff Shay
On behalf of the GERA Board
29 September 2025

Global Entrepreneurship Research Association

Independent Auditor's Report to the members of Global Entrepreneurship Research Association

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 December 2024 and of its incoming resources and application of for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Global Entrepreneurship Research Association ("the Charitable Company") for the year ended 31 December 2024 which comprise the Statement of Financial Activities including Income & Expenditure Account for the year ended 31 December 2024, Balance Sheet at 31 December 2024, Statement of Cash Flows for the year ended 31 December 2024 and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Global Entrepreneurship Research Association

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in

doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors, which includes the Trustees' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Report of the Directors, which included the Trustees' Report, has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Report of the Directors report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept by the Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report.

Responsibilities of Directors/Trustees

As explained more fully in the Statement of Directors' responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Global Entrepreneurship Research Association

Responsibilities of Directors/Trustees (continued)

In preparing the financial statements, the Trustees are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Charitable Company and the sector in which it operates;
- Discussion with management and those charged with; and
- Obtaining and understanding of the Charitable Company's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be the UK Generally Accepted Accounting Practice and UK tax legislation.

The Charitable Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the Companies Act 2006.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

Global Entrepreneurship Research Association

Fraud (continued)

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Charitable Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud

Based on our risk assessment, we considered the areas most susceptible to fraud to be posting of inappropriate journal entries and improper revenue recognition.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; We also selected a sample of journals on an unpredictability basis which are not meeting the defined risk criteria and agreed these back to supporting documentation; and
- We performed a proof in total to confirm the completeness of membership income, alongside other tests that confirmed the accuracy of the underlying data used in the calculation. We also tested the existence of revenue through sample testing of sponsorship income back to signed contracts and also agreeing to invoicing.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

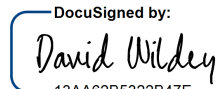
A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Global Entrepreneurship Research Association

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

13AA62B5322B47E...
David Wildey (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK
30 September 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Global Entrepreneurship Research Association

Statement of Financial Activities including Income & Expenditure Account for the year ended 31 December 2024

		Unrestricted 2024	Unrestricted 2023
	Notes	£	£
Income from:			
<i>Donations and Legacies:</i>			
Donations and Grants	3	147,091	201,408
<i>Charitable activities:</i>			
National Team	4	545,952	462,590
<i>Interest income</i>	5	37,003	30,314
Total income		<u>730,046</u>	<u>694,312</u>
Expenditure on:			
Charitable activities	6	(520,971)	(575,427)
Total expenditure		<u>(520,971)</u>	<u>(575,427)</u>
Income and net movement in funds		209,075	118,885
Reconciliation of funds			
Total funds brought forward		999,419	880,534
Total funds carried forward	13	<u>1,208,494</u>	<u>999,419</u>

The statement of financial activities includes all gains and losses in the period. All incoming resources and resources expended derive from continuing activities.

The notes on pages 20 to 25 form part of these financial statements.

Global Entrepreneurship Research Association

Balance Sheet at 31 December 2024 (Registered Company no: 05352027)

	Notes	2024	2023
		£	£
Current assets			
Debtors	11	110,372	118,777
Cash at bank and in hand		1,168,862	938,365
		<u>1,279,234</u>	<u>1,057,142</u>
Creditors: amounts falling due within one year	12	(70,740)	(57,723)
Net current assets		<u>1,208,494</u>	<u>999,419</u>
Net assets		<u>1,208,494</u>	<u>999,419</u>
 Unrestricted funds	14	 1,208,494	 999,419
 Total funds		 <u>1,208,494</u>	 <u>999,419</u>

Approved company's financial statements on pages 20 to 25 by the board of directors and authorised for issue on 29 September 2025 and signed on its behalf by:



September 29, 2025

Professor Jeff Shay

On behalf of the GERA Board

The notes on pages 20 to 25 form part of these financial statements

Global Entrepreneurship Research Association

Statement of Cash Flows for the year ended 31 December 2024

	Notes	2024 £	2023 £
Net cash provided by/(used in) Operating Activities	15	193,495	(43,522)
<i>Cash flows from investing activities:</i>			
Interest income		37,003	30,314
Net cash provided by Investing Activities		37,003	30,314
Change in cash and cash equivalents in the reporting period		230,498	(13,208)
Cash and cash equivalents at the beginning of the year		938,365	951,573
Cash and cash equivalents at the end of the year		1,168,862	938,365

The accompanying notes form part of these financial statements.

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2024

1. Principal accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS 102)) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019. The accounting policies set out above have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

(b) Going concern

GERA has unrestricted funds of £1,208,494 (2023: £999,419) at the year-end. As at year-end, the Global Entrepreneurship Research Association has a creditor balance of £70,740 which can be covered by the company cash reserves without need of any additional financing. The reserves are well sufficient to fund the immediate liabilities and forecasted expenses for the next 12 months whilst the directors implement their strategic plans to maintain this trend as detailed in the strategic report.

The directors considered that unrestricted reserves should be maintained at a minimum of 100% of total expected core operational expenditure for two years of operations.

Hence, the directors are of the view that the company's immediate future is secure and therefore the financial statements have been prepared on the going concern basis.

(c) Basis for translation of sums dominated in foreign currency into sterling

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the Statement of Financial Activities.

(d) Incoming Resources (Donations and grants and Income from National Teams)

Income is recognised when the company has entitlement to the funds, any performance conditions attached have been met, it is probable that the income will be received and the amount can be measured reliably.

Income received for activities relating to a future accounting period is deferred until the criteria for income recognition are met.

(e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company. This is normally upon notification of the interest paid or payable by the bank.

(f) Fund accounting

GERA's income is derived from funding and fees from National Teams. At 31 December 2024, GERA held £1,208,494 (2023: £999,419) in unrestricted funds. All GERA funds are unrestricted. Unrestricted funds are available to spend on activities that further any of the purposes of the company. The split of funds set out in note 13 is purely for presentational purposes and does not indicate any segregation of the funds held for different purposes.

(g) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2024 (continued)

(g) Expenditure (continued)

The expenditure classified under the heading "Expenditure on charitable activities" consists of costs incurred to promote the objectives of the company and are accounted for in the year they occur.

(h) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(i) Cash at bank and in hand

Cash and cash equivalents comprise cash balances and call deposits.

(j) Creditors

Creditors are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

(k) Financial instruments

GERA has only financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their amortised cost.

(l) Critical estimates and judgements

There are no critical estimates and judgements within the financial statements, other than any judgements made with regard to the recognition of revenue.

2. Legal status

GERA is a company limited by guarantee and has no share capital. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

3. Donations and grants

	2024 £	2023 £
Sponsorship	147,091	201,408
	<u>147,091</u>	<u>201,408</u>

4. Income from charitable activities

	2024 £	2023 £
National Teams annual fee	545,952	462,590
	<u>545,952</u>	<u>462,590</u>

The income from outside the UK represents 99% (2023: 99%) of GERA membership income.

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2024 (continued)

5. Interest income

The interest income of £37,003 (2023: £30,314) arises from money held in interest bearing deposit accounts.

6. Analysis of expenditure on charitable activities

	2024	2023
	£	£
Consulting costs	401,678	385,870
Events	5,523	22,197
Data collection and report production	31,775	30,716
Staff travel and accommodation	27	8,525
Management fees	29,384	26,663
Advertising / PR costs	-	2,780
Legal and professional fees	9,810	9,258
Computer Software	-	1,516
Web Maintenance and development	21,854	16,016
Foreign exchange	1,853	45,067
Business Insurance	5,309	4,485
Office materials	2,495	5,795
Other Operating Expenditure	-	(458)
Governance costs	11,262	16,997
Total Expenditure	520,971	575,427

7. Net expenditure for the year

This is stated after charging:	2024	2023
	£	£
Auditors' remuneration		
Audit fees (excluding VAT)	9,000	8,800

8. Staff costs

No remuneration was paid during the year (2023: £nil).

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2024 (continued)

9. Related party transactions

For the year ended 31/12/2024 a management fee of £29,384 (2023: £26,336) was paid to London Business School.

During the year, 1 (2023: 3) director claimed expenses of £101 (2023: £7,617).

During the year 2024 one director was contracted to a Senior Research Advisor and their university was remunerated for this for £9,493 (2023: £9,533 was paid to 1 director) for the provision of such services.

At the end of the year GERA had an outstanding balance due from London Business School of £nil (2023: £17,090).

10. Corporation Taxation

The company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

11. Debtors

	2024	2023
	£	£
Trade debtors	67,263	65,925
Amount owed from London Business School	-	17,090
Social security and other taxation	3,294	562
Prepayments and accrued income	39,815	35,200
	<u>110,372</u>	<u>118,777</u>

12. Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade Creditors	27,912	12,667
Deferred Income	20,884	-
Accruals	21,944	45,056
	<u>70,740</u>	<u>57,723</u>

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2024 (continued)

13. Movements in funds

	At 01 January 2024 £	Incoming Resources £	Outgoing Resources £	At 31 December 2024 £
Unrestricted funds:				
National Teams	(3,463,689)	545,952	(509,709)	(3,427,446)
General Funds	4,463,108	184,094	(11,262)	4,635,940
Total unrestricted funds	999,419	730,046	(520,971)	1,208,494
Total funds	999,419	730,046	(520,971)	1,208,494

Following a strategic review in 2021, and to address a deficit situation of rapid reduction in reserves from £1,292,366 in 2016 to £578,719 in 2020, the GEM Executive Director had a goal of restoring GERA reserves to healthy levels. GERA is now investing some of these reserves in order to generate income. The reserves investment strategy, and all income and expenditure is constantly reviewed.

Work continues to increase the number of new teams participating in the research cycle, whilst working to ensure existing teams continue to participate. This is being done through the GEM Research and Innovation Projects (GRIPS) groups which involve key stakeholders to ensure continued improvement and relevance of GERA's key offerings in terms of the APS and NES surveys. The involvement of key stakeholders is envisaged to assist in maintaining National Team participation moving forward.

14. Analysis of net assets between funds

	Unrestricted Funds 2024 £	Unrestricted Funds 2023 £
Cash at bank and in hand	1,168,862	938,365
Other net current assets	39,632	61,054
Total	1,208,494	999,419

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2024 (continued)

15.Reconciliation of net movement in funds to net cash flow provided by/used in operating activities

	2024	2023
	£	£
Net income	209,075	118,885
Adjustments for:		
Interest income	(37,003)	(30,314)
Decrease in debtors	8,405	(89,964)
Increase/(Decrease) in creditors	13,018	(42,129)
Net cash provided by/(used in) operating activities	193,495	(43,522)

Accounts

Global Entrepreneurship Research Association

Annual Report

for the year ended 31 December 2023

Registered Charity no: 1109845

Registered Company no: 05352027

A company limited by guarantee

Global Entrepreneurship Research Association

Reference and Administrative Information

Company name: Global Entrepreneurship Research Association

Charity registration number: 1109845 (England & Wales, UK)

Company registration number: 05352027 (England & Wales, UK)

Registered office and operational address:

London Business School

Sussex Place

Regent's Park

London

NW1 4SA

UK

Independent Auditors

PricewaterhouseCoopers LLP

1 Embankment Place

London

WC2N 6RH

Banker

HSBC Bank plc

90 Baker Street

London

W1U 6AX

Solicitor

Farrer & Co

66 Lincoln's Inn Fields

London

WC2A 3LH

Global Entrepreneurship Research Association

Strategic Report for the year ended 31 December 2023

Achievements and Performance

The results for the period are shown in the statement of financial activities on page 14. The main activity during the year was the provision of an international programme of research and the dissemination of the results of this research.

Key Performance Indicators

- **Income and Expenditure and Net Movement in Funds.** 2023: surplus of £118,885 ---- 2022: surplus of £191,645.
- **Total funds carried forward.** 2023: £999,419 ---- 2022: £880,534
- **Number of participating National Teams.** 2023: 51 ---- 2022: 51
- **Number of global funders.** 2023: 1---- 2022: 4
- **Number of corporate or report funders.** 2023: 3 --- 2022: 4.

Plans for Future Periods

With the termination in 2023 of the global sponsorship previously received from Babson College annually, the income category "Global Sponsorship" will be eliminated until further notice. All sponsorships in 2023 and for the future will be allocated to specific outputs: either the GEM Global Report, one of the GEM Special Topic Reports or GEM Events.

The company plans to continue its activities over the forthcoming years subject to satisfactory funding arrangements. The main activity is the provision of an international programme of entrepreneurship research and the dissemination of the results of this research. In addition, and in accordance with the Strategy, the Company plans to continue to promote thought leadership in Entrepreneurship through collaborative research and dialogue with partners, and by increasing the number of Special Topic Reports. Dr Aileen Ionescu-Somers, who is currently providing Executive Management Services to the company (as Executive Director), is actively engaged in working with the Board to develop and strengthen initiatives going forward that will deliver on core defined objectives of the company.

Current National Team participation indicates that in 2024, there is unlikely to be a decrease from the 2023 participation of 51 National Teams. However, some teams confirm participation in the research cycle somewhat later than end January of each research year, depending on when their own sponsorships at a national level are confirmed. Thus, by end of January 2024, the following chart portrays the results of a participation survey sent out every year and indicates the number of teams that have either confirmed their participation in 2024, or indicated the degree of certainty that they will confirm participation at 100%. The definition of the "percentage certainty" (100%, 75%, 50%, 25%, 0%) are also included below. A total of 17 teams with active participation agreements have not responded as yet to the survey, but this group includes several teams that have consistently participated in the research cycles for the last 5 years (and more) and thus are highly likely to participate in 2023.

% Participation	Confirmed
100%	26
75%	9
50%	4
25%	3
0%	2
Total active teams that have answered the participation survey	44
Total active teams that have not responded yet	17
Total active teams	61

Global Entrepreneurship Research Association

Strategic Report (continued)

Plans for Future Periods (continued)

100%	Sponsorship for the year is fully guaranteed, all formalities have been completed and there are no further barriers to participation
75%	Sponsorship is highly likely, the sponsors has allocated the necessary funding within its budget, but some other formalities need to be concluded.
50%	Our sponsors is highly optimistic, has applied for the necessary funding and is attempting to get approval. However, final approval has not been yet given.
25%	Approaches have been made to a sponsors, who is relatively optimistic, but no formal processes have been completed
0%	The sponsor has given a negative response and no alternative funding is being sought or time does not allow another sponsor to approve the funding.

In 2022, the Board made a decision to increase the GEM Global Management Fees which were at US\$ 10,000 per National Team in 2022. Increases are being applied as follows:

2023: US\$11,000

2024: US\$12,100

2025: US\$13,310

This decision was made for several reasons:

- GERA Founding Organization Babson College decided not to renew its Global Sponsorship in 2023 and for the foreseeable future, thus requiring more reliance on the National Teams to cover core operations.
- Global inflation is pushing up GEM's operational costs while the fee at US\$10,000 was set at the same amount charged in 2005 (indeed, a reduction to US\$ 8,500 was even granted from 2015 to 2020).

The company is likely to confirm four Special Report sponsorship in 2024 and the 2023/24 GEM Global Report will be sponsored by the host organization for the Global Launch of this report, the Hassan II University of Casablanca and related ministries. The Executive Director continues to seek new sponsorship for flagship reports based upon partnerships and new funding models.

In 2020, GERA launched a new product, the Ecosystems Index, and participation in this initiative has been providing some limited income since its introduction but the plan is to leverage it more in 2024.

The 2024 surveys will continue to include additional focus on women's entrepreneurship and the impact of entrepreneurship on the United Nations Sustainable Development Goals (SDGs), but in 2024 will also add questions on digitalization and Artificial Intelligence. This will increase the value and relevance of GERA's research products to all stakeholders. The aim is also to attract new sponsors to fund special reports and to increase the motivation of national participants to fund the research. This in turn will lead to an increase in National Teams. The Survey results are published as the Global Entrepreneurship Monitor (GEM) Global Report on a yearly basis. Note that GEM is the acronym under which GERA publishes its' Reports.

In addition, the Executive Director has launched GEM Research and Innovation Projects (GRIPS) groups involving key stakeholders (representatives of National Teams) to ensure continued improvement and relevance of GERA's key offerings in terms of the Adult Population Survey (APS) and National Expert Survey (NES), the Global Report and for each of the GEM Special Reports. The surveys are conducted annually by National Teams, and the results are published in the GEM Global Report. The increased involvement of existing teams and key stakeholders, through the GRIPs projects, is envisaged to assist in maintaining and increasing National Team participation moving forward.

A Global Report Launch has taken place at the Hassan II University of Casablanca during the week of 12-15 February 2024 in Casablanca, sponsored by the University and its related ministries. This high profile event draws significant marketing and communication outreach, and

Global Entrepreneurship Research Association

Strategic Report (continued)

is magnified through sponsoring stakeholders to expand the reach and visibility of GERA's work.

Key Risks and Uncertainties and Risk Management

When considering business decisions, the Board assesses associated risk factors and there is complete transparency on the background to all recommendations. Execution of any actions or strategies will continue to be assured in 2024 by Dr Aileen Ionescu-Somers, who is currently providing Executive Management Services to the company (Executive Director), supported by the GEM Global team. The Executive Director will shortly renew and update the GEM strategy. The current strategy includes targets and objectives for a set of five strategic goals/priorities and all members of the team had responsibility for tasks/objectives to enable delivery of the established targets, all of which were achieved in 2023. All key risks faced by the company are taken into consideration when developing courses of action and all actions are formally approved by the Board before implementation. Internal control risks have been minimised by the implementation of procedures for authorisation of all financial transactions. The key roles of the Operations handler have been streamlined to ensure that oversight, processes and procedures are strengthened and enhanced.

The primary risk before the company in the short and medium term – given the current volatile economic climate and somewhat inflationary context, is any potential decrease in the number of National Teams participating in the research, and in income from donations and grants. However, confirmation of participation for 2024 is looking optimistic, as indicated above, and the Executive Director has already secured several substantial sponsorships for either the Global Report or Special Topic Reports for 2024 and increased the GEM Global Services Fees in 2024. Furthermore, two new teams have joined the consortium and several more have indicated intentions to do so in 2024. As a result, it is highly unlikely that GEM will run a deficit in 2024, and it is expected that there may be a small net contribution back to the reserves, as there was in 2023.

The company's medium and long-term risks and uncertainties are related to the number of local partner organisations that are part of the GEM Consortium (as members with Participation Agreements). This affects the income from National Teams and the fluctuation in foreign exchange rates related to macroeconomic factors beyond the company's control. The Board and Executive Director have developed a strategic plan for increasing the number of National Teams and the income they provide – for example by increasing the GEM Global Services fees in 2024, and approving a shift to online sampling (leading to lower costs for teams, thus more motivation to remain part of the consortium) - and have taken measures to minimise the foreign exchange risk to an acceptable level.

It is anticipated that the number of local partner organisations (National Teams) may increase for the 2024 research cycle. For 2023, the participation situation remained much as it was in 2022, with some new teams joining, and others discontinuing (mainly due to economic circumstances). GEM has had practical difficulties retaining teams because of the cost of conducting relatively expensive surveys at this time of great economic uncertainty worldwide owing both to lingering impacts of the COVID-19 pandemic and global economic impacts of the war in Ukraine. These world events have in some cases led to earmark local funding being allocated by stakeholders to other priorities. Because of the increased GEM Global Services Fees in 2024, the income the company receives from National Team contributions will probably increase relative to 2023 as long as at least 51 teams participate in the annual cycle, which is the expectation.

Note that following a strategic review in 2021, and to address a deficit situation, the Executive Director cut the budget by a third, and reduced and then froze staffing levels. GEM has been rebuilding its reserves to healthy levels. In fact, GERA is now investing some of these reserves in order to generate income also. The reserves investment strategy, and all income and expenditure is constantly reviewed. An Operations Pack with updates on GERA finances and participation of National Teams is submitted to the GERA Board for review monthly.

Global Entrepreneurship Research Association

Report of the Directors for the year ended 31 December 2023

The Global Entrepreneurship Research Association (GERA) or “the company” is a registered charity (registered number 1109845 in Charity Commission and registered number 05352027 in Companies House) in England and Wales, United Kingdom. GERA publishes its research results as Reports under the name Global Entrepreneurship Monitor (GEM).

The directors present their directors’ report together with the audited financial statements of the organisation for the year ended 31 December 2023, which are also prepared to meet the requirements of the Companies Act.

The financial statements comply with the Charities Act 2011, the Companies Act 2006 relating to small companies and the Accounting and Reporting by Charities; Statements of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (2019 edition).

The data and analysis produced by the charity has significantly impacted government policy on entrepreneurship around the world, increasing opportunities for entrepreneurs and driving economic growth. Examples of recent 2023 GEM outputs are:

<https://www.gemconsortium.org/reports/womens-entrepreneurship>

The 2023/24 Global Report was published on the 13th February 2024.

A European Regional report sponsored by Shopify will shortly be published.

Financial Review

The directors’ report a surplus of £118,885 (2022: surplus of £191,645) for the year and have positive reserves carried forward of £999,419 (2022: £880,534). They anticipate an increased 2024 revenue from National Teams, which are local partner academic or research institutions from participating countries, over the 12 months to 31 December 2024. GERA is constantly looking for new sponsors, and in 2023 secured three Report sponsors and one Global sponsor (Women Entrepreneurs Finance Initiative (We-Fi), the Cartier Women’s Initiative (CWI), the School of Management Fribourg, Switzerland and from the Frank & Eileen Centre for Women’s Entrepreneurial Leadership at Babson). There was therefore a net positive contribution back to the reserves at 31 December 2023.

Principal Activity

Office Address: London Business School
Sussex Place
Regent’s Park
London
NW1 4SA
UK

Directors

The directors of the charitable company (the company) are its trustees for the purpose of charity law. The directors and officers serving during the year ended 31 December 2023 and up to the date of signing of the financial statement were:

	Appointed	Resigned
Dr José Ernesto Amorós Espinosa	March 2020	February 2024
Professor Maribel Guerrero		February 2023
Professor Fatima Boutaleb		February 2023
Professor Jeff Shay	July 2021	
Professor Ehud Menipaz	April 2022	
Professor Ana Fernandez Laviada	February 2023	
Anna Tarnawa	February 2023	
Dr Niels Bosma (non-voting)	February 2015	
Secretary		
Clare Kane	February 2022	June 2023
Richard Alan Frost	June 2023	

Global Entrepreneurship Research Association

Report of the Directors for the year ended 31 December 2023 (continued)

Qualifying Third Party Indemnity

The company has Clubs and Associations Insurance Portfolio through Hiscox. This includes management liability as follows:

- Management liability - Trustees and individual liability
- Management liability - Professional legal liability
- Management liability - Employment practices liability

Objectives and Activities

The objective of the company is the advancement of research and associated educational initiatives in the field of entrepreneurship practice and policy development, principally by the provision and conduct of an international programme of research and the dissemination of the results of such research and by such other exclusively charitable means as the directors shall in their discretion determine.

Public Benefit Statement

The Global Entrepreneurship Research Association was established on the 3rd February 2005 and is an exempt charity. The directors have given due regard to the Charity Commission's guidance on public benefit and have taken reasonable steps to ensure that this guidance has been considered in the activities undertaken by the Global Entrepreneurship Research Association to deliver its charitable purposes.

The Global Entrepreneurship Research Association delivers a benefit to the public by coordinating an annual global data collection activity, producing and disseminating as widely as possible high-quality information and analysis on entrepreneurship and its importance in economic development.

At the end of each annual cycle, GERA produces a comprehensive 'Global Report' on its findings which is launched to the global press and distributed free of charge on its website. The report is widely read and cited, raising awareness of the importance of entrepreneurship and increasing knowledge of the entrepreneurship phenomenon worldwide. This report also includes specific recommendations with a view to positively influencing government policies towards entrepreneurship.

National Teams in the different countries covered by the study produce their own 'National Reports', which are launched to local media and also distributed free of charge online. These reports also include specific recommendations with a view to positively influencing government policies towards entrepreneurship.

GERA also produces 'Special Topic' reports, which use the data collected to further research into particular fields (e.g. Women's Entrepreneurship) and make important contributions to the body of research into entrepreneurship. The Board has agreed to focus primarily on certain "Flagship" special reports in future, namely, **Women's Entrepreneurship** and **Impact of Entrepreneurship on the Sustainable Development Goals (SDG's)**. Ultimately, the aim will be to build a constellation of partnerships and funding around these specific reports, and to produce them yearly rather than sporadically.

The data collected by GERA is presented at conferences, events and seminars worldwide. The data collected and the reports produced are used free of charge by educators worldwide in a variety of teaching contexts.

Global Entrepreneurship Research Association

Report of the Directors for the year ended 31 December 2023 (continued)

Investment Policy

The Board of Global Entrepreneurship Research Association has approved a budget in 2023 for investment in a new website in order to modernise and innovate its communication channels to attract sponsors and also to better mirror GERA's mission.

Reserves Policy and Going Concern

The company reserves are needed to meet the working capital requirements for the company. As at year end the Global Entrepreneurship Research Association has a creditor balance of £57,723 which can be covered by the cash reserves without need of any additional financing. The directors considered that unrestricted reserves should be maintained at a minimum of 100% of total expected core operational expenditure for one year of operations. This is to ensure continuity of operations in the event of the withdrawal of a funder or a fall in the number of participating National Teams. Currently, unrestricted reserves are 129% of forecast core operational expenditure for 2024 after deduction of liabilities from reserves. The directors will consider the plans for the use of reserves on an ongoing basis.

The directors have reviewed the circumstances of GERA and consider that adequate resources continue to be available to fund the activities of the company for the foreseeable future. There are no material uncertainties about the charity's ability to continue as a going concern.

Principal Funding Sources

Principal funding sources for 2023 were:

- Annual fees from the National Teams for which they receive membership of GERA and access to data on entrepreneurship collected as part of the Global Entrepreneurship Monitor (GEM) project.
Note: GEM Global Services Fees were increased from 10'000USD to 11'000USD in 2023 thus leading to an increase in the overall total of annual fees from National Teams.

In 2023, GEM received funding from the Women Entrepreneurs Finance Initiative (We-Fi), the Cartier Women's Initiative (CWI), the School of Management Fribourg, Switzerland and from the Frank & Eileen Centre for Women's Entrepreneurial Leadership at Babson College. All of these are likely to make a contribution in 2024 also. In fact, the Cartier Women's Initiative, has confirmed its funding of the 2024/25 GEM Global Report and 2023/24 Women's Entrepreneurship report. The fund from School of Management in Fribourg Switzerland will be used for the Impact of Entrepreneurship on the Sustainable Development Goals report and the 2023/24 Women's Report.

Structure, Governance and Management

Governing Document

The Global Entrepreneurship Research Association (GERA) is a private company limited by guarantee registered in England, established on the 3rd February 2005. It was registered as a charity on the 3rd June 2005. GERA is a not-for-profit independent entity formed from the consortium of Global Entrepreneurship Monitor national teams (Association of GEM National Teams - AGNT) and the two founding institutions: London Business School and Babson College (USA).

Recruitment and Appointment of Directors

There are to be at least five individuals holding the position of director. New board members may be proposed by any of the founding institutions, an AGNT Representative Member or a Funding Member. Decisions for appointing a director who is additional or is replacing a Funding

Global Entrepreneurship Research Association

Report of the Directors for the year ended 31 December 2023 (continued)

Member or AGNT Representative Member should be taken unanimously by the Board, and the approval of all of the existing active founding institutions, AGNT Representative Members and Funding Members is required. In the event of the company being wound up, the directors of the company are required to contribute one pound towards the costs of dissolution and the liabilities incurred by the company while the contributor was a member.

Trustee Induction and Training

The directors as charity trustees have control of the company and its assets and funds. Each director is made aware of their duties to the company upon appointment and accepts their responsibility to keep up to date with changes in statutory requirements that affect their role and responsibilities as trustees. Each director must sign a declaration of willingness to act as a charity trustee of the company before he or she is eligible to vote at any meeting of the directors.

Organisational Structure

The Board of Directors meets in the last week of each month and is responsible for the strategic direction and policy of the company. The day-to-day responsibility for the provision of services rests with the Executive Director who is also responsible for ensuring that the company delivers the services specified in a timely manner and to a good standard.

Related parties and co-operation with other organisations

No director receives remuneration or other benefit from their work with the company. However, they are reimbursed expenses and receive payment for services provided to the company, when required, as permitted in the Memorandum of Association. During the year 2023 one director was contracted as GEM Senior Research Advisor and their university was remunerated for this for £9,533 (in 2022: £9,883 was paid to 1 director) for the provision of such services. Any connection between a director of the company with a customer or supplier must be disclosed to the full board of directors in the same way as any other contractual relationship with a related party.

Related parties and co-operation with other organisations

Global Entrepreneurship Research Association is a collaboration between Babson College, London Business School and the Association of GEM National Teams.

Global Entrepreneurship Research Association

Statement of Directors' responsibilities

The Directors (who are also trustees of Global Entrepreneurship Research Association for the purposes of charity law) are responsible for preparing the Report of the Directors (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Section 418, we confirm that in the case of each director in office at the date the directors' report is approved, that:

- a) so far as the directors is aware, there is no relevant audit information of which the company's auditors are unaware; and
- b) he/she has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board



Professor Jeff Shay
On behalf of the GERA Board
26 July 2024

Global Entrepreneurship Research Association

Independent auditors' report to the members of Global Entrepreneurship Research Association

Report on the audit of the financial statements

Opinion

In our opinion, Global Entrepreneurship Research Association's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2023; the Statement of Financial Activities including Income & Expenditure Account, the Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of Principal accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charitable company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Global Entrepreneurship Research Association

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 and Charities Act 2011 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit the information given in the Strategic Report and the Report of the Directors for the period ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Directors' responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the charitable company and its environment, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated

Global Entrepreneurship Research Association

management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- Enquiry of management and the directors with regard to actual and potential fraud and non-compliance with laws and regulations;
- Reviewing minutes of the Board meetings and significant contracts to identify significant or unusual transactions and known or suspected instances of fraud or noncompliance with laws and regulations; and
- Testing unusual or unexpected journal entries.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charitable company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the charitable company's financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Jonathan Sturges (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

London
26 July 2024

Global Entrepreneurship Research Association

Statement of Financial Activities including Income & Expenditure Account for the year ended 31 December 2023

		Unrestricted 2023	Unrestricted 2022
	Notes	£	£
Income from:			
<i>Donations and Legacies:</i>			
Donations and Grants	3	201,408	345,874
<i>Charitable activities:</i>			
National Team	4	462,590	395,463
<i>Interest income</i>	5	30,314	9,135
Total income		<u>694,312</u>	<u>750,472</u>
Expenditure on:			
Charitable activities	6	(575,427)	(558,827)
Total expenditure		<u>(575,427)</u>	<u>(558,827)</u>
Income and net movement in funds		118,885	191,645
Reconciliation of funds			
Total funds brought forward		880,534	688,889
Total funds carried forward	13	<u>999,419</u>	<u>880,534</u>

The statement of financial activities includes all gains and losses in the period. All incoming resources and resources expended derive from continuing activities.

The notes on pages 17 to 22 form part of these financial statements.

Global Entrepreneurship Research Association

Balance Sheet at 31 December 2023 (Registered Company no: 05352027)

	Notes	2023	2022
		£	£
Current assets			
Debtors	11	118,777	28,813
Cash at bank and in hand		938,365	951,573
		<u>1,057,142</u>	<u>980,386</u>
Creditors: amounts falling due within one year	12	(57,723)	(99,852)
Net current assets		<u>999,419</u>	<u>880,534</u>
Net assets		<u>999,419</u>	<u>880,534</u>
Unrestricted funds	14	999,419	880,534
Total funds		<u>999,419</u>	<u>880,534</u>

Approved company's financial statements on pages 14 to 22 by the board of directors and authorised for issue on 26 July 2024 and signed on its behalf by:



Professor Jeff Shay
On behalf of the GERA Board

The notes on pages 17 to 22 form part of these financial statements.

Global Entrepreneurship Research Association

Statement of Cash Flows for the year ended 31 December 2023

	Notes	2023 £	2022 £
Net cash (used in)/provided by Operating Activities	15	(43,522)	176,276
<i>Cash flows from investing activities:</i>			
Interest income		30,314	9,135
Net cash provided by Investing Activities		30,314	9,135
Change in cash and cash equivalents in the reporting period		(13,208)	185,411
Cash and cash equivalents at the beginning of the year		951,573	766,162
Cash and cash equivalents at the end of the year		938,365	951,573

The accompanying notes form part of these financial statements.

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2023

1. Principal accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS 102)) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019. The accounting policies set out above have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

(b) Going concern

GERA has unrestricted funds of £999,419 (2022: £880,534) at the year-end. As at year-end, the Global Entrepreneurship Research Association has a creditor balance of £57,723, which can be covered by the company cash reserves without need of any additional financing. The reserves are well sufficient to fund the immediate liabilities and forecasted expenses for the next 12 months while they implement their strategic plans to maintain this trend as detailed in the strategic report. Hence, the directors are of the view that the company's immediate future is secure and therefore the financial statements have been prepared on the going concern basis.

(c) Basis for translation of sums dominated in foreign currency into sterling

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the Statement of Financial Activities.

(d) Incoming Resources (Donations and grants and Income from National Teams)

Income is recognised when the company has entitlement to the funds, any performance conditions attached have been met, it is probable that the income will be received and the amount can be measured reliably.

Income received for activities relating to a future accounting period is deferred until the criteria for income recognition are met.

(e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company. This is normally upon notification of the interest paid or payable by the bank.

(f) Fund accounting

GERA's income is derived from funding and fees from National Teams. At 31 December 2023, GERA held £999,419 (2022: £880,534) in unrestricted funds. All GERA funds are unrestricted. Unrestricted funds are available to spend on activities that further any of the purposes of the company. The split of funds set out in note 13 is purely for presentational purposes and does not indicate any segregation of the funds held for different purposes.

(g) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2023 (continued)

(g) Expenditure (continued)

The expenditure classified under the heading "Expenditure on charitable activities" consists of costs incurred to promote the objectives of the company and are accounted for in the year they occur.

(h) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(i) Cash at bank and in hand

Cash and cash equivalents comprise cash balances and call deposits.

(j) Creditors

Creditors are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

(k) Financial instruments

GERA has only financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their amortised cost.

(l) Critical estimates and judgements

There are no critical estimates and judgements within the financial statements, other than any judgements made with regard to the recognition of revenue.

2. Legal status

GERA is a company limited by guarantee and has no share capital. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

3. Donations and grants

	2023 £	2022 £
Babson College	-	75,584
Sponsorship	201,408	270,290
	<u>201,408</u>	<u>345,874</u>

4. Income from charitable activities

	2023 £	2022 £
National Teams annual fee	462,590	395,463
	<u>462,590</u>	<u>395,463</u>

The income from outside the UK represents 99% (2022: 99%) of GERA membership income.

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2023 (continued)

5. Interest income

The interest income of £30,314 (2022: £9,135) arises from money held in interest bearing deposit accounts.

6. Analysis of expenditure on charitable activities

		2023	2022
		£	£
Staff costs	8	-	13,768
Consulting costs		385,870	411,076
Events		22,197	58,441
Data collection and report production		30,716	94,134
Staff travel and accommodation		8,525	1,010
Management fees		26,663	26,442
Advertising / PR costs		2,780	3,879
Legal and professional fees		9,258	9,447
Computer Software		1,516	-
Web Maintenance and development		16,016	2,690
Foreign exchange		45,067	(85,551)
Business Insurance		4,485	3,054
Office materials		5,795	10,417
Other Operating Expenditure		(458)	522
Governance costs		16,997	9,498
Total Expenditure		575,427	558,827

The total amount of £9,533 (2022: £9,883) for the year has been recognised as Research and Development expenditure.

7. Net expenditure for the year

This is stated after charging:	2023	2022
	£	£
Auditors' remuneration		
Audit fees (excluding VAT)	8,800	7,698

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2023 (continued)

8. Staff costs

	2023	2022
	£	£
Salaries	-	13,476
Social security costs	-	-
Pension costs	-	292
	<u>-</u>	<u>13,768</u>

No employees had benefits in excess of £60,000 (2022: nil) and no remuneration was paid to the directors during the period (2022: £nil).

Staff costs Nil as there was no UK employee for GERA in 2023 (2022:1). There has not been any new recruitment since August 2022 as an employee.

No remuneration was paid to key management personnel (2022: £nil).

In 2023, Nil (2022: 1) member of staff was enrolled in the company pension scheme. GERA has withdrawn from the Pension scheme in result of not having any UK employee.

9. Related party transactions

For the year ended 31/12/2023 a management fee of £26,336 (2022: £26,243) was paid to London Business School.

During the year, 3 (2022: 1) directors claimed expenses £7,617 (2022: £907).

During the year 2023 one director was contracted to a Senior Research Advisor and their university was remunerated for this for £9,533 (2022: £9,883 was paid to 1 director) for the provision of such services.

At the end of the year GERA had an outstanding balance due from London Business School of £17,090 (2022: £5,606).

10. Corporation Taxation

The company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

11. Debtors

	2023	2022
	£	£
Trade debtors	65,925	17,184
Amount owed from London Business School	17,090	5,606
Social security and other taxation	562	3,898
Prepayments and accrued income	35,200	2,125
	<u>118,777</u>	<u>28,813</u>

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2023 (continued)

12.Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade Creditors	12,667	8,013
Accruals	45,056	91,839
	<u>57,723</u>	<u>99,852</u>

13.Movements in funds

	At 01 January 2023	Incoming Resources	Outgoing Resources	At 31 December 2023
	£	£	£	£
Unrestricted funds:				
National Teams	(3,367,849)	462,590	(558,430)	(3,463,689)
General Funds	4,248,383	231,722	(16,997)	4,463,108
Total unrestricted funds	<u>880,534</u>	<u>694,312</u>	<u>(575,427)</u>	<u>999,419</u>
Total funds	<u>880,534</u>	<u>694,312</u>	<u>(575,427)</u>	<u>999,419</u>

Work continues to increase the number of new teams participating in the research cycle, whilst working to ensure existing teams continue to participate. This is being done through the GEM Research and Innovation Projects (GRIPS) groups which involve key stakeholders to ensure continued improvement and relevance of GERA's key offerings in terms of the APS and NES surveys. The involvement of key stakeholders is envisaged to assist in maintaining National Team participation moving forward.

14.Analysis of net assets between funds

	Unrestricted Funds 2023	Unrestricted Funds 2022
	£	£
Cash at bank and in hand	938,365	951,573
Other net current assets/(liabilities)	<u>61,054</u>	<u>(71,039)</u>
Total	<u>999,419</u>	<u>880,534</u>

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2023 (continued)

15.Reconciliation of net movement in funds to net cash flow used in operating activities

	2023	2022
	£	£
Net income	118,885	191,645
Adjustments for:		
Interest income	(30,314)	(9,135)
Increase in debtors	(89,964)	(9,915)
(Decrease)/Increase in creditors	(42,129)	3,681
Net cash (used in)/provided by operating activities	(43,522)	176,276

Accounts

Global Entrepreneurship Research Association

Annual Report

for the year ended 31 December 2022

Registered Charity no: 1109845

Registered Company no: 05352027

A company limited by guarantee

Global Entrepreneurship Research Association

Reference and Administrative Information

Company name: Global Entrepreneurship Research Association

Charity registration number: 1109845 (England & Wales, UK)

Company registration number: 05352027 (England & Wales, UK)

Registered office and
operational address: Sussex Place
Regent's Park
London
NW1 4SA
UK

Independent Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Banker

HSBC Bank plc
90 Baker Street
London
W1U 6AX

Solicitor

Farrer & Co
66 Lincoln's Inn Fields
London
WC2A 3LH

Global Entrepreneurship Research Association

Strategic Report for the year ended 31 December 2022

Achievements and Performance

The results for the period are shown in the statement of financial activities on page 14. The main activity during the year was the provision of an international programme of research and the dissemination of the results of this research.

Key Performance Indicators

- **Income and Expenditure and Net Movement in Funds.** 2022: surplus of £191,645 ---- 2021: surplus of £110,170.
- **Total funds carried forward.** 2022: £880,534 ---- 2021: £688,889
- **Number of participating National Teams.** 2022: 51 ---- 2021: 50
- **Number of global sponsors.** 2022: 4 ---- 2021: 1
- **Number of corporate or report sponsors.** 2022: 4 ---- 2021: 3.

Plans for Future Periods

With the termination of the global sponsorship from Babson in 2023 the category Global Sponsorship will be eliminated until further notice. All sponsorships will be allocated to Global Report, Special Topic Reports or Events.

The company plans to continue its activities over the forthcoming years subject to satisfactory funding arrangements. The main activity being the provision of an international programme of Entrepreneurship research and the dissemination of the results of this research. In addition, and in accordance with the Strategy, the Company plans to continue to promote thought leadership in Entrepreneurship through collaborative research and dialogue by increasing the number of Special Topic Reports. Dr Aileen Ionescu-Somers, who is currently providing Executive Management Services to the company (as Executive Director), is actively engaged in working with the Board to develop and strengthen initiatives going forward that will deliver on core defined objectives of the company.

Current participation indicates there is unlikely to be a decrease from the 2022 participation of 51 National Teams in 2023. However, some teams confirm participation in the research cycle somewhat later than end March, depending on when their own sponsorships are confirmed at a national level. Thus, while some 51 teams are confirmed as at July 2023, potentially several more are yet to be confirmed, including four teams that have consistently participated in the research cycles over the last 5 years and thus are highly likely to participate in 2023.

In 2022, the Board made a decision to increase the GEM Global Management Fees which were at US\$ 10,000 per National Team in 2022. There will be increases as follows from 2023 to 2025:

2023: US\$11,000

2024: US\$12,100

2025: US\$13,310

This decision was made for several reasons:

- GERA Founding Organization Babson College decided not to renew its Global Sponsorship in 2023 and for the near future, thus requiring more reliance on the National Teams for covering core operations.
- Global inflation is pushing up GEM's operational costs while the current fee is set at the same amount charged in 2005 (and a reduction to US\$ 8,500 was granted from 2015 to 2020).

Also, three Special Report sponsorships have been confirmed for 2023. The Executive Director continues to seek new sponsorships for flagship reports based upon a new funding model that had considerable success pre-pandemic.

Global Entrepreneurship Research Association

Strategic Report (continued)

Plans for Future Periods (continued)

In 2020, GERA launched a new product, the Ecosystems Index, and participation in this initiative for 2023 should remain stable.

The 2023 surveys will include focus women's entrepreneurship and the impact of entrepreneurship on the United Nations Sustainable Development Goals (SDGs), increasing the value and relevance of GERA's research products to stakeholders and with the aim of attracting new ones to related special reports. The Survey results are published as the Global Entrepreneurship Monitor (GEM) Global Report on a yearly basis. GEM is the acronym under which GERA publishes its' Reports.

In addition, the Executive Director has launched GEM Research and Innovation Projects (GRIPS) groups involving key stakeholders to ensure continued improvement and relevance of GERA's key offerings in terms of the Adult Population Survey (APS) and National Expert Survey (NES), the Global Report and for each of the GEM Special Reports. The surveys are conducted annually by National Teams, with the results published in the GEM Global Report. The increased involvement of existing teams and key stakeholders is envisaged to assist in maintaining and increasing National Team participation moving forward.

A successful Global Report Launch at Expo 2020 Dubai, sponsored by the UAE Ministry of Economy, with additional marketing and communication support across the organisation and through sponsoring stakeholders has expanded the reach and visibility of GERA's work.

Key Risks and Uncertainties and Risk Management

When considering business decisions, the Board will assess the associated risk factors. Execution of any actions or strategies will be assured by Dr Aileen Ionescu-Somers, who is currently providing Executive Management Services to the company (Executive Director), supported by the GEM Global team: an operations manager, a data-team supervisor, data-team manager, research assistant, communications advisor. The Executive Director will shortly renew and update a GEM strategy for the next three years. The strategy includes targets and objectives for a set of five strategic goals/priorities and all members of the team had responsibility for tasks/objectives to enable delivery of the established targets, all of which were achieved in 2022. All key risks faced by the company are taken into consideration when developing courses of action and all actions are formally approved by the Board before implementation. Internal control risks are minimised by the implementation of procedures for authorisation of all financial transactions. The key roles of the Operations Manager have been streamlined to ensure that oversight, processes and procedures are strengthened and enhanced.

The primary risk before the company in the short and medium term – given the current volatile economic climate, is a potential decrease in the number of National Teams, and in income from donations and grants. However, some 51 teams have already confirmed participation in 2023 and the Executive Director has already secured several substantial sponsorships for either the Global Report or Special Topic Reports for 2022 and increased the GEM Global Services Fees in 2023. As a result, it is highly unlikely that GEM will run a deficit in 2023, and it is expected that there may be a small net contribution back to the reserves.

The company's medium and long-term risks and uncertainties are related to the number of local partner organisations that are part of the GEM Consortium (as members with Participation Agreements). This affects the income from National Teams and the fluctuation in foreign exchange rates related to macroeconomic factors beyond the company's control. The Board and Executive Director have developed a strategic plan for increasing the number of National Teams and the income they provide – for example by increasing the GEM Global Services fees in 2023, and approving a shift to online sampling (leading to lower costs for teams) - and have taken measures to minimise the foreign exchange risk to an acceptable level.

Global Entrepreneurship Research Association

Strategic Report (continued)

Key Risks and Uncertainties and Risk Management (continued)

It is therefore anticipated that the number of local partner organisations (National Teams) may increase for the 2024 research cycle. For 2023, the situation remains much as it was in 2022, with some new teams joining, and others discontinuing (mainly due to economic circumstances). GEM has had practical difficulties retaining teams because of the cost of conducting relatively expensive surveys at this time of great economic uncertainty worldwide owing both to the lingering impacts of the COVID-19 pandemic and global economic impacts of the war in Ukraine, leading to earmarked local funding being allocated to other priorities. Because of the increased GEM Global Services Fees in 2023, the income the company receives from National Team contributions will probably increase relative to 2022 as long as at least 50 teams participate, which is the expectation. Current commitments to National Team participation indicate that there will be no significant decrease from 2022 team participation, with 51 teams confirmed as at July 2023 and further confirmations expected.

Following a strategic review in 2021, and to address the deficit situation, the Executive Director cut the budget by a third, and reduced and then froze staffing levels. All expenditure is constantly reviewed, and an Operations Pack with updates on finances and participation of National Teams submitted to the GERA Board for review monthly.

Global Entrepreneurship Research Association

Report of the Directors for the year ended 31 December 2022

The Global Entrepreneurship Research Association (GERA) is a registered charity (registered number 1109845 in Charity Commission and registered number 05352027 in Companies House) in England and Wales, United Kingdom. GERA publishes its research results as Reports under the name Global Entrepreneurship Monitor (GEM).

The directors present their directors' report together with the financial statements of the organisation for the year ending 31 December 2022, which are also prepared to meet the requirements of the Companies Act.

The financial statements comply with the Charities Act 2011, the Companies Act 2006 relating to small companies and the Accounting and Reporting by Charities; Statements of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (2019 edition).

The data and analysis produced by the charity has significantly impacted government policy on entrepreneurship around the world, increasing opportunities for entrepreneurs and driving economic growth. Examples of recent 2022 GEM outputs are:

<https://www.gemconsortium.org/reports/latest-global-report>

<https://www.gemconsortium.org/reports/womens-entrepreneurship>

A European Regional report sponsored by Shopify will shortly be published.

Financial Review

The directors' report a surplus of £191,645 (2021: surplus of £110,170 for the year and have positive reserves carried forward of £880,534 (2021: £688,889). They anticipate approximately an increased 2023 revenue from National Teams, which are local partner academic or research institutions from participating countries, over the 12 months to 31 December 2023. GERA is constantly looking for new sponsorships, and in 2022, secured four Report sponsorships and four Global Sponsorship (Babson College, Cartier Women's Initiative, Khalifa Fund and Ministry of Economy - UAE). There was therefore a net positive contribution back to the reserves at 31 December 2022.

Principal Activity

Office Address: Sussex Place
Regent's Park
London
NW1 4SA
UK

Directors

The directors of the charitable company (the company) are its trustees for the purpose of charity law. The directors and officers serving during the year ended 31 December 2022 and up to the date of signing of the accounts were:

	Appointed	Resigned
Dr Cesare Riillo		April 2022
Dr José Ernesto Amorós Espinosa	March 2020	
Professor Maribel Guerrero	March 2021	
Professor Fatima Boutaleb	July 2021	
Professor Jeff Shay	July 2021	
Professor Ehud Menipaz	April 2022	
Dr Niels Bosma (non-voting)	February 2015	
Secretary		
Ruth Beckinsale		February 2022
Clare Kane	February 2022	June 2023
Richard Alan Frost	June 2023	

Global Entrepreneurship Research Association

Report of the Directors for the year ended 31 December 2022 (continued)

Qualifying Third Party Indemnity

The company has Clubs and Associations Insurance Portfolio through Hiscox. This includes management liability as follows:

- Management liability - Trustees and individual liability
- Management liability - Professional legal liability
- Management liability - Employment practices liability

Objectives and Activities

The objective of the company is the advancement of research and associated educational initiatives in the field of entrepreneurship practice and policy development, principally by the provision and conduct of an international programme of research and the dissemination of the results of such research and by such other exclusively charitable means as the directors shall in their discretion determine.

Public Benefit Statement

The Global Entrepreneurship Research Association was established on the 3rd February 2005 and is an exempt charity. The Directors have given due regard to the Charity Commission's guidance on public benefit and have taken reasonable steps to ensure that this guidance has been considered in the activities undertaken by the Global Entrepreneurship Research Association to deliver its charitable purposes.

The Global Entrepreneurship Research Association delivers a benefit to the public by coordinating an annual global data collection activity, producing and disseminating as widely as possible high-quality information and analysis on entrepreneurship and its importance in economic development.

At the end of each annual cycle, GERA produces a comprehensive 'Global Report' on its findings which is launched to the global press and distributed free of charge on its website. The report is widely read and cited, raising awareness of the importance of entrepreneurship and increasing knowledge of the entrepreneurship phenomenon worldwide. This report also includes specific recommendations with a view to positively influencing government policies towards entrepreneurship.

National Teams in the different countries covered by the study produce their own 'National Reports', which are launched to local media and also distributed free of charge online. These reports also include specific recommendations with a view to positively influencing government policies towards entrepreneurship.

GERA also produces 'Special Topic' reports, which use the data collected to further research into particular fields (e.g. Women's Entrepreneurship) and make important contributions to the body of research into entrepreneurship. The Board has agreed to focus primarily on certain "Flagship" special reports in future, namely, **Women's Entrepreneurship** and **Impact of Entrepreneurship on the Sustainable Development Goals (SDG's)**. Ultimately, the aim will be to build a constellation of partnerships and sponsorships around these specific reports, and to produce them yearly rather than sporadically.

The data collected by GERA is presented at conferences, events and seminars worldwide. The data collected and the reports produced are used free of charge by educators worldwide in a variety of teaching contexts.

Investment Policy

The Board of Global Entrepreneurship Research Association has approved a budget in 2023 for investment in a new website in order to modernize and innovate its communication channels to attract sponsors and also to better mirror GERA's mission.

Global Entrepreneurship Research Association

Report of the Directors for the year ended 31 December 2022 (continued)

Reserves Policy and Going Concern

The company reserves are needed to meet the working capital requirements for the company. As at year end the Global Entrepreneurship Research Association has a creditor balance of £99,852 which can be covered by the cash reserves without need of any additional financing. The directors considered that unrestricted reserves should be maintained at a minimum of 100% of total expected core operational expenditure for one year of operations. This is to ensure continuity of operations in the event of the withdrawal of a sponsor or a fall in the number of participating National Teams. Currently, unrestricted reserves are 147% of forecast core operational expenditure for 2023 after deduction of liabilities from reserves. The directors will consider the plans for the use of reserves on an ongoing basis.

The directors have reviewed the circumstances of GERA and consider that adequate resources continue to be available to fund the activities of the company for the foreseeable future. There are no material uncertainties about the charity's ability to continue as a going concern.

Principal Funding Sources

Principal funding sources for 2022 were

- Annual fees from the National Teams for which they receive membership of GERA and access to data on entrepreneurship collected as part of the Global Entrepreneurship Monitor (GEM) project

In 2022, GEM received contributions from its Global Sponsor Babson College, and also contributions from the Women Entrepreneurs Finance Initiative (We-Fi), the Cartier Women's Initiative (CWI), Shopify, the School of Management Fribourg, Switzerland, the Khalifa fund and the UAE Ministry of Economy. The latter two sponsors also sponsored the launch of the 2021/22 Global Report and GEM Annual Meeting held at Expo2020Dubai in 2022. In 2023, the company, Shopify, will continue the sponsorship of a European Regional Report that will be terminated in 2023. The Cartier Women's Initiative, has confirmed its sponsorship of the 2023/24 GEM Global Report and 2022/23 Women's Entrepreneurship report. The School of Management in Fribourg Switzerland will partially sponsor the 2023/24 GEM Global Report and a new Impact of Entrepreneurship on the Sustainable Development Goals report. We-Fi has indicated satisfaction with the partnership with GEM and its intention to confirm its contribution to the 2022/23 Women's Entrepreneurship report by May, depending on confirmation of its own available budget.

Structure, Governance and Management

Governing Document

The Global Entrepreneurship Research Association (GERA) is a private company limited by guarantee registered in England, established on the 3rd February 2005. It was registered as a charity on the 3rd June 2005. GERA is a not-for-profit independent entity formed from the consortium of Global Entrepreneurship Monitor national teams (Association of GEM National Teams - AGNT) and the two founding institutions: London Business School and Babson College. Babson College (USA) is currently a Global Sponsor of GERA.

Global Entrepreneurship Research Association

Report of the Directors for the year ended 31 December 2022 (continued)

Recruitment and Appointment of Directors

There are to be at least five individuals holding the position of director. New board members may be proposed by any of the founding institutions, an AGNT Representative Member or a Sponsoring Member. Decisions for appointing a director who is additional or is replacing a Sponsoring Member or AGNT Representative Member should be taken unanimously by the Board, and the approval of all of the existing active founding institutions, AGNT Representative Members and Sponsoring Members is required. In the event of the company being wound up, the directors of the company are required to contribute one pound towards the costs of dissolution and the liabilities incurred by the company while the contributor was a member.

Trustee Induction and Training

The directors as charity trustees have control of the company and its assets and funds. Each director is made aware of their duties to the company upon appointment and accepts their responsibility to keep up to date with changes in statutory requirements that affect their role and responsibilities as trustees. Each director must sign a declaration of willingness to act as a charity trustee of the company before he or she is eligible to vote at any meeting of the directors.

Organisational Structure

The Board of Directors meets in the last week of each month and is responsible for the strategic direction and policy of the company. The day-to-day responsibility for the provision of services rests with the Executive Director who is also responsible for ensuring that the company delivers the services specified in a timely manner and to a good standard.

Related parties and co-operation with other organisations

No director receives remuneration or other benefit from their work with the company. However, they are reimbursed expenses and receive payment for services provided to the company, when required, as permitted in the Memorandum of Association. During the year 2022 one director was contracted as GEM Senior Research Advisor and their university was remunerated for this for £9,883 (in 2021: £5,146 was paid to 1 director) for the provision of such services. Any connection between a director of the company with a customer or supplier must be disclosed to the full board of directors in the same way as any other contractual relationship with a related party.

Related parties and co-operation with other organisations

Global Entrepreneurship Research Association is a collaboration between Babson College, London Business School and the Association of GEM National Teams with Babson College as a sponsoring partner.

Global Entrepreneurship Research Association

Statement of Directors' responsibilities

The directors (who are also trustees of Global Entrepreneurship Research Association for the purposes of charity law) are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Section 418, we confirm that in the case of each director in office at the date the directors' report is approved, that:

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) he/she has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board



Professor José Ernesto Amorós Espinosa
On behalf of the GERA Board
27 September 2023

Global Entrepreneurship Research Association

Independent auditors' report to the members of Global Entrepreneurship Research Association

Report on the audit of the financial statements

Opinion

In our opinion, Global Entrepreneurship Research Association's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report (the "Annual Report"), which comprise: the Balance Sheet at 31 December 2022; the Statement of Financial Activities including Income and Expenditure Account and the Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charitable company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Global Entrepreneurship Research Association

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Report of the directors, we also considered whether the disclosures required by the UK Companies Act 2006 and Charities Act 2011 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit the information given in the Strategic Report and the Report of the Directors for the financial year is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and the Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Directors' responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the charitable company and its environment, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact

Global Entrepreneurship Research Association

on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- Enquiry of management and the directors with regard to actual and potential fraud and non-compliance with laws and regulations;
- Reviewing minutes of the Board meetings and significant contracts to identify significant or unusual transactions and known or suspected instances of fraud or noncompliance with laws and regulations; and
- Testing unusual or unexpected journal entries.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charitable company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the charitable company's financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Jonathan Sturges (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
27 September 2023

Global Entrepreneurship Research Association

Statement of Financial Activities including Income & Expenditure Account for the year ended 31 December 2022

		Unrestricted 2022	Unrestricted 2021
	Notes	£	£
Income from:			
<i>Donations and Legacies:</i>			
Donations, grants and sponsorship	3	345,874	224,147
<i>Charitable activities:</i>			
National Team	4	395,463	351,514
<i>Interest income</i>	5	9,135	601
Total income		<u>750,472</u>	<u>576,262</u>
Expenditure on:			
Charitable activities	6	(558,827)	(466,092)
Total expenditure		<u>(558,827)</u>	<u>(466,092)</u>
Income and net movement in funds		191,645	110,170
Reconciliation of funds		688,889	
Total funds brought forward			578,719
Total funds carried forward	13	<u>880,534</u>	<u>688,889</u>

The statement of financial activities includes all gains and losses in the period. All incoming resources and resources expended derive from continuing activities.

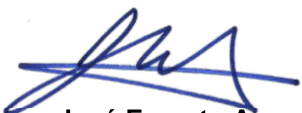
The notes on pages 17 to 22 form part of these financial statements.

Global Entrepreneurship Research Association

Balance Sheet at 31 December 2022 (Registered Company no: 05352027)

	Notes	2022	2021
		£	£
Current assets			
Debtors	11	28,813	18,898
Cash at bank and in hand		951,573	766,162
		<u>980,386</u>	<u>785,060</u>
Creditors: amounts falling due within one year	12	(99,852)	(96,171)
Net current assets		<u>880,534</u>	<u>688,889</u>
Net assets		<u>880,534</u>	<u>688,889</u>
 Unrestricted funds	14	 880,534	 688,889
 Total funds		 <u>880,534</u>	 <u>688,889</u>

Approved company's financial statements on pages 14 to 22 by the board of directors and authorised for issue on 27 September 2023 and signed on its behalf by:


Professor José Ernesto Amorós Espinosa
 On behalf of the GERA Board

The notes on pages 17 to 22 form part of these financial statements.

Global Entrepreneurship Research Association

Statement of Cash Flows for the year ended 31 December 2022

	Notes	2022 £	2021 £
Net cash provided by Operating Activities	15	176,276	201,841
<i>Cash flows from investing activities:</i>			
Interest income		9,135	601
Net cash provided by Investing Activities		9,135	601
Change in cash and cash equivalents in the reporting period		185,411	202,442
Cash and cash equivalents at the beginning of the year		766,162	563,720
Cash and cash equivalents at the end of the year		951,573	766,162

The accompanying notes form part of these financial statements.

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2022

1. Principal accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS 102)) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019. The accounting policies set out above have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

(b) Going concern

GERA has unrestricted funds of £880,534 (2021: £688,889) at the year end. As at year end the Global Entrepreneurship Research Association has a creditor balance of £99,852 which can be covered by the company cash reserves without need of any additional financing. The reserves are well sufficient to fund the immediate liabilities and forecasted expenses for the next 12 months while they implement their strategic plans to maintain this trend as detailed in the strategic report. Hence the directors are of the view that the company's immediate future is secure and therefore the financial statements have been prepared on the going concern basis.

(c) Basis for translation of sums dominated in foreign currency into sterling

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the Statement of Financial Activities.

(d) Incoming Resources (Donations and grants and Income from National Teams and Sponsorship)

Income is recognised when the company has entitlement to the funds, any performance conditions attached have been met, it is probable that the income will be received and the amount can be measured reliably.

Income received for activities relating to a future accounting period is deferred until the criteria for income recognition are met.

(e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company. This is normally upon notification of the interest paid or payable by the bank.

(f) Fund accounting

GERA is funded by contributions from sponsors and fees from National Teams. At 31 December 2022, GERA held £880,534 (2021: £688,889) in unrestricted funds. All GERA funds are unrestricted. Unrestricted funds are available to spend on activities that further any of the purposes of the company. The split of funds set out in note 13 is purely for presentational purposes and does not indicate any segregation of the funds held for different purposes.

(g) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2022 (continued)

(g) Expenditure (continued)

The expenditure classified under the heading "Expenditure on charitable activities" consists of costs incurred to promote the objectives of the company and are accounted for in the year they occur.

(h) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(i) Cash at bank and in hand

Cash and cash equivalents comprise cash balances and call deposits.

(j) Creditors

Creditors are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

(k) Financial instruments

GERA has only financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their amortised cost.

(l) Critical estimates and judgements

There are no critical estimates and judgements within the financial statements, other than any judgements made with regard to the recognition of revenue.

2. Legal status

GERA is a company limited by guarantee and has no share capital. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

3. Donations and grants

	2022 £	2021 £
Babson College	75,584	70,971
Sponsorship	270,290	
		153,176
	<u>345,874</u>	<u>224,147</u>

4. Income from charitable activities

	2022 £	2021 £
National Teams annual fee	395,463	351,514
	<u>395,463</u>	<u>351,514</u>

The income from outside the UK represents 99% (2021: 99%) of GERA membership income.

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2022 (continued)

5. Interest income

The interest income of £9,135 (2021: £601) arises from money held in interest bearing deposit accounts.

6. Analysis of expenditure on charitable activities

		2022	2021
		£	£
Staff costs	8	13,768	25,058
Consulting costs		411,076	350,059
Events		58,441	-
Data collection and report production		94,134	35,811
Staff travel and accommodation		1,010	-
Management fees		26,442	36,093
Advertising / PR costs		3,879	2,190
Legal and professional fees		9,447	-
Web Maintenance and development		2,690	5,273
Foreign exchange		(85,551)	(9,370)
Business Insurance		3,054	2,381
Office materials		10,417	1,932
Other Operating Expenditure		522	7,275
Governance costs		9,498	9,390
Total Expenditure		558,827	466,092

The total amount of £9,883 (2021: £5,146) for the year has been recognised as Research and Development expenditure.

7. Net expenditure for the year

This is stated after charging:	2022	2021
	£	£
Auditors' remuneration		
Audit fees (excluding VAT)	7,698	6,998

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2022 (continued)

8. Staff costs

	2022	2021
	£	£
Salaries	13,476	24,000
Social security costs	-	525
Pension costs	292	533
	<u>13,768</u>	<u>25,058</u>

No employees had benefits in excess of £60,000 (2021: nil) and no remuneration was paid to the directors during the period (2021: £nil).

Staff costs include 1 UK employee of GERA (Operations Administrator) till August 2022 (2021:1). There has not been any new recruitment since August as an employee. So there is no UK employee in GERA.

No remuneration was paid to key management personnel (2021: £nil).

In 2022, 1 (2021: 1) member of staff was enrolled in the company pension scheme. The scheme is based on a percentage of qualifying earnings with an employer contribution of 3% and an employee contribution of 5%.

9. Related party transactions

For the year ended 31/12/2022 a management fee of £26,243 (2021: £35,863) was paid to London Business School.

During the year, 1 (2021: 0) directors claimed expenses £907 (2021: £0).

During the year 2022 one director was contracted to a Senior Research Advisor and their university was remunerated for this for £9,883 (2021: £5,146 was paid to 1 director) for the provision of such services.

At the end of the year GERA had an outstanding balance due from London Business School of £5,606 (2021: £5,606).

10. Corporation Taxation

The company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

11. Debtors

	2022	2021
	£	£
Trade debtors	17,184	10,250
Social security and other taxation	3,898	348
Amount owed from London Business School	5,606	5,606
Prepayments and accrued income	2,125	2,694
	<u>28,813</u>	<u>18,898</u>

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2022 (continued)

12.Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade Creditors	8,013	3,628
Accrued expenses	91,839	38,486
Deferred Income	-	54,057
	<u>99,852</u>	<u>96,171</u>

13.Movements in funds

	At 01 January 2022 £	Incoming Resources £	Outgoing Resources £	At 31 December 2022 £
Unrestricted funds:				
National Teams	(3,213,983)	395,463	(549,329)	(3,367,849)
General Funds	3,902,872	355,009	(9,498)	4,248,383
Total unrestricted funds	<u>688,889</u>	<u>750,472</u>	<u>(558,827)</u>	<u>880,534</u>
Total funds	<u>688,889</u>	<u>750,472</u>	<u>(558,827)</u>	<u>880,534</u>

Work continues to increase the number of new teams participating in the research cycle, whilst working to ensure existing teams continue to participate. This is being done through the GEM Research and Innovation Projects (GRIPS) groups which involve key stakeholders to ensure continued improvement and relevance of GERA's key offerings in terms of the APS and NES surveys. The involvement of key stakeholders is envisaged to assist in maintaining National Team participation moving forward.

14.Analysis of net assets between funds

	Unrestricted Funds 2022 £	Unrestricted Funds 2021 £
Cash at bank and in hand	951,573	766,162
Other net current (liabilities)	(71,039)	(77,273)
Total	<u>880,534</u>	<u>688,889</u>

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2022 (continued)

15.Reconciliation of net movement in funds to net cash flow used in operating activities

	2022	2021
	£	£
Net income	191,645	110,170
Adjustments for:		
Interest income	(9,135)	(601)
(Increase)/decrease in debtors	(9,915)	23,330
Increase in creditors	3,681	68,942
Net cash provided by operating activities	176,276	201,841

Accounts

Global Entrepreneurship Research Association

Annual Report

for the year ended 31 December 2021

Registered Charity no: 1109845

Registered Company no: 05352027

A company limited by guarantee

Global Entrepreneurship Research Association

Reference and Administrative Information

Company name: Global Entrepreneurship Research Association

Charity registration number: 1109845 (England & Wales, UK)

Company registration number: 05352027 (England & Wales, UK)

Registered office and
operational address: Sussex Place
Regent's Park
London
NW1 4SA
UK

Independent Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Banker

HSBC Bank plc
90 Baker Street
London
W1U 6AX

Solicitor

Farrer & Co
66 Lincoln's Inn Fields
London
WC2A 3LH

Global Entrepreneurship Research Association

Strategic Report for the year ended 31 December 2021

Achievements and Performance

The results for the period are shown in the statement of financial activities on page 13. The main activity during the year was the provision of an international programme of research and the dissemination of the results of this research.

Key Performance Indicators

- **Income and Expenditure and Net Movement in Funds.** 2020: deficit of £262,109 ---- 2021: surplus of £110,170.
- **Total funds carried forward.** 2020: £578,719 ---- 2021: £688,889
- **Number of participating National Teams.** 2020: 43 ---- 2021: 50
- **Number of global sponsors.** 2020: 1 ---- 2021: 1
- **Number of corporate or report sponsors.** 2020: 2 ---- 2021: 3.

Plans for Future Periods

The company plans to continue its activities over the forthcoming years subject to satisfactory funding arrangements. The main activity being the provision of an international programme of research and the dissemination of the results of this research. In addition and in accordance with the Strategy, the Company plans to continue to promote thought leadership in Entrepreneurship through collaborative research and dialogue by increasing the number of Special Topic Reports. Dr Aileen Ionescu-Somers, who is currently providing Executive Management Services to the company (Executive Director), is actively engaged in working with the Board to develop and strengthen initiatives going forward that will deliver on the core objectives of the company.

Current participation indicates there will be no decrease from the 2021 team participation of 50, with 53 teams confirmed as at May 2022, and potentially several more yet to be confirmed.

Despite the changes in the fundraising context the Executive Director has negotiated a renewal of the Babson global sponsorship for 2022 and contributions from four other sponsors to the 2021/ 22 Global Report which was launched in February 2022. Also, three Special Report sponsorships have been confirmed for 2022. The Executive Director continues to seek new sponsorships for a set of flagship reports based upon a new funding model that had considerable success in 2021.

In 2020 GERA launched a new product, the Ecosystems Index, and participation in this initiative for 2022 should be higher than 2021 according to a survey launched in December 2021 to all team members.

The 2022 surveys will continue to include an additional focus on COVID-19 impacts and the impact of entrepreneurship on the United Nations Sustainable Development Goals (SDGs), increasing the value and relevance of GERA's research products to stakeholders and with the aim of attracting new ones. The Survey results are published as the Global Entrepreneurship Monitor (GEM) Global Report on a yearly basis. GEM is the acronym under which GERA publishes its' Reports.

In addition, the Executive Director has launched GEM Research and Innovation Projects (GRIPS) groups involving key stakeholders to ensure continued improvement and relevance of GERA's key offerings in terms of the Adult Population Survey (APS) and National Expert Survey (NES), the Global Report and for each of the GEM Special Reports. The surveys are conducted annually by National Teams, with the results published in the GEM Global Report. The increased involvement of existing teams and key stakeholders is envisaged to assist in maintaining and increasing National Team participation moving forward.

Global Entrepreneurship Research Association

Strategic Report (continued)

Plans for Future Periods (continued)

A successful Global Report Launch at Expo 2020 Dubai, sponsored by the UAE Ministry of Economy, with additional marketing and communication support across the organisation and through sponsoring stakeholders has expanded the reach and visibility of GERA's work.

Key Risks and Uncertainties and Risk Management

When considering business decisions, the Board will assess the associated risk factors. Execution of any actions or strategies will be assured by Dr Aileen Ionescu-Somers, who is currently providing Executive Management Services to the company (Executive Director), supported by a staff of one. The Executive Director developed a three-year strategy (approved by the Board for 2019-21) which will shortly be renewed and updated for the next three years. The strategy includes targets and objectives for a set of five strategic goals/priorities and all members of team had responsibility for tasks/objectives to enable delivery of the established targets, all of which were achieved. All key risks faced by the company are taken into consideration when developing courses of action and all actions are formally approved by the Board before implementation. Internal control risks are minimised by the implementation of procedures for authorisation of all financial transactions. The key roles of the Operations Manager have been streamlined to ensure that oversight, processes and procedures are strengthened and enhanced.

The primary risk before the company in the short and medium term – given the current volatile economic climate, is a potential decrease in the number of National Teams, and in income from Donations and grants. However, some 45 teams have already confirmed participation in 2022 and the Executive Director has already secured several substantial sponsorships for either the Global Report or Special Topic Reports for 2022 as well as continuation of the Babson Global Sponsorship for 2022. As a result, it is highly unlikely that GEM will run a deficit in 2022, and it is expected that there will be net contribution back to the reserves.

The company's medium and long-term risks and uncertainties are related to the number of local partner organisations that are part of the GEM Consortium (as members with Participation Agreements). This affects the income from National Teams and the fluctuation in foreign exchange rates related to macroeconomic factors beyond the company's control. The Board and Executive Director have developed a strategic plan for increasing the number of National Teams and the income they provide – for example by increasing the GEM Global Services fees in 2021 - and have taken measures to minimise the foreign exchange risk to an acceptable level.

It is therefore anticipated that the number of local partner organisations (National Teams) is unlikely to increase for the 2022 research cycle, even if new teams continue to join, since other teams are discontinuing (due to economic or other circumstances). This is due to the continuing practical difficulties of conducting relatively expensive surveys at this time of great economic uncertainty worldwide owing both to the COVID-19 pandemic and the war between Russia and Ukraine, leading to earmarked local funding being allocated to other priorities. In 2022, the income the company receives from National Team contributions will probably be similar to 2021. Current commitments to National Team participation indicates that there will be no significant decrease from 2021 team participation, with 45 teams confirmed as at March 2022.

Following a strategic review in 2021, and the deficit situation, the Executive Director cut the budget by a third, and reduced and then froze staffing levels. All expenditure is constantly reviewed, and an operations pack with all financial updates is submitted to the GERA Board for review on a monthly basis.

Overall, GERA is no longer incurring a deficit as in previous years. In 2021 there was already a net profit contribution to the reserves.

Global Entrepreneurship Research Association

Report of the Directors for the year ended 31 December 2021

Global Entrepreneurship Research Association (GERA) is a registered charity (registered number 1109845 in Charity Commission and registered number 05352027 in Companies House) in England and Wales, United Kingdom. GERA publishes its research results as Reports under the name Global Entrepreneurship Monitor (GEM).

The directors present their directors' report together with the financial statements of the organisation for the year ending 31 December 2021 which are also prepared to meet the requirements of the Companies Act.

The financial statements comply with the Charities Act 2011, the Companies Act 2006 relating to small companies and the Accounting and Reporting by Charities; Statements of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (2019 edition).

The data and analysis produced by the charity has significantly impacted government policy on entrepreneurship around the world, increasing opportunities for entrepreneurs and driving economic growth. Examples can be found in the Diagnosing COVID-19 Impact on Entrepreneurship: Exploring Policy remedies for recovery:

<https://www.gemconsortium.org/reports/covid-impact-report>

Financial Review

The directors' report a surplus of £110,170 (2020: deficit of £262,109) for the year and have positive reserves carried forward of £688,889 (2020: £578,719). They anticipate approximately the same revenue from National Teams, which are local partner academic or research institutions from participating countries, over the 12 months to 31 December 2022. GERA is constantly looking for new sponsorships, and in 2021, secured 3 Special Topic Report sponsorships and one Global Sponsorship (Babson College). There was therefore a net positive contribution back to the reserves at 31 December 2021, in contrast to the previous three years, where a deficit was apparent.

Principal Activity

Office Address: Sussex Place
Regent's Park
London
NW1 4SA
UK

Directors

The directors of the charitable company (the company) are its trustees for the purpose of charity law. The directors and officers serving during the year ended 31 December 2021 and up to the date of signing of the accounts were:

	Appointed	Resigned
Professor Donna Kelley		June 2021
Dr Ulrike Guelich		March 2021
Dr Cesare Riillo	March 2020	December 2021
Dr José Ernesto Amorós Espinosa	March 2020	
Professor Maribel Guerrero	March 2021	
Professor Fatima Boutaleb	July 2021	
Professor Jeff Shay	July 2021	
Professor Ehud Menipaz	April 2022	
Dr Aileen Ionescu-Somers (non-voting)		
Dr Niels Bosma (non-voting)	February 2015	

Global Entrepreneurship Research Association

Report of the Directors for the year ended 31 December 2021 (continued)

Secretary

Ruth Beckinsale

Qualifying Third Party Indemnity

The company has Clubs and Associations Insurance Portfolio through Hiscox. This includes management liability as follows:

- Management liability - Trustees and individual liability
- Management liability - Professional legal liability
- Management liability - Employment practices liability

Objectives and Activities

The objective of the company is the advancement of research and associated educational initiatives in the field of entrepreneurship practice and policy development, principally by the provision and conduct of an international programme of research and the dissemination of the results of such research and by such other exclusively charitable means as the directors shall in their discretion determine.

Public Benefit Statement

The Global Entrepreneurship Research Association was established on the 3rd February 2005 and is an exempt charity. The Directors have given due regard to the Charity Commission's guidance on public benefit and have taken reasonable steps to ensure that this guidance has been considered in the activities undertaken by the Global Entrepreneurship Research Association to deliver its charitable purposes.

The Global Entrepreneurship Research Association delivers a benefit to the public by coordinating an annual global data collection activity, producing and disseminating as widely as possible high-quality information and analysis on entrepreneurship and its importance in economic development.

At the end of each annual cycle, GERA produces a comprehensive 'Global Report' on its findings which is launched to the global press and distributed free of charge on its website. The report is widely read and cited, raising awareness of the importance of entrepreneurship, and increasing knowledge of the entrepreneurship phenomenon worldwide. This report also includes specific recommendations with a view to positively influencing government policies towards entrepreneurship.

National Teams in the different countries covered by the study produce their own 'National Reports', which are launched to local media and also distributed free of charge online. These reports also include specific recommendations with a view to positively influencing government policies towards entrepreneurship.

GERA also produces 'Special Topic' reports, which use the data collected to further research into particular fields (e.g. Women's Entrepreneurship) and make important contributions to the body of research into entrepreneurship. The Board has agreed to focus primarily on certain "Flagship" special reports in future, namely, **Women's Entrepreneurship** and **Impact of Entrepreneurship on the Sustainable Development Goals (SDG's)**. Ultimately, the aim will be to build a constellation of partnerships and sponsorships around these specific reports, and to produce them yearly rather than sporadically.

The data collected by GERA is presented at conferences, events and seminars worldwide. The data collected and the reports produced are used free of charge by educators worldwide in a variety of teaching contexts.

Global Entrepreneurship Research Association

Report of the Directors for the year ended 31 December 2021 (continued)

Investment Policy

Global Entrepreneurship Research Association is considering an investment in a new website in order to modernize and innovate its communication channels to attract sponsors and also to better mirror GERA's mission.

Reserves Policy and Going Concern

The company reserves are needed to meet the working capital requirements for the company. As at year end the Global Entrepreneurship Research Association has a creditor balance of £96,171 which can be covered by the cash reserves without need of any additional financing. The directors considered that unrestricted reserves should be maintained at a minimum of 100% of total expected expenditure for 2021. This is to ensure continuity of operations in the event of the withdrawal of a sponsor or a fall in the number of participating National Teams. Currently, unrestricted reserves are 110% of forecast expenditure for 2022 after deduction of liabilities from reserves. The directors will consider the plans for the use of reserves on an ongoing basis.

The directors have reviewed the circumstances of GERA and consider that adequate resources continue to be available to fund the activities of the company for the foreseeable future. There are no material uncertainties about the charity's ability to continue as a going concern.

Principal Funding Sources

Principal funding sources for 2021 were the annual fees from the National Teams for which they receive membership of GERA and access to data on entrepreneurship collected as part of the Global Entrepreneurship Monitor (GEM) project, contributions from its Global Sponsor Babson College, and also contributions from the Women Entrepreneurs Finance Initiative (We-Fi), the Cartier Women's Initiative (CWI), the School of Management Fribourg, Switzerland and Smith College, USA. In 2022, Babson College will renew its Global Sponsorship, the UAE Ministry of Economy will sponsor the launch of the 2021/22 Global Report and the GEM Annual Meeting. In addition, in 2022, the Khalifa Fund will sponsor the 2021/22 Global Report. The company, Shopify, will sponsor a European Regional Report. The Cartier Women's Initiative, has agreed a sponsorship for the 2021/22 Women's Entrepreneurship report. The School of Management in Fribourg Switzerland will sponsor the Impact of Entrepreneurship on the Sustainable Development Goals report. Other sources for 2022 are still being explored or have yet to be confirmed.

Structure, Governance and Management

Governing Document

The Global Entrepreneurship Research Association (GERA) is a private company limited by guarantee registered in England, established on the 3rd February 2005. It was registered as a charity on the 3rd June 2005. GERA is a not-for-profit independent entity formed from the consortium of Global Entrepreneurship Monitor national teams (Association of GEM National Teams - AGNT) and the two founding institutions: London Business School and Babson College. Babson College (USA) is currently a Global Sponsor of GERA.

Recruitment and Appointment of Directors

There are to be at least five individuals holding the position of director. New board members may be proposed by any of the founding institutions, an AGNT Representative Member or a Sponsoring Member. Decisions for appointing a director who is additional or is replacing a Sponsoring Member or AGNT Representative Member should be taken unanimously by the Board, and the approval of all of the existing active founding institutions, AGNT

Global Entrepreneurship Research Association

Report of the Directors for the year ended 31 December 2021 (continued)

Representative Members and Sponsoring Members is required. In the event of the company being wound up, the directors of the company are required to contribute one pound towards the costs of dissolution and the liabilities incurred by the company while the contributor was a member.

Trustee Induction and Training

The directors as charity trustees have control of the company and its assets and funds. Each director is made aware of their duties to the company upon appointment and accepts their responsibility to keep up to date with changes in statutory requirements that affect their role and responsibilities as trustees. Each director must sign a declaration of willingness to act as a charity trustee of the company before he or she is eligible to vote at any meeting of the directors.

Organisational Structure

The Board of Directors meets in the last week of each month and is responsible for the strategic direction and policy of the company. The day-to-day responsibility for the provision of services rests with the Executive Director who is also responsible for ensuring that the company delivers the services specified in a timely manner and to a good standard.

Related parties and co-operation with other organisations

No director receives remuneration or other benefit from their work with the company. However, they are reimbursed expenses and receive payment for services provided to the company, when required, as permitted in the Memorandum of Association. During the year 2021 one director was contracted as GEM Senior Research Advisor and their university was remunerated for this for £5,146 (in 2020: £3,640 was paid to 1 director) for the provision of such services. Any connection between a director of the company with a customer or supplier must be disclosed to the full board of directors in the same way as any other contractual relationship with a related party.

Related parties and co-operation with other organisations

Global Entrepreneurship Research Association is a collaboration between Babson College, London Business School and the Association of GEM National Teams with Babson College, as a sponsoring partner.

Global Entrepreneurship Research Association

Report of the Directors for the year ended 31 December 2021 (continued)

Statement of Directors' responsibilities

The directors (who are also trustees of Global Entrepreneurship Research Association for the purposes of charity law) are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Section 418, we confirm that in the case of each director in office at the date the directors' report is approved, that:

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) he/she has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board



Professor José Ernesto Amorós Espinosa
On behalf of the GERA Board

25th May 2022

Global Entrepreneurship Research Association

Independent auditors' report to the members of Global Entrepreneurship Research Association

Report on the audit of the financial statement

In our opinion, Global Entrepreneurship Research Association's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2021; the Statement of Financial Activities including Income & Expenditure account and the Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charitable company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based

Global Entrepreneurship Research Association

on these responsibilities.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit the information given in the Report of the Directors and the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and Report of the Directors have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Report of the Directors. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Directors' responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the charitable company and the environment in which they operate, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries. Audit procedures performed included:

- Enquiry of management and the directors with regard to actual and potential fraud and non-compliance with laws and regulations;
- Reviewing minutes of the Board meetings and significant contracts to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with laws and regulations; and
- Testing unusual or unexpected journal entries.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, the risk of not

Global Entrepreneurship Research Association

detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

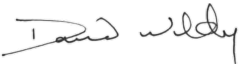
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



David Wildey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

10 June 2022

Global Entrepreneurship Research Association

Statement of Financial Activities including Income & Expenditure Account for the year ended 31 December 2021

		Unrestricted 2021	Unrestricted 2020
	Notes	£	£
Income from:			
<i>Donations and Legacies:</i>			
Donations, grants and sponsorship	3	224,147	149,673
<i>Charitable activities:</i>			
National Team	4	351,514	305,241
<i>Investment income</i>	5	601	2,795
Total income		<u>576,262</u>	<u>457,709</u>
Expenditure on:			
Charitable activities	6	(466,092)	(719,818)
Total expenditure		<u>(466,092)</u>	<u>(719,818)</u>
Income/(Expenditure) and net movement in funds		110,170	(262,109)
Reconciliation of funds			
Total funds brought forward		578,719	840,828
Total funds carried forward	13	<u>688,889</u>	<u>578,719</u>

The statement of financial activities includes all gains and losses in the period. All incoming resources and resources expended derive from continuing activities.

The notes on pages 15 to 21 form part of these financial statements.

Global Entrepreneurship Research Association

Balance Sheet at 31 December 2021 (Registered Company no: 05352027)

	Notes	2021	2020
		£	£
Current assets			
Debtors	11	18,898	42,228
Cash at bank and in hand		766,162	563,720
		<u>785,060</u>	<u>605,948</u>
Creditors: amounts falling due within one year	12	(96,171)	(27,229)
Net current assets		<u>688,889</u>	<u>578,719</u>
Net assets		<u>688,889</u>	<u>578,719</u>
Unrestricted funds	14	688,889	578,719
Total funds		<u>688,889</u>	<u>578,719</u>

Approved company's financial statements on pages 13 to 21 by the board of directors and authorised for issue on 25th May 2022 and signed on its behalf by:


Professor José Ernesto Amorós Espinosa
On behalf of the GERA Board

The notes on pages 15 to 21 form part of these financial statements.

Global Entrepreneurship Research Association

Statement of Cash Flows for the year ended 31 December 2021

	Notes	2021 £	2020 £
Cash used in operating activities	15	<u>201,841</u>	<u>(281,586)</u>
<i>Cash flows from investing activities:</i>			
Interest income		<u>601</u>	<u>2,795</u>
Cash generated from investing activities		<u>601</u>	<u>2,795</u>
Decrease in cash and cash equivalents in the year		<u>202,442</u>	<u>(278,791)</u>
Cash and cash equivalents at the beginning of the year		563,720	842,511
Total cash and cash equivalents at the end of the year		<u><u>766,162</u></u>	<u><u>563,720</u></u>

The accompanying notes form part of these financial statements.

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2021

1. Principal accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS 102)) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019. The accounting policies set out above have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

(b) Going concern

GERA has unrestricted funds of £688,889 (2020: £578,719) at the year end. As at year end the Global Entrepreneurship Research Association has a creditor balance of £96,171 which can be covered by the company cash reserves without need of any additional financing. Although the company was in deficits in prior years, the reserves are still sufficient to fund the immediate liabilities and forecasted expenses for the next 12 months while they implement their strategic plans to reverse this trend as detailed in the strategic report. Hence the directors are of the view that the company's immediate future is secure and therefore the financial statements have been prepared on the going concern basis.

(c) Basis for translation of sums dominated in foreign currency into sterling

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the Statement of Financial Activities.

(d) Incoming Resources (Donations and grants and Income from National Teams and Sponsorship)

Income is recognised when the company has entitlement to the funds, any performance conditions attached have been met, it is probable that the income will be received and the amount can be measured reliably.

Income received for activities relating to a future accounting period is deferred until the criteria for income recognition are met.

(e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company. This is normally upon notification of the interest paid or payable by the bank.

(f) Fund accounting

GERA is funded by contributions from sponsors and fees from National Teams. At 31 December 2021, GERA held £688,889 (2020: £578,719) in unrestricted funds. All GERA funds are unrestricted. Unrestricted funds are available to spend on activities that further any of the purposes of the company. The split of funds set out in note 13 is purely for presentational purposes and does not indicate any segregation of the funds held for different purposes.

(g) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2021 (continued)

(g) Expenditure (continued)

The expenditure classified under the heading "Expenditure on charitable activities" consists of costs incurred to promote the objectives of the company and are accounted for in the year they occur.

(h) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(i) Cash at bank and in hand

Cash and cash equivalents comprise cash balances and call deposits.

(j) Creditors

Creditors are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

(k) Financial instruments

GERA has only financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their amortised cost.

(l) Critical estimates and judgements

There are no critical estimates and judgements within the financial statements, other than any judgements made with regard to the recognition of revenue.

2. Legal status

GERA is a company limited by guarantee and has no share capital. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

3. Donations and grants

	2021 £	2020 £
Babson College	70,971	80,085
Sponsorship	153,176	69,588
	<u>224,147</u>	<u>149,673</u>

4. Income from charitable activities

	2021 £	2020 £
National Teams annual fee	351,514	305,241
	<u>351,514</u>	<u>305,241</u>

The income from outside the UK represents 99% (2020: 99%) of GERA membership income.

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2021 (continued)

5. Investment income

The investment income of £601 (2020: £2,795) arises from money held in interest bearing deposit accounts.

6. Analysis of expenditure on charitable activities

		2021	2020
		£	£
Staff costs	8	25,058	67,488
Consulting costs		350,059	366,941
Events		-	104,977
Data collection and report production		35,811	37,580
Staff travel and accommodation		-	11,256
Management fees		36,093	35,521
Advertising / PR costs		2,190	5,912
Legal and professional fees		-	4,633
Web Maintenance and development		5,273	30,331
Foreign exchange		(9,370)	28,494
Business Insurance		2,381	2,975
Office materials		1,932	7,521
Other Operating Expenditure		7,275	-
Governance costs		9,390	16,189
Total Expenditure		466,092	719,818

The total amount of £5,000 (2020: £15,000) for the year has been recognised as Research and Development expenditure.

7. Net expenditure for the year

This is stated after charging:	2021	2020
	£	£
Auditors' remuneration		
Audit fees (excluding VAT)	6,998	6,480

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2021 (continued)

8. Staff costs

	2021	2020
	£	£
Salaries	24,000	65,134
Social security costs	525	868
Pension costs	533	1,486
	<u>25,058</u>	<u>67,488</u>

No employees had benefits in excess of £60,000 (2020: nil) and no remuneration was paid to the directors during the period (2020: £nil).

Staff costs include 1 UK employee of GERA (Operations Administrator) (2020:2).

No remuneration was paid to key management personnel (2020: £nil).

In 2021, 1 (2020: 1) member of staff, Laura Freeborn, was enrolled in the company pension scheme. The scheme is based on a percentage of qualifying earnings with an employer contribution of 3% and an employee contribution of 5%.

9. Related party transactions

For the year ended 31/12/2021 a management fee of £35,863 (2020: £35,031) was paid to London Business School.

During the year, nil (2020: 5) directors claimed expenses (2020: £4,039).

During the year 2021 one director was contracted to a Senior Research Advisor and their university was remunerated for this for £5,146 (2020: £3,640 was paid to 1 director) for the provision of such services.

At the end of the year GERA had an outstanding balance due from London Business School of £5,606 (2020: £5,606).

10. Corporation Taxation

The company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

11. Debtors

	2021	2020
	£	£
Trade debtors	10,250	10,760
Social security and other taxation	348	8,194
Amount owed from London Business School	5,606	5,606
Prepayments and accrued income	2,694	17,668
	<u>18,898</u>	<u>42,228</u>

Trade debtors includes a bad debts provision of £7,275 (2020 – Nil)

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2021 (continued)

12. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade Creditors	3,628	8,806
Accrued expenses	38,486	18,423
Deferred Income	54,057	-
	<u>96,171</u>	<u>27,229</u>

13. Movements in funds

	At 01 January 2021	Incoming Resources	Outgoing Resources	At 31 December 2021
	£	£	£	£
Unrestricted funds:				
National Teams	(3,108,795)	351,514	(456,702)	(3,213,983)
General Funds	3,687,514	224,748	(9,390)	3,902,872
Total unrestricted funds	<u>578,719</u>	<u>576,262</u>	<u>(466,092)</u>	<u>688,889</u>
Total funds	<u>578,719</u>	<u>576,262</u>	<u>(466,092)</u>	<u>688,889</u>

National teams will be brought back into credit through an increase in the Coordination Fee, from USD 8,000 to USD 10,000. Work also continues to increase the number of new teams participating in the research cycle, whilst working to ensure existing teams continue to participate. This is being done through the GEM Research and Innovation Projects (GRIPS) groups which involve key stakeholders to ensure continued improvement and relevance of GERA's key offerings in terms of the APS and NES surveys. The involvement of key stakeholders is envisaged to assist in maintaining National Team participation moving forward.

14. Analysis of net assets between funds

	Unrestricted Funds 2021	Unrestricted Funds 2020
	£	£
Cash at bank and in hand	766,162	563,720
Other net current assets/(liabilities)	<u>(77,273)</u>	<u>14,999</u>
Total	<u>688,889</u>	<u>578,719</u>

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2021 (continued)

15. Reconciliation of net movement in funds to net cash flow used in operating activities

	2021	2020
	£	£
Net movement in funds	110,170	(262,109)
Deduct interest income shown in investing activities	(601)	(2,795)
Decrease in debtors	23,330	2,143
Increase in creditors	68,942	(18,825)
Net cash used in operating activities	201,841	(281,586)

Accounts

Global Entrepreneurship Research Association

Annual Report

for the year ended 31 December 2020

Registered Charity no: 1109845

Registered Company no: 05352027

A company limited by guarantee

Global Entrepreneurship Research Association

Reference and Administrative Information

Company name: Global Entrepreneurship Research Association

Charity registration number: 1109845 (England & Wales, UK)

Company registration number: 05352027 (England & Wales, UK)

Registered office and
operational address: Sussex Place
Regent's Park
London
NW1 4SA
UK

Independent Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Banker

HSBC Bank plc
90 Baker Street
London
W1U 6AX

Solicitor

Farrer & Co
66 Lincoln's Inn Fields
London
WC2A 3LH

Global Entrepreneurship Research Association

Strategic Report for the year ended 31 December 2020

Achievements and Performance

The results for the period are shown in the statement of financial activities on page 13. The main activity during the year was the provision of an international programme of research and the dissemination of the results of this research.

Key Performance Indicators

- **Net Expenditure and Net Movement in Funds.** 2019: deficit of £191,538 ---- 2020: deficit of £262,109.
- **Total funds carried forward.** 2019: £840,828 ---- 2020: £578,719
- **Number of participating National Teams.** 2019: 54 ---- 2020: 43
- **Number of global sponsors.** 2019: 2 ---- 2020: 1
- **Number of corporate or report sponsors.** 2019: 2 ---- 2020: 2.

Plans for Future Periods

The company plans to continue its activities over the forthcoming years subject to satisfactory funding arrangements. The main activity being the provision of an international programme of research and the dissemination of the results of this research. In addition and in accordance with the Strategy, the Company plans to continue to promote thought leadership in Entrepreneurship through collaborative research and dialogue by increasing the number of Special Topic Reports. Dr Aileen Ionescu-Somers, who is currently providing Executive Management Services to the company (Executive Director), is actively engaged in working with the Board to develop and strengthen initiatives going forward that will deliver on the core objectives of the company.

The Board have agreed a Coordination Fee increase for National Team's going forward to assist in mitigating the risk of a decrease in income from National Team participation. Current participation indicates there will be no decrease from 2020 team participation with 44 teams confirmed as at May 2021.

The fundraising context globally has drastically changed which in turn means the value proposition for Global Sponsorships has also changed. The Board has concluded that it is not a robust strategic objective to pursue such sponsorships, although one Global Sponsor has been renewed, this is currently for 2021 only with new terms of reference. However, the Executive Director is in negotiations to try to ensure this can be renewed yearly from 2022.

The Executive Director is negotiating a further Global Sponsorship with the government of UAE and it is looking increasingly likely that this will materialize in the summer of 2021. Also, two Special Report sponsorships have been confirmed, as well as a new Global Report Sponsor. The Executive Director continues to seek new sponsorships for Special Reports based upon this model.

A new research product, the Ecosystems Index, was launched in 2020, and participation in this initiative for 2021 should be higher than in 2020, with a view to increasing uptake in 2022, by increasing visibility of the outputs from this product.

The 2021 survey will continue to focus on the impact of COVID-19 on entrepreneurship, increasing the value of GERA's research products to stakeholders and attracting new ones. The Survey results are published as the Global Entrepreneurship Monitor (GEM) Global Report on a yearly basis. GEM is the acronym under which GERA publishes its' Reports.

Global Entrepreneurship Research Association

Strategic Report (continued)

Plans for Future Periods (continued)

In addition, the Executive Director has launched GEM Research and Innovation Projects (GRIPS) groups involving key stakeholders to ensure continued improvement and relevance of GERA's key offerings in terms of the Adult Population Survey (APS) and National Expert Survey (NES) which are conducted annually by National Teams, with the results published in the GEM Global Report. . The involvement of key stakeholders is envisaged to assist in maintaining National Team participation moving forward.

A successful virtual Global Report Launch in 2021, with additional marketing and communication support across the organisation has expanded, the reach GERA's work, and created a model for delivering a virtual Annual Meeting and Global Report Launch, should sponsorship not be secured for 2022.

Key Risks and Uncertainties and Risk Management

When considering business decisions, the Board will assess the associated risk factors. Any actions or strategies will be executed by Dr Aileen Ionescu-Somers, who is currently providing Executive Management Services to the company (Executive Director). All key risks faced by the company are taken into consideration when developing courses of action and all actions are formally approved by the Board before implementation. Internal control risks are minimised by the implementation of procedures for authorisation of all financial transactions.

The primary risk before the company in the short and medium term is a decrease in the income from Donations and grants. The Executive Director has already secured two sponsorships for Special Topic Reports for 2021 as well as continuation of one Global Sponsor for 2021.

The company's medium and long term risks and uncertainties are related to the number of local partner organisations which affects the income from National Teams and the fluctuation in foreign exchange rates related to macroeconomic factors beyond the company's control. The Board and Executive Director have developed a strategic plan for increasing the number of National Teams and the income they provide and have taken measures to minimise the foreign exchange risk to an acceptable level.

It is also anticipated that a reduced number of local partner organisations (National Teams) will participate in the 2021 research cycle, due to the continuing practical difficulties of conducting surveys at this time of great economic uncertainty worldwide owing to the COVID-19 pandemic, and earmarked local funding being allocated to other priorities. In 2021 this will reduce the amount of income the company receives from National Team contributions. However, the Board have agreed a Coordination Fee increase for National Team's going forward to assist in mitigating this risk. Current participation indicates there will be no decrease from 2020 team participation with 44 teams confirmed as at May 2021.

Following a strategic review, the Executive Director has cut the budget by a third, and reduced staffing levels. All expenditure is constantly reviewed and considering no further global sponsorships for 2021, as well as continuing restrictions due to the Pandemic, the Annual Meeting event will be held virtually for 2022 unless a specific sponsor is found. This builds upon the success of the virtual events held in early 2021 and ensures no additional costs or expenses are incurred.

In 2021, the Executive Director expects that there will be no deficit as in previous four years, which has led to the organisation using up the reserves. It is expected that a net profit contribution to the reserves will be made.

Global Entrepreneurship Research Association

Report of the Directors for the year ended 31 December 2020

Global Entrepreneurship Research Association (GERA) is a registered charity (registered number 1109845 in Charity Commission and registered number 05352027 in Companies House) in England and Wales, United Kingdom. GERA publishes its research results as Reports under the name Global Entrepreneurship Monitor (GEM).

The directors present their directors' report together with the financial statements of the organisation for the year ending 31 December 2020 which are also prepared to meet the requirements of the Companies Act.

The financial statements comply with the Charities Act 2011, the Companies Act 2006 relating to small companies and the Accounting and Reporting by Charities; Statements of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (2019 edition).

The data and analysis produced by the charity has significantly impacted government policy on entrepreneurship around the world, increasing opportunities for entrepreneurs and driving economic growth. Examples can be found in the Diagnosing COVID-19 Impact on Entrepreneurship: Exploring Policy remedies for recovery:

<https://www.gemconsortium.org/reports/covid-impact-report>

Financial Review

The directors' report a deficit of £262,109 (2019: deficit of £191,538) for the year and have positive reserves carried forward of £578,719 (2019: £840,828). They anticipate approximately the same revenue from National Teams, which are local partner academic or research institutions from participating countries, over the 12 months to 31 December 2021. GERA is constantly looking for new sponsorships, and has already secured 2 Special Topic Report sponsorships and an additional Global Report sponsor and a positive net contribution to the reserves is expected over the 12 months to 31 December 2021.

Principal Activity

Office Address: Sussex Place
Regent's Park
London
NW1 4SA
UK

Directors

The directors of the charitable company (the company) are its trustees for the purpose of charity law. The directors and officers serving during the year ended 31 December 2020 and up to the date of signing of the accounts were:

	Appointed	Resigned
Professor Donna Kelley		
Mr Min Woo Nam		March 2020
Dr Ulrike Guelich		March 2021
Dr Niels Bosma		
Mrs Anna Tarnawa		March 2020
Dr Cesare Riillo	March 2020	
Dr José Ernesto Amorós	March 2020	
Professor Maribel Guerrero	March 2021	
Secretary		
Ruth Beckinsale		

Global Entrepreneurship Research Association

Report of the Directors for the year ended 31 December 2020 (continued)

Qualifying Third Party Indemnity

The company has Clubs and Associations Insurance Portfolio through Hiscox. This includes management liability as follows:

- Management liability - Trustees and individual liability
- Management liability - Professional legal liability
- Management liability - Employment practices liability

Objectives and Activities

The objective of the company is the advancement of research and associated educational initiatives in the field of entrepreneurship practice and policy development, principally by the provision and conduct of an international programme of research and the dissemination of the results of such research and by such other exclusively charitable means as the directors shall in their discretion determine.

Public Benefit Statement

The Global Entrepreneurship Research Association was established on the 3rd February 2005 and is an exempt charity. The Directors have given due regard to the Charity Commission's guidance on public benefit and have taken reasonable steps to ensure that this guidance has been considered in the activities undertaken by the Global Entrepreneurship Research Association to deliver its charitable purposes.

The Global Entrepreneurship Research Association delivers a benefit to the public by coordinating an annual global data collection activity, producing and disseminating as widely as possible high-quality information on entrepreneurship and its importance in economic development.

At the end of each annual cycle, GERA produces a comprehensive 'Global Report' on its findings which is launched to the global press and distributed for free on its website. The report is widely read and cited, raising awareness of the importance of entrepreneurship, and increasing knowledge of the entrepreneurship phenomenon worldwide.

National Teams in the different countries covered by the study produce their own 'National Reports', which are launched to local media and distributed for free online. These reports include specific policy recommendations with a view to positively influencing government policies towards entrepreneurship.

GERA also produces 'Special Topic' reports, which use the data collected to further research into particular fields (e.g. Female Entrepreneurship) and make important contributions to the body of research into entrepreneurship. The Board has agreed to focus primarily on certain special reports in future, namely, Women's Entrepreneurship, Policy Impact, Impact of Entrepreneurship on the SDG's and potentially Family Business. Ultimately, the aim will be to build a constellation of partnerships and sponsorships around these specific reports, and to produce them yearly rather than sporadically.

The data collected by GERA is presented at conferences, events and seminars worldwide. The data collected and the reports produced are used free of charge by educators worldwide in a variety of teaching contexts.

Investment Policy

The Board considered investing a portion of the reserves in 2020 but ultimately decided against doing so, due to low rates of return. Alternatively, a portion of the reserves amounting to £15,000 (2019: £20,553) is invested in Research and Development.

Global Entrepreneurship Research Association

Report of the Directors for the year ended 31 December 2020 (continued)

Reserves Policy and Going Concern

The company reserves are needed to meet the working capital requirements for the company. As at year end the Global Entrepreneurship Research Association has creditor balance of £27,229 which can be covered by the company reserves without need of any additional financing. The directors considered that unrestricted reserves should be maintained at a minimum of 100% of total expected expenditure for 2021. This is to ensure continuity of operations in the event of the withdrawal of a sponsor or a fall in the number of participating National Teams. Currently, unrestricted reserves are 109% of forecast expenditure for 2021 after deduction of liabilities from reserves. The directors will consider the plans for the use of reserves on an ongoing basis.

The directors have reviewed the circumstances of GERA and consider that adequate resources continue to be available to fund the activities of the company for the foreseeable future. There are no material uncertainties about the charity's ability to continue as a going concern.

Principal Funding Sources

Principal funding sources for the year are the annual fee from the National Teams for which they receive membership of GERA and access to data on entrepreneurship collected as part of the Global Entrepreneurship Monitor (GEM) project and a contribution from Babson College. In addition, in 2020, Shopify sponsored a Policy Impact Report, and for 2021, Cartier Women's Initiative, The World Bank, Smith College and The School of Management at The University of Fribourg have agreed sponsorships for The Women's Entrepreneurship Report and The Global Report.

Structure, Governance and Management Governing Document

The Global Entrepreneurship Research Association (GERA) is a private company limited by guarantee registered in England, established on the 3rd February 2005. It was registered as a charity on the 3rd June 2005. GERA is a not-for-profit independent entity formed from the consortium of Global Entrepreneurship Monitor national teams (Association of GEM National Teams- AGNT) and the two founding institutions: London Business School and Babson College. GERA is currently sponsored by: Babson College (USA)

Recruitment and Appointment of Directors

There are to be at least five individuals holding the position of director. New board members may be proposed by any of the founding institutions, an AGNT Representative Member or a Sponsoring Member. Decisions for appointing a director who is additional or is replacing a Sponsoring Member or AGNT Representative Member should be taken unanimously and the approval of all of the existing founding institutions, AGNT Representative Members and Sponsoring Members is required. In the event of the company being wound up, the directors of the company are required to contribute one pound towards the costs of dissolution and the liabilities incurred by the company while the contributor was a member.

Trustee Induction and Training

The directors as charity trustees have control of the company and its assets and funds. Each director is made aware of their duties to the company upon appointment and accepts their responsibility to keep up to date with changes in statutory requirements that affect their role and responsibilities as trustees. Each director must sign a declaration of willingness to act as a charity trustee of the company before he or she is eligible to vote at any meeting of the directors.

Global Entrepreneurship Research Association

Report of the Directors for the year ended 31 December 2020 (continued)

Organisational Structure

The Board of Directors meets at least three times each year and is responsible for the strategic direction and policy of the company. The day to day responsibility for the provision of services rests with the Executive Director who is also responsible for ensuring that the company delivers the services specified in a timely manner and to a good standard.

Related parties and co-operation with other organisations

No director receives remuneration or other benefit from their work with the company. However, they are reimbursed expenses and receive payment for services provided to the company, when required, as permitted in the Memorandum of Association. During the year 2020 one director was contracted to a Senior Research Advisor and their university was remunerated for this for £3,640 (2019: £12,000 was paid to 2 directors) for the provision of such services. Any connection between a director of the company with a customer or supplier must be disclosed to the full board of directors in the same way as any other contractual relationship with a related party.

Related parties and co-operation with other organisations

Global Entrepreneurship Research Association is a collaboration between Babson College, London Business School and the Association of GEM National Teams with Babson College, as a sponsoring partner.

Global Entrepreneurship Research Association

Report of the Directors for the year ended 31 December 2020 (continued)

Statement of Directors' responsibilities

The directors (who are also trustees of Global Entrepreneurship Research Association for the purposes of charity law) are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Section 418, we confirm that in the case of each director in office at the date the directors' report is approved, that:

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) he/she has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board



Dr Niels Bosma
On behalf of the GERA Board

25 June 2020

Global Entrepreneurship Research Association

Independent auditors' report to the members of Global Entrepreneurship Research Association

Report on the audit of the financial statements

Opinion

In our opinion, Global Entrepreneurship Research Association's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2020; the Statement of Financial Activities including Income & Expenditure Account and the Statement of Cash Flows for the year then ended; the accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charitable company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Global Entrepreneurship Research Association

Strategic Report and Report of the Director

In our opinion, based on the work undertaken in the course of the audit the information given in the Report of the Directors, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Report of the Directors. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Directors' responsibilities set out on page 9, the Directors (who are also the trustees of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the charitable company and the environment in which they operate, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in key accounting judgements and estimates. Audit procedures performed included:

- Evaluating management's controls designed to prevent and detect irregularities;
- Enquiry of management and the directors with regard to actual and potential fraud and non-compliance with laws and regulations;
- Reviewing minutes of the Board meetings and significant contracts to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in significant accounting estimates; and
- Testing unusual or unexpected journal entries.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Global Entrepreneurship Research Association

Use of this report

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

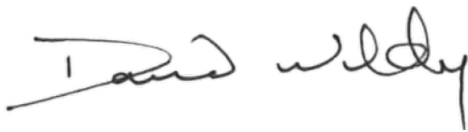
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



David Wildey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
30 June 2021

Global Entrepreneurship Research Association

Statement of Financial Activities including Income & Expenditure Account for the year ended 31 December 2020

		Unrestricted 2020	Unrestricted 2019
	Notes	£	£
Income from:			
<i>Donations and Legacies:</i>			
Donations and grants	3	80,085	155,515
<i>Charitable activities:</i>			
National Team	4	305,241	339,248
Sponsorship income		69,588	16,829
<i>Investment income</i>	5	2,795	8,146
Total income		<u>457,709</u>	<u>519,738</u>
Expenditure on:			
Charitable activities	6	(719,818)	(711,276)
Total expenditure		<u>(719,818)</u>	<u>(711,276)</u>
Net expenditure and net movement in funds		(262,109)	(191,538)
Reconciliation of funds			
Total funds brought forward		840,8288	1,032,366
Total funds carried forward	13	<u>578,719</u>	<u>840,828</u>

The statement of financial activities includes all gains and losses in the period. All incoming resources and resources expended derive from continuing activities.

The notes on pages 15 to 20 form part of these financial statements.

Global Entrepreneurship Research Association

Balance Sheet at 31 December 2020 (Registered Company no: 05352027)

	Notes	2020	2019
		£	£
Current assets			
Debtors	11	42,228	44,371
Cash at bank and in hand		563,720	842,511
		<u>605,948</u>	<u>886,882</u>
Creditors: amounts falling due within one year	12	(27,229)	(46,054)
Net current assets		<u>578,719</u>	<u>840,828</u>
Net assets		<u>578,719</u>	<u>840,828</u>
Unrestricted funds	14	578,719	840,828
Total funds		<u>578,719</u>	<u>840,828</u>

Approved company's financial statements on pages 12 to 20 by the board of directors and authorised for issue on 25th June 2021 and signed on its behalf by:



Dr Niels Bosma
On behalf of the GERA Board

The notes on pages 15 to 20 form part of these financial statements.

Global Entrepreneurship Research Association

Statement of Cash Flows for the year ended 31 December 2020

	Notes	2020 £	2019 £
Cash used in operating activities	15	<u>(281,586)</u>	<u>(267,908)</u>
<i>Cash flows from investing activities:</i>			
Interest income		<u>2,795</u>	<u>8,146</u>
Cash generated from investing activities		<u>2,795</u>	<u>8,146</u>
Decrease in cash and cash equivalents in the year		<u>(278,791)</u>	<u>(259,762)</u>
Cash and cash equivalents at the beginning of the year		842,511	1,102,273
Total cash and cash equivalents at the end of the year		<u>563,720</u>	<u>842,511</u>

The accompanying notes form part of these financial statements.

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2020

1. Principal accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS 102)) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019. The accounting policies set out above have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

(b) Going concern

GERA has unrestricted funds of £578,719 (2019: £840,828) at the year end. As at year end the Global Entrepreneurship Research Association has a creditor balance of £27,229 which can be covered by the company cash reserves without need of any additional financing. Although the company was in deficits in prior years, the reserves are still sufficient to fund the immediate liabilities and forecasted expenses for the next 12 months while they implement their strategic plans to reverse this trend as detailed in the strategic report. Hence the directors are of the view that the company's immediate future is secure and therefore the financial statements have been prepared on the going concern basis.

(c) Basis for translation of sums dominated in foreign currency into sterling

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the Statement of Financial Activities.

(d) Incoming Resources (Donations and grants and Income from National Teams and Sponsorship)

Income is recognised when the company has entitlement to the funds, any performance conditions attached have been met, it is probable that the income will be received and the amount can be measured reliably.

Income received for activities relating to a future accounting period is deferred until the criteria for income recognition are met.

(e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company. This is normally upon notification of the interest paid or payable by the bank.

(f) Fund accounting

GERA is funded by contributions from sponsors and fees from National Teams. At 31 December 2020, GERA held £578,719 (2019: £840,828) in unrestricted funds. All GERA funds are unrestricted. Unrestricted funds are available to spend on activities that further any of the purposes of the company. The split of funds set out in note 13 is purely for presentational purposes and does not indicate any segregation of the funds held for different purposes.

(g) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2020 (continued)

(g) Expenditure (continued)

The expenditure classified under the heading "Expenditure on charitable activities" consists of costs incurred to promote the objectives of the company and are accounted for in the year they occur.

(h) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(i) Cash at bank and in hand

Cash and cash equivalents comprise cash balances and call deposits.

(j) Creditors

Creditors are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

(k) Financial instruments

GERA has only financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their amortised cost.

(l) Critical estimates and judgements

There are no critical estimates and judgements within the financial statements, other than any judgements made with regard to the recognition of revenue.

2. Legal status

GERA is a company limited by guarantee and has no share capital. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

3. Donations and grants

	2020 £	2019 £
Babson College	80,085	76,961
Korean Enterprise Fund	-	78,554
	<u>80,085</u>	<u>155,515</u>

4. Income from charitable activities

	2020 £	2019 £
National Teams annual fee	305,241	339,248
	<u>305,241</u>	<u>339,248</u>

The income from outside the UK represents 99% (2019: 99%) of GERA membership income.

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2020 (continued)

5. Investment income

The investment income of £2,795 (2019: £8,147) arises from money held in interest bearing deposit accounts.

6. Analysis of expenditure on charitable activities

		2020	2019
		£	£
Staff costs	8	67,488	91,593
Consulting costs		366,941	335,588
Events		104,977	60,040
Data collection and report production		37,580	49,753
Staff travel and accommodation		11,256	18,873
Management fees		35,521	29,543
Advertising / PR costs		5,912	5,824
Legal and professional fees		4,633	5,497
Computer Software		-	3,058
Web Maintenance and development		30,331	23,488
Foreign exchange		28,494	46,909
Business Insurance		2,975	2,684
Office materials		7,521	4,889
Governance costs		16,189	33,537
Total Expenditure		719,818	711,276

The total amount of £15,000 (2019: £20,533) for the year has been recognised as Research and Development expenditure.

7. Net expenditure for the year

This is stated after charging:	2020	2019
	£	£
Auditors' remuneration		
Audit fees (excluding VAT)	6,480	8,200

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2020 (continued)

8. Staff costs

	2020	2019
	£	£
Salaries	65,134	68,366
Social security costs	868	6,227
Pension costs	1,486	269
Other related staff costs	-	11,504
	<u>67,488</u>	<u>86,366</u>

No employees had benefits in excess of £60,000 (2019: nil) and no remuneration was paid to the directors during the period (2019: £nil).

Staff costs include 2 employees of GERA (Operations Manager and Operations Administrator) (2019:2). The Operations Manager resigned in October and as at year-end there is only 1 employee of GERA.

No remuneration was paid to key management personnel (2019: £nil).

In 2020, 1 (2019: 2) member of staff, Laura Freeborn, was enrolled in the company pension scheme. The scheme is based on a percentage of qualifying earnings with an employer contribution of 3% and an employee contribution of 5%.

9. Related party transactions

For the year ended 31/12/2020 a management fee of £35,031 (2019: £29,627) was paid to London Business School.

During the year, 5 (2019: 6) directors claimed expenses totalling £4,039 (2019: £14,278). These were business related expenses for travel, subsistence and accommodation.

During the year 2020 one director was contracted to a Senior Research Advisor and their university was remunerated for this for £3,640 (2019: £12,000 was paid to 2 directors) for the provision of such services

At the end of the year GERA had an outstanding balance due from London Business School of £5,606 (2019: £5,606).

10. Corporation Taxation

The company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

11. Debtors

	2020	2019
	£	£
Trade debtors	10,760	12,405
Social security and other taxation	8,194	9,879
Amount owed from London Business School	5,606	5,606
Prepayments and accrued income	17,668	16,481
	<u>42,228</u>	<u>44,371</u>

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2020 (continued)

12. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade Creditors	8,806	2,238
Accrued expenses	18,423	43,816
	<u>27,229</u>	<u>46,054</u>

13. Movements in funds

	At 01 January 2020	Incoming Resources	Outgoing Resources	At 31 December 2020
	£	£	£	£
Unrestricted funds:				
National Teams	(2,710,407)	305,241	(703,629)	(3,108,795)
General Funds	3,551,235	152,468	(16,189)	3,687,514
Total unrestricted funds	<u>840,828</u>	<u>457,709</u>	<u>(719,818)</u>	<u>578,719</u>
Total funds	<u>840,828</u>	<u>457,709</u>	<u>(719,818)</u>	<u>578,719</u>

National teams will be brought back into credit through an increase in the Coordination Fee, from USD 8,000 to USD 10,000. Work also continues to increase the number of new teams participating in the research cycle, whilst working to ensure existing teams continue to participate. This is being done through the GEM Research and Innovation Projects (GRIPS) groups which involve key stakeholders to ensure continued improvement and relevance of GERA's key offerings in terms of the APS and NES surveys. The involvement of key stakeholders is envisaged to assist in maintaining National Team participation moving forward.

14. Analysis of net assets between funds

	Unrestricted Funds 2020	Unrestricted Funds 2019
	£	£
Cash at bank and in hand	563,720	842,511
Other net current assets/(liabilities)	<u>14,999</u>	<u>(1,683)</u>
Total	<u>578,719</u>	<u>840,828</u>

Global Entrepreneurship Research Association

Notes to the financial statements for the year ended 31 December 2020 (continued)

15. Reconciliation of net movement in funds to net cash flow used in operating activities

	2020	2019
	£	£
Net movement in funds	(262,109)	(191,538)
Deduct interest income shown in investing activities	(2,795)	(8,146)
Decrease in debtors	2,143	14,293
Decrease in creditors	(18,825)	(82,517)
Net cash used in operating activities	(281,586)	(267,908)