

# **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
<b>Dr Cesare Riillo</b>		April 2022
<b>Dr José Ernesto Amorós Espinosa</b>	March 2020	
<b>Professor Maribel Guerrero</b>	March 2021	
<b>Professor Fatima Boutaleb</b>	July 2021	
<b>Professor Jeff Shay</b>	July 2021	
<b>Professor Ehud Menipaz</b>	April 2022	
<b>Dr Niels Bosma (non-voting)</b>	February 2015	
<b>Secretary</b>		
<b>Ruth Beckinsale</b>		February 2022
<b>Clare Kane</b>	February 2022	June 2023
<b>Richard Alan Frost</b>	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 3<sup>rd</sup> February 2005. It was registered as a charity on the 3<sup>rd</sup> 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

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#### 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.

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#### 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.

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#### 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.

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#### 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.

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## **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](http://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.

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## 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	£	£
<b>Income from:</b>			
<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
<b>Total income</b>		<u>750,472</u>	<u>576,262</u>
<b>Expenditure on:</b>			
Charitable activities	6	(558,827)	(466,092)
<b>Total expenditure</b>		<u>(558,827)</u>	<u>(466,092)</u>
Income and net movement in funds		191,645	110,170
<b>Reconciliation of funds</b>		688,889	
Total funds brought forward			578,719
<b>Total funds carried forward</b>	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
		£	£
<b>Current assets</b>			
Debtors	11	28,813	18,898
Cash at bank and in hand		951,573	766,162
		<u>980,386</u>	<u>785,060</u>
<b>Creditors: amounts falling due within one year</b>	12	(99,852)	(96,171)
<b>Net current assets</b>		<u>880,534</u>	<u>688,889</u>
<b>Net assets</b>		<u>880,534</u>	<u>688,889</u>
 <b>Unrestricted funds</b>	14	 880,534	 688,889
 <b>Total funds</b>		 <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
<b>Net cash provided by Investing Activities</b>		9,135	601
<b>Change in cash and cash equivalents in the reporting period</b>		185,411	202,442
<b>Cash and cash equivalents at the beginning of the year</b>		766,162	563,720
<b>Cash and cash equivalents at the end of the year</b>		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

		<b>2022</b>	2021
		<b>£</b>	<b>£</b>
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
<b>Total Expenditure</b>		<b>558,827</b>	<b>466,092</b>

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

<b>This is stated after charging:</b>	<b>2022</b>	2021
	<b>£</b>	<b>£</b>
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 £
<b>Unrestricted funds:</b>				
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>
<b>Total funds</b>	<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)
<b>Total</b>	<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
<b>Adjustments for:</b>		
Interest income	(9,135)	(601)
(Increase)/decrease in debtors	(9,915)	23,330
Increase in creditors	3,681	68,942
<b>Net cash provided by operating activities</b>	<b>176,276</b>	<b>201,841</b>