

# **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
<b>Total active teams that have answered the participation survey</b>	<b>44</b>
<b>Total active teams that have not responded yet</b>	<b>17</b>
<b>Total active teams</b>	<b>61</b>

# 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 13<sup>th</sup> 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:

	<b>Appointed</b>	<b>Resigned</b>
<b>Dr José Ernesto Amorós Espinosa</b>	March 2020	February 2024
<b>Professor Maribel Guerrero</b>		February 2023
<b>Professor Fatima Boutaleb</b>		February 2023
<b>Professor Jeff Shay</b>	July 2021	
<b>Professor Ehud Menipaz</b>	April 2022	
<b>Professor Ana Fernandez Laviada</b>	February 2023	
<b>Anna Tarnawa</b>	February 2023	
<b>Dr Niels Bosma (non-voting)</b>	February 2015	
<b>Secretary</b>		
<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 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 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 (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

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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 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.

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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 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.

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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 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](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**


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### **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	£	£
<b>Income from:</b>			
<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
<b>Total income</b>		<u>694,312</u>	<u>750,472</u>
<b>Expenditure on:</b>			
Charitable activities	6	(575,427)	(558,827)
<b>Total expenditure</b>		<u>(575,427)</u>	<u>(558,827)</u>
Income and net movement in funds		118,885	191,645
<b>Reconciliation of funds</b>			
Total funds brought forward		880,534	688,889
<b>Total funds carried forward</b>	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
		£	£
<b>Current assets</b>			
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>
<b>Creditors: amounts falling due within one year</b>	12	<u>(57,723)</u>	<u>(99,852)</u>
<b>Net current assets</b>		<u>999,419</u>	<u>880,534</u>
<b>Net assets</b>		<u>999,419</u>	<u>880,534</u>
 <b>Unrestricted funds</b>	14	 999,419	 880,534
 <b>Total funds</b>		 <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
<b>Net cash provided by Investing Activities</b>		30,314	9,135
<b>Change in cash and cash equivalents in the reporting period</b>		(13,208)	185,411
<b>Cash and cash equivalents at the beginning of the year</b>		951,573	766,162
<b>Cash and cash equivalents at the end of the year</b>		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

		<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
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
<b>Total Expenditure</b>		<b>575,427</b>	<b>558,827</b>

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

<b>This is stated after charging:</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
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
	£	£	£	£
<b>Unrestricted funds:</b>				
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>
<b>Total funds</b>	<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>
<b>Total</b>	<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
<b>Adjustments for:</b>		
Interest income	(30,314)	(9,135)
Increase in debtors	(89,964)	(9,915)
(Decrease)/Increase in creditors	(42,129)	3,681
<b>Net cash (used in)/provided by operating activities</b>	<b>(43,522)</b>	<b>176,276</b>