



World Cube Association

Financial Report

For the year ended
December 31st, 2020

Overview

The WCA is in a weaker financial position following 2020 with a 51% reduction in cash and cash equivalents. Net income was down only 10% relative to 2019 despite a material reduction in WCA Dues Income due to the COVID-19 pandemic. Income was helped by a timing benefit in the WCA Gear Team, and reduced Furtherance and admin costs (mostly due to a reduced number of competitions). Still, a total of \$5,479 was spent on furtherance of the WCA mission (down from \$10,414 in 2019 but up from \$3,441 in 2018). The broader balance sheet has been strengthened via the development of Trademark assets.

	Dec-20 (\$US)	Dec-19 (\$US)	Change
Revenue	16,768	43,641	-26,873 (-62%)
Admin and Operating Costs	(3,857)	(5,541)	1,685 (-30%)
Furtherance Expenses	(5,479)	(10,414)	4,935 (-47%)
WCA Gear Team	8,521	(9,819)	+18,340 (+187%)
Net Income	15,954	17,867	-1,913 (-11%)

Balance Sheet

The WCA has had its cash position weakened through 2020 due to the COVID-19 pandemic, while adding Trademark assets in multiple jurisdictions. A strong cash position enables the WCA to meet ongoing expenses (website and legal costs) with reduced, irregular, or uncertain WCA Dues revenue.

	Dec-20 (\$US)	Dec-19 (\$US)	Change
Cash and Cash Equivalents	12,496	25,666	-13,171 (-51%)
Accounts Receivable	680	2,333	-1,653 (-71%)
Trademarks	34,222	8,380	+25,842 (+308%)
Legal Fee Retainer	3,962	0	+3,962
Other Assets	(35)	0	-35
Total Assets	51,325	36,379	+14,946 (+41%)
Accounts Payable	0	1,008	-1,008 (-100%)
Total Liabilities	0	1,008	-1,008 (-100%)
Total Equity	51,325	35,371	+15,954 (+45%)
Total Liabilities and Equity	51,325	36,379	+14,946 (+41%)

Revenue

The COVID-19 pandemic has had a significant impact on WCA Dues Income in all regions. Only 8% of Dues Income came from competitions after March. The majority of revenue was on early 2020 competitions (63%) or competitions in mid to late December 2019 (28%). Relative to 2019, Dues income was helped by the higher dues amounts (for competitions announced after 1 April 2019) in use for the entire period. Other Revenue was boosted by the WCA's first merchandise agreement.

	Dec-20 (\$US)	Dec-19 (\$US)	Change
Donations	439	670	-231 (-35%)
WCA Dues Income	16,031	42,779	-26,748 (-63%)
Other Revenue	298	193	+106 (+55%)
Total Revenue	16,768	43,641	-26,873 (-62%)

Admin and Operating Costs

Administrative and operating costs decreased significantly in 2019 due to reduced bank and finance charges as a result of lower transaction volume from Dues payments. Legal expenses also decreased - the vast majority of legal expenses were capitalised as they related to the securing of trademark assets.

	Dec-20 (\$US)	Dec-19 (\$US)	Change
Legal Expenses	60	769	-709 (-92%)
Subscriptions	1,150	1,141	+8 (+1%)
Insurance	1,250	1,250	0 (0%)
Bank and Finance Charges	1,360	2,381	-1,021 (-43%)
Other Expenses	36	0	+36
Total Admin and Operating Costs	3,855	5,541	-1,686 (-30%)

Furtherance Expenses

The WCA continued to use its funds to further the WCA mission during 2020. The nature of the pandemic meant there was reduced demand for the majority of the programs funded (travel and equipment funding, championship booths) but the Website continued to be a significant investment.

	Dec-20 (\$US)	Dec-19 (\$US)	Change
Website Costs	4,688	2,136	+2,552 (+120%)
Travel Reimbursement	235	3,571	-3,336 (-93%)
Equipment Funding	556	3,174	-2,618 (-82%)
Championship Booths	0	1,521	-1,521 (-100%)
Postage and Delivery	0	12	-12 (-100%)
Total Furtherance	5,479	10,414	-4,935 (-47%)

WCA Gear Team

As noted in the 2019 financial report, the Gear Team recorded a significant profit during 2020 via invoicing late 2019 orders and recording a large equipment recharge. Overall Gear Team activity (equipment purchase, postage and delivery) decreased relative to 2019 from lower demand associated with the pandemic.

	Dec-20 (\$US)	Dec-19 (\$US)	Change
Equipment Recharge	13,651	2,557	+11,094 (+434%)
Equipment Purchase	(4,344)	(10,975)	6,631 (-60%)
Postage and Delivery	(787)	(1,401)	615 (-44%)
Net Gear Team Contribution	8,521	(9,819)	+18,340 (+187%)