



ANNUAL REPORT 2009



**RIGHT
TOPLAY**

FINANCIAL STATEMENTS 2009

Financial Report 2009



Due to the effects of the global financial crisis, 2009 was a difficult financial year for many companies and organizations, including Right To Play. Our revenues decreased for the first time since our inception. However, we were able to minimize the effects of this shortfall by reducing expenses and through cautious spending.

Our total revenues decreased 12.6% to \$28.5 million in 2009. Restricted revenues from governments, foundations and other sources decreased 9.6% to \$13.9 million. Unrestricted revenues decreased 10.1% to \$14.2 million. Donations-in-kind of \$158,000 were recognized for the value of time contributed by our International Volunteers. In addition, we continued to receive Donations-in-kind from adidas in the form of the Right To Play Red Balls and clothing.

Total expenses decreased 10.3% to \$28.1 million in 2009. This is broken down into program and non-program expenses outlined below.

Total program expenses decreased by 12.9% to \$23.2 million as we reduced our international program expenses to compensate for reduced revenue as a result of the adverse worldwide financial situation. In addition to expenses incurred in the 23 countries in which we operated in 2009, these expenses include resource development and program delivery, as well as research, policy and cross-cultural global education related to opportunities that Sport for Development and Peace bring to children and youth.

Our non-program expenses, which consist of administrative and fundraising expenses, increased by 4% to \$5.0 million. Fundraising costs were up in a continued effort to secure additional new supporters and donors in a weak global economy. Administration costs were slightly increased due to general inflation of standard fixed operational costs.

Right To Play's goal is to maintain an 85/15 ratio in our program expense/non-program expense ratio. The organization has met this target for the last number of years. However, due to the effects of the global financial crisis noted above, Right To Play's actual ratio for 2009 is 82/18. The reason behind this is the decrease in restricted revenue and corresponding reduction in the international program expenditures. We will receive more restricted funding in 2010 that will allow us to spend more on program costs, and improve our ratio.

Our full consolidated financial statements, audited by Deloitte & Touche LLP, are also available on our website at www.righttoplay.com.

DENNIS LEPHOLTZ
Chief Financial Officer

● RIGHT: Right To Play brings sport and play to children in camps along the Thailand and Burma border



RIGHT TO PLAY INTERNATIONAL

Summarized Consolidated Balance Sheet

December 31, 2009 (stated in thousands of Canadian dollars)

| | 2009 | 2008 |
|--|---------------|--------|
| | \$ | \$ |
| Assets | | |
| Current | | |
| Cash | 7,818 | 7,009 |
| Short-term investments | 35 | 5 |
| Contributions receivable | 1,908 | 2,859 |
| Goods and services tax receivable | 19 | 46 |
| Prepaid expenses and other | 991 | 1,039 |
| | 10,771 | 10,958 |
| Capital assets | | |
| | 159 | 215 |
| | 10,930 | 11,173 |
| Liabilities | | |
| Current | | |
| Accounts payable and accrued liabilities | 1,134 | 1,406 |
| Deferred contributions | 3,229 | 3,401 |
| Bank loan | 1,018 | 1,151 |
| | 5,381 | 5,958 |
| Net assets | | |
| Invested in capital assets | 159 | 215 |
| Unrestricted | 5,390 | 5,000 |
| | 5,549 | 5,215 |
| | 10,930 | 11,173 |

Complete audited consolidated financial statements for the year ended December 31, 2009 are available upon request.

AUDITORS' REPORT

On Summarized Consolidated Financial Statements

To the Members of Right To Play International

The accompanying summarized consolidated balance sheet and summarized consolidated statement of operations and changes in net assets are derived from the complete consolidated financial statements of Right To Play International as at December 31, 2009 and for the year then ended on which we expressed an opinion without reservation in our report dated May 21, 2010. The fair summarization of the complete consolidated financial statements is the responsibility of management. Our responsibility, in accordance with the applicable Assurance Guideline of The Canadian Institute of Chartered Accountants, is to report on the summarized consolidated financial statements.

In our opinion, the accompanying summarized consolidated financial statements fairly summarize, in all material respects, the related complete consolidated financial statements in accordance with the criteria described in the Guideline referred to above.

These summarized consolidated financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on the Corporation's financial position, results of operations and cash flows, reference should be made to the related complete consolidated financial statements.

Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants

May 21, 2010

RIGHT TO PLAY FINANCIAL STATEMENTS 2009

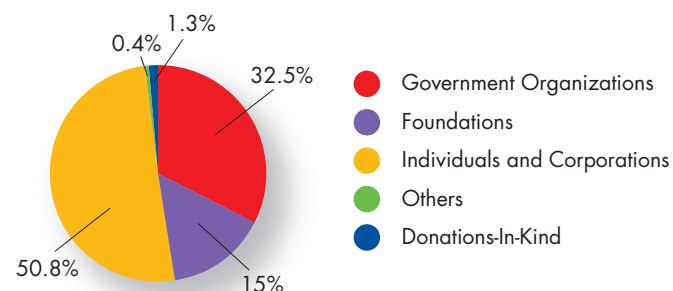
RIGHT TO PLAY INTERNATIONAL

Summarized Consolidated Statement of Operations and Changes in Net Assets

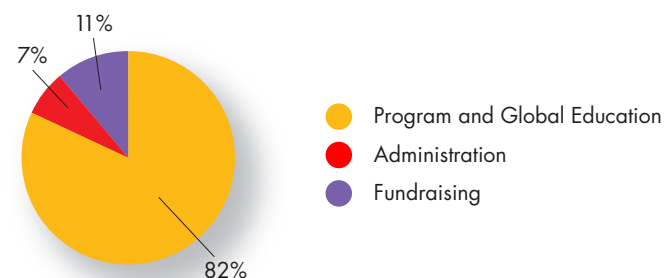
Year ended December 31, 2009 (stated in thousands of Canadian dollars)

| | 2009 | 2008 |
|---|---------------|--------|
| | \$ | \$ |
| Revenue | | |
| Restricted - programs | 13,362 | 14,692 |
| Restricted - IWG and others | 550 | 693 |
| Unrestricted | 14,165 | 15,761 |
| Donations-in-kind - programs | 158 | 915 |
| Donations-in-kind - other | 226 | 510 |
| Total revenue | 28,461 | 32,571 |
| Expenses | | |
| Program expenses | | |
| International programs | 17,651 | 19,022 |
| Program support | 1,723 | 1,334 |
| Operations support | 20 | 40 |
| Development education | 2,254 | 3,312 |
| Program development and monitoring and evaluation | 785 | 966 |
| Program research | 263 | 209 |
| Sports for Development and Peace - IWG | 304 | 793 |
| Donations-in-kind - programs | 158 | 915 |
| Total program expenses | 23,158 | 26,591 |
| Non-program expenses | | |
| Administrative | 2,004 | 1,898 |
| Fund raising | 2,965 | 2,878 |
| Total non-program expenses | 4,969 | 4,776 |
| Total expenses | 28,127 | 31,367 |
| Excess of revenue over expenses | 334 | 1,204 |
| Net assets, beginning of year | 5,215 | 4,011 |
| Net assets, end of year | 5,549 | 5,215 |

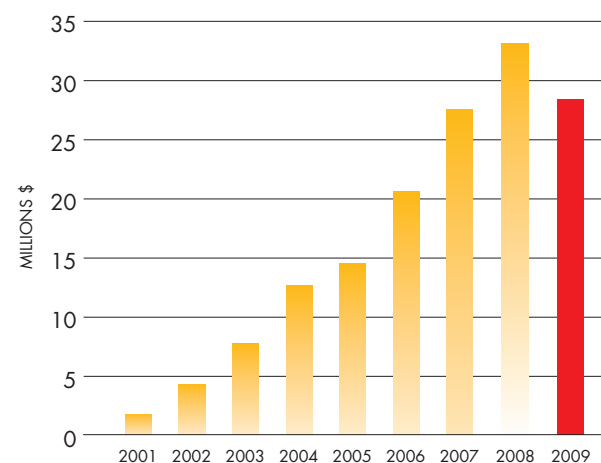
2009 Funding Sources



Breakdown of Expenditures



Revenue Since Inception



Complete audited consolidated financial statements for the year ended December 31, 2009 are available upon request.

RIGHT TO PLAY INTERNATIONAL

Notes to the Summarized Consolidated Financial Statements

December 31, 2009

1. Financial statement presentation

These summarized consolidated financial statements include 100% of the assets, liabilities, revenues and expenses of the following controlled entities:

- Stiftelse Right To Play (Norway)
- Stichting Right To Play (Netherlands)
- Foundation Right To Play (Switzerland)
- Right To Play UK Limited (United Kingdom)
- Right To Play Onlus (Italy)
- Sports Humanitarian Group, Inc. (USA)

The controlled entities' purpose is integrated with that of the Corporation so that they have common objectives. In addition, they solicit funds in the name of the Corporation and all funds raised (excluding costs of local operations) are sent to the Corporation to be used at its discretion.

The controlled entities are responsible for fundraising and educating others about Right To Play and sport for development in their respective countries and for maintaining relations with the various government funders of Right To Play programs.

2. Contingencies

The terms of contribution agreements may allow contributors to conduct audits to ensure program expenditures are in accordance with the terms and conditions of funding agreements. Ineligible expenditures, if any, may result in the Corporation reimbursing a portion of the funding. Management is of the opinion that the Corporation has incurred no material ineligible expenditures and has, accordingly, not recorded any liability for reimbursement of related funding.

3. Guarantees

In the normal course of business, the Corporation enters into agreements that meet the definition of a guarantee. The Corporation's primary guarantees are as follows:

(a) Indemnity has been provided to all directors and/or officers of the Corporation for various items including, but not limited to, all costs to settle suits or actions due to involvement with the Corporation, subject to certain restrictions. The Corporation has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as a trustee, director or officer of the Corporation. The maximum amount of any future payment cannot be reasonably estimated.

(b) In the normal course of business, the Corporation has entered into agreements that include indemnities in favour of third parties, such as engagement letters with advisors. These indemnification agreements may require the Corporation to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparties as a consequence of the transaction. The terms of these indemnities are not explicitly defined and the maximum amount of any potential reimbursement cannot be reasonably estimated.