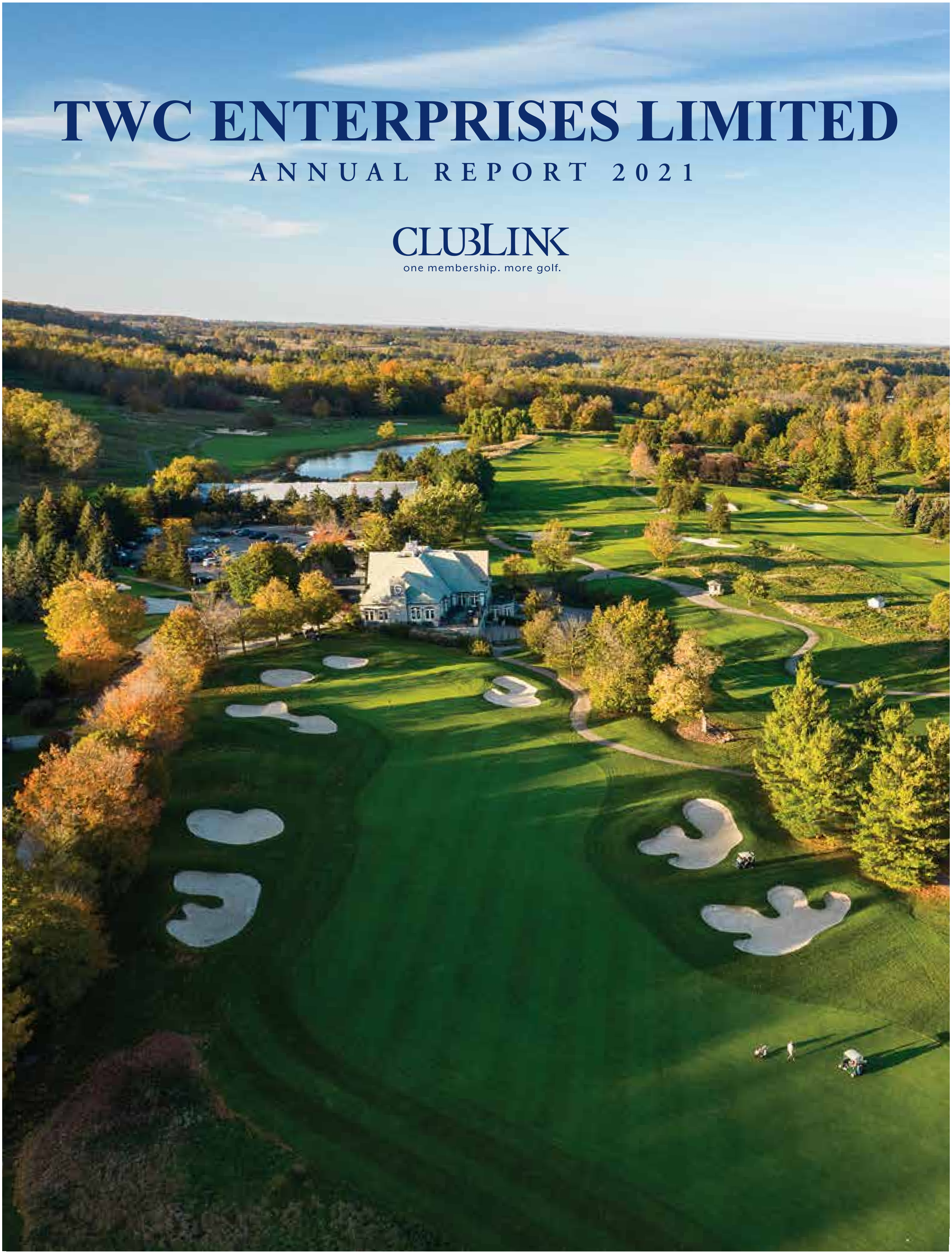
TWC ENTERPRISES LIMITED

ANNUAL REPORT 2021

CLUBLINK
one membership. more golf.



TWC ENTERPRISES LIMITED

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TWC is engaged in golf club operations under the trade-mark "ClubLink One Membership More Golf". ClubLink is Canada's largest owner, operator and manager of golf clubs with 49½, 18-hole equivalent championship and 3, 18-hole equivalent academy courses (including two managed properties) at 37 locations, primarily in Ontario, Quebec and Florida.

ABOVE PHOTO: KEVAN ASHWORTH
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CLUBLINK
one membership. more golf.

FINANCIAL HIGHLIGHTS

The following table summarizes the consolidated five year financial results of the Company:

For the Years Ended December 31	**2021**	2020	2019	2018	2017
OPERATIONS					
Operating revenue ($000)	**174,013**	127,216	163,641	165,941	163,950
Net operating income ($000)[1]	**52,412**	43,911	28,986	29,029	30,060
Net earnings ($000)	**89,647**	971	4,904	226,189	2,018
OPERATING DATA					
CLUBLINK ONE MEMBERSHIP MORE GOLF					
Canadian full privilege golf members	**15,545**	14,861	14,193	14,602	14,991
Championship rounds - Canada[2]	**1,191,000**	1,223,000	1,069,000	1,019,000	1,058,000
18-hole equivalent championship golf courses - Canada[2,3]	**39.5**	39.5	41.5	41.5	42.5
18-hole equivalent managed golf courses - Canada	**2.0**	1.0	1.0	1.0	-
Championship rounds - US[2]	**261,000**	249,000	331,000	334,000	340,000
18-hole equivalent championship golf courses - US[2,3]	**8.0**	8.0	11.0	11.0	11.0
COMMON SHARE DATA (000)					
Shares outstanding at year end	**24,548**	25,017	26,736	27,286	27,346
Weighted average shares outstanding	**24,645**	25,981	27,111	27,331	27,346
PER COMMON SHARE DATA ($)					
Basic and diluted earnings	**3.64**	0.04	0.18	8.28	0.07
Eligible cash dividend	**0.08**	0.08	0.08	0.08	0.08
FINANCIAL POSITION					
Total assets ($000)	**746,806**	632,382	675,606	703,076	630,054
Gross borrowings ($000)	**119,878**	130,968	148,947	167,365	301,893
Shareholders' equity ($000)	**503,388**	414,369	436,530	438,581	233,158
Net book value per share[1]	**20.51**	16.56	16.33	16.07	8.53

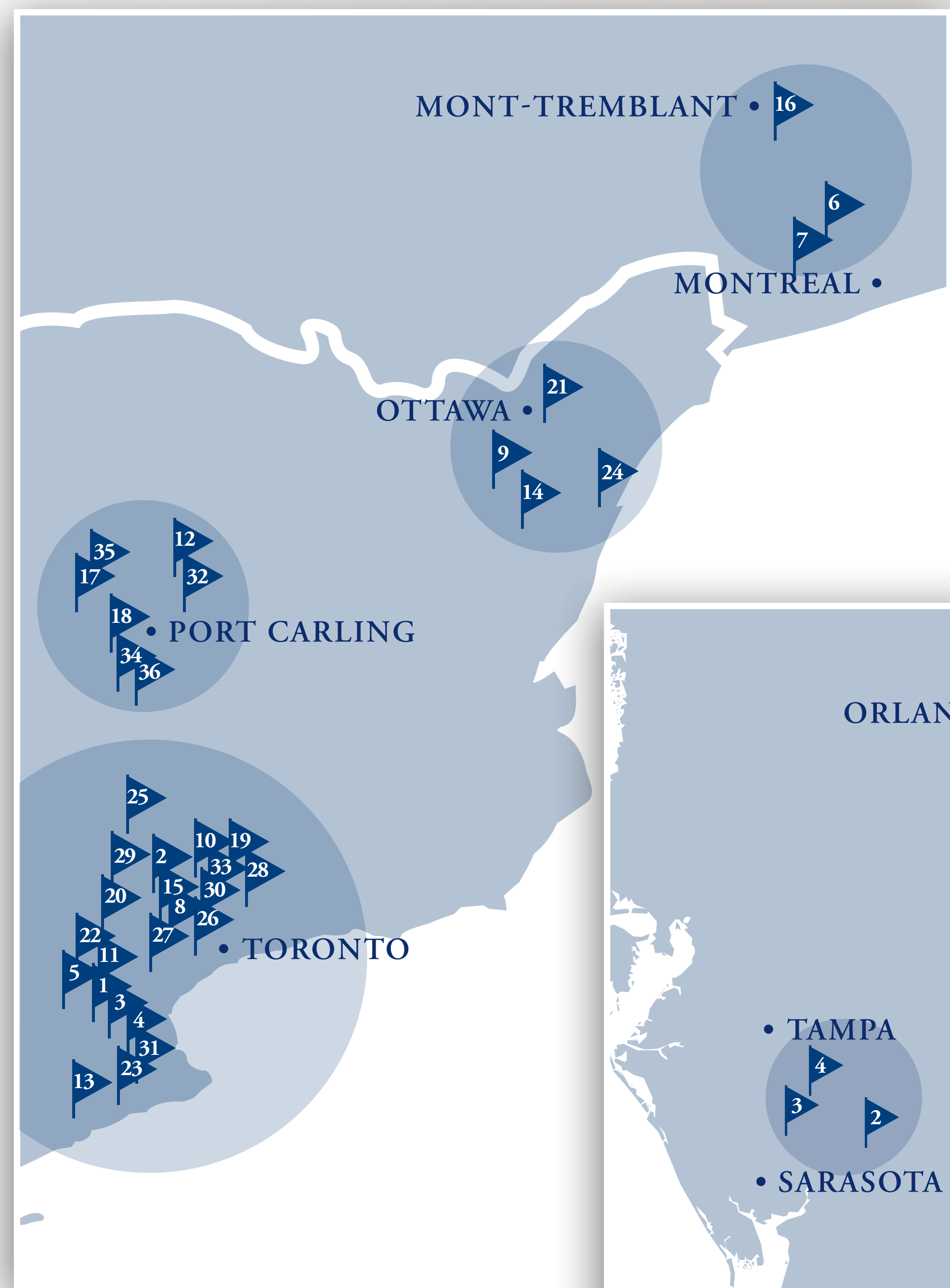
(1) Net operating income and net book value per share are not recognized measures under International Financial Reporting Standards ("IFRS"). Management believes that, in addition to net earnings, these measures are useful supplemental information to provide investors with an indication of the Company's performance. Investors should be cautioned, however, that these measures should not be construed as an alternative to net earnings determined in accordance with IFRS as an indicator of the Company's performance. TWC's method of calculating these measures is consistent from year to year, but may be different than those used by other companies (see "Management's Discussion and Analysis of Financial Condition and Results of Operations").
(2) Excluding academy courses.
(3) 18-hole equivalent championship golf courses operating during the year ended December 31.

GOLF CLUB AND RESORT PROPERTY LISTING

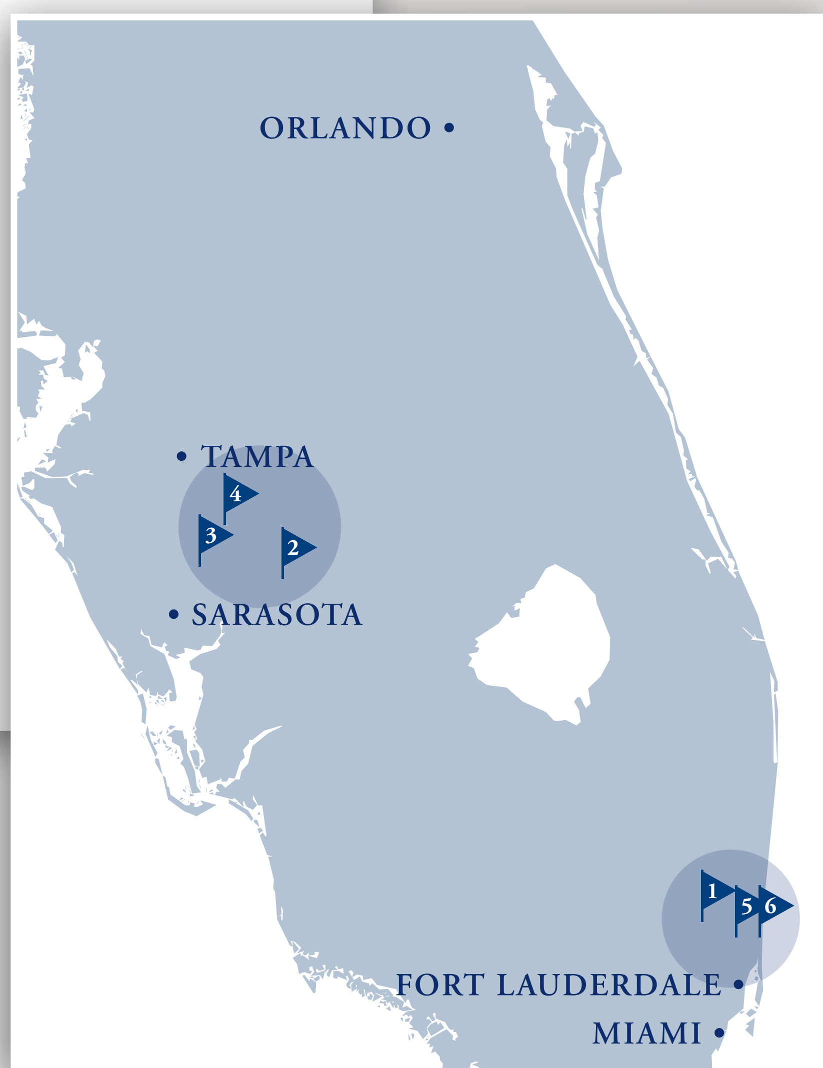
	Championship Golf Holes	Academy Golf Holes	Future Golf Holes	Current Rooms	Surplus Land in Acres
ONTARIO/QUEBEC REGION					
Prestige					
1. Greystone Golf Club, Milton, Ontario	18	–	–	–	–
2. King Valley Golf Club, The Township of King, Ontario	18	–	–	–	–
3. RattleSnake Point Golf Club, Milton, Ontario	36	9	–	–	–
Hybrid – Prestige					
4. Glen Abbey Golf Club, Oakville, Ontario	18	–	–	–	–
Platinum					
5. Blue Springs Golf Club, Acton, Ontario	18	9	–	–	–
6. Club de Golf Islesmere, Laval, Quebec (a)	27	–	–	–	–
7. Club de Golf Rosemère, Blainville, Quebec (b)	18	–	–	–	–
8. DiamondBack Golf Club, Richmond Hill, Ontario	18	–	–	–	–
9. Eagle Creek Golf Club, Dunrobin, Ontario	18	–	–	–	–
10. Emerald Hills Golf Club, Whitchurch-Stouffville, Ontario	27	–	–	–	–
11. Glencairn Golf Club, Milton, Ontario	27	–	–	–	–
12. Grandview Golf Club, Huntsville, Ontario	18	–	18	–	–
13. Heron Point Golf Links, Ancaster, Ontario	18	–	–	–	–
14. Kanata Golf & Country Club, Kanata, Ontario	18	–	–	–	–
15. King's Riding Golf Club, The Township of King, Ontario	18	–	–	–	–
16. Le Maître de Mont-Tremblant, Mont-Tremblant, Quebec (c)	36	–	–	–	–
17. Rocky Crest Golf Club, Mactier, Ontario	18	–	18	–	–
18. The Lake Joseph Club, Port Carling, Ontario	18	9	–	–	–
19. Wyndance Golf Club, Uxbridge, Ontario	18	9	–	–	–
Gold					
20. Caledon Woods Golf Club, Bolton, Ontario	18	–	–	–	–
21. Club de Golf Hautes Plaines, Gatineau, Quebec	18	–	–	–	–
22. Georgetown Golf Club, Georgetown, Ontario	18	–	–	–	–
23. Glendale Golf and Country Club, Hamilton, Ontario	18	–	–	–	–
24. GreyHawk Golf Club, Ottawa, Ontario	36	–	–	–	–
25. National Pines Golf Club, Innisfil, Ontario (a)	18	–	–	–	–
26. Station Creek Golf Club, Whitchurch-Stouffville, Ontario	36	–	–	–	–
27. The Country Club, Woodbridge, Ontario (a)	36	9	–	–	–
Hybrid – Gold					
28. Cherry Downs Golf & Country Club, Pickering, Ontario	18	–	18	–	–
29. The Club at Bond Head, Bond Head, Ontario (a)	36	–	–	–	–
Hybrid – Silver					
30. Bethesda Grange, Whitchurch-Stouffville, Ontario	18	–	–	–	–
31. Hidden Lake Golf Club, Burlington, Ontario	36	–	–	–	–
Daily Fee					
32. Grandview Inn Course, Huntsville, Ontario	–	9	–	–	–
33. Rolling Hills Golf Club, Whitchurch-Stouffville, Ontario	36	–	–	–	–
Muskoka, Ontario Resorts					
34. The Lake Joseph Club, Port Carling, Ontario	–	–	–	25	–
35. Rocky Crest Resort/Lakeside at Rocky Crest, Mactier, Ontario (d)	–	–	–	84	–
36. Sherwood Inn, Port Carling, Ontario	–	–	–	49	–
FLORIDA REGION					
Hybrid – Prestige					
1. TPC Eagle Trace, Coral Springs, Florida	18	–	–	–	–
Hybrid – Platinum					
2. Club Renaissance, Sun City Center, Florida	18	–	–	–	–
Gold					
3. Scepter Golf Club, Sun City Center, Florida	27	–	–	–	–
Hybrid – Silver					
4. Sandpiper Golf Club, Sun City Center, Florida	27	–	–	–	–
Daily Fee					
5. Palm Aire Country Club (Oaks, Cypress), Pompano Beach, Florida	36	–	–	–	–
6. Palm Aire Country Club (Palms), Pompano Beach, Florida	18	–	–	–	–
OTHER					
Kings Point Golf Club, Sun City Center, Florida (e)	–	–	–	–	51
Caloosa Greens Golf Club, Sun City Center, Florida (e)	–	–	–	–	70
Falcon Watch Golf Club, Sun City Center, Florida (e)	–	–	–	–	116
North Lakes Golf Club, Sun City Center, Florida (e)	–	–	–	–	170
King Haven, The Township of King, Ontario	–	–	–	–	278
Woodlands Country Club, Tamarac, Florida (e)	–	–	–	–	279
Total 18-hole Equivalent Courses, Rooms, Acres	49.5	3.0	3.0	158	964

Notes: (a) Operated by ClubLink under long-term leases. (b) Property managed by ClubLink (formerly known as Club de Golf Le Fontainebleau). (c) Includes 18 holes managed by ClubLink (La Bête Golf Club). (d) Rocky Crest Resort consists of 65 units and Lakeside at Rocky Crest consists of 19 units. (e) These properties are closed.

ONTARIO/QUEBEC REGION



FLORIDA REGION



CHAIRMAN'S MESSAGE

Fellow Shareholders:

We are pleased to report another strong year of results.

Even though the 2021 golf season was interrupted for five weeks by Ontario COVID lockdowns, we still achieved strong growth in a number of areas including annual dues revenue, members and net operating income.

2021 had some one-time gains which helped boost earnings per share to $3.64. Included in this was the sale of Heron Bay Golf Club which had previously been closed. This was sold for US$32M – or a tenfold gain on its purchase price. The cash from the White Pass sale which has been redeployed to certain investments has continued to achieve above average returns.

We are looking forward to having reduced COVID restrictions in 2022 and being able to accommodate normal indoor food and beverage business along with corporate events and other group-type business which are all still significantly below pre-COVID levels.

While there are challenges with both the supply chain and with ensuring adequate staffing, we are still looking forward to another solid year in 2022. Golf has always been an activity that lends itself to outdoor socializing and a healthy lifestyle which are both very important today.

ClubLink continues to deliver a high quality experience to our valued members at our golf operations due to the professionalism of our employees. We feel gratitude to our members for their support, and to our dedicated employees for whom we focus on creating a positive and engaging environment. Our members and employees have made us Canada's leading golf company.

I also offer a great deal of thanks to our directors for their wisdom and guidance, as well as to our valued shareholders for their support.

K. (Rai) Sahi
Chairman, President and
Chief Executive Officer

K. (RAI) SAHI
Chairman, President and
Chief Executive Officer

PHOTO: GARY YEE / GARYPHOTO.CA

This management's discussion and analysis of financial condition and results of operations ("MD&A") should be read in conjunction with TWC Enterprises Limited's ("TWC" or the "Company", formerly ClubLink Enterprises Limited) audited consolidated financial statements and accompanying notes for the year ended December 31, 2021. This MD&A has been prepared as at March 9, 2022 and all amounts are in Canadian dollars unless otherwise indicated.

In this document, unless otherwise indicated, all financial data are prepared in accordance with International Financial Reporting Standards ("IFRS").

FORWARD-LOOKING STATEMENTS

Statements contained herein that are not based on historical or current fact, including without limitation, statements containing the words "anticipate", "believe","may", "continue", "estimate", "expects", "will" and words of similar expression, constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions, both nationally and in the regions in which the Company operates; changes in business strategy or development/acquisition plans; environmental exposures; financing risk; existing governmental regulations and changes in, or the failure to comply with, governmental regulations; liability and other claims asserted against the Company; and other factors including risks and uncertainties relating to the COVID-19 pandemic referred to in the Company's filings with Canadian securities regulators. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not assume the obligation to update or revise any forward-looking statements.

The above list of important factors affecting forward-looking information is not exhaustive, and reference should be made to the other risks discussed in TWC's filings with Canadian securities regulatory authorities. TWC undertakes no obligation, except as required by law, to update publicly or otherwise any forward-looking information, whether as a result of new information, future events or otherwise, or the above list of factors affecting this information.

Given the impact of the changing circumstances surrounding the COVID-19 pandemic and the related response from the Company, governments (federal, provincial and municipal), regulatory authorities, businesses and customers, there is inherently more uncertainty associated with the Company's assumptions as compared to prior periods. These assumptions and related risks, many of which are confidential, include but are not limited to management expectations with respect to the factors above as well as general economic conditions, which includes the impact on the economy and financial markets of the COVID-19 pandemic and other health risks.

SPECIFIED FINANCIAL MEASURES

The Company reports its financial results in accordance with IFRS. However, this MD&A also uses specified financial measures that are not defined by IFRS, which follow the disclosure requirements established by National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure*. Specified financial measures are categorized as non-GAAP financial measures, non-GAAP ratios, and other financial measures, which are capital management measures, supplementary financial measures, and total of segments measures.

NON-GAAP MEASURES

Non-GAAP financial measures do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other reporting issuers in similar or different industries. These measures should be considered as supplemental in nature and not as substitutes for related financial information prepared in accordance with IFRS. The Company's management uses these measures to aid in assessing the Company's underlying core performance and provides these additional measures so that investors may do the same. Management believes that the non-GAAP financial measures described below, which supplement the IFRS measures, provide readers with a more comprehensive understanding of management's perspective on the Company's operating results and performance.

The following discussion describes the non-GAAP financial measures the Company uses in evaluating operating results:

Direct operating expenses = expenses that are directly attributable to the Company's business units and are used by management in the assessment of their performance. These exclude expenses which are attributable to corporate decisions such as impairment.

Net operating income = operating revenue - direct operating expenses

Operating property, plant and equipment expenditures = capital expenditures to maintain existing operations

Expansion property, plant and equipment expenditures = capital expenditures which expand existing operations

NON-GAAP MEASURES (continued)

Net operating income is an important metric used by management in evaluating the Company's operating performance as it represents the revenue and expense items that can be directly attributable to the specific business unit's ongoing operations. It is not a measure of financial performance under IFRS and should not be considered as an alternative to measures of performance under IFRS. The most directly comparable measure specified under IFRS is net earnings.

BUSINESS STRATEGY AND CORPORATE OVERVIEW

TWC operates in the golf operations business segment. In addition, the corporate operations segment oversees the golf operations segment and considers investment opportunities.

TWC's strategic objective is to grow long-term shareholder value by improving net operating income and operating margins of its underlying business as well as considering options to unlocking long-term value from its investment in land.

TWC is also involved with considering investment opportunities.

OVERVIEW OF BUSINESS SEGMENTS

Golf Club Operations Segment

TWC is engaged in golf club operations under the trademark "ClubLink One Membership More Golf" ("ClubLink"). ClubLink is Canada's largest owner, operator and manager of golf clubs with 49½, 18-hole equivalent championship and 3, 18-hole equivalent academy courses, at 37 locations in two separate geographical Regions: (a) Ontario/Quebec (including two managed properties) and (b) Florida. ClubLink's lease of the Bond Head property in Bond Head, Ontario (36 holes) concluded as of December 31, 2021 and as such the above totals will be reduced for the 2022 operating season.

ClubLink's golf clubs are strategically organized in clusters that are located in densely populated metropolitan areas and resort destinations frequented by those who live and work in these areas. By operating in Regions, ClubLink is able to offer golfers in their Region a wide variety of unique membership, daily fee, corporate event and resort opportunities. ClubLink is also able to obtain the benefit of operating synergies to maximize revenue and achieve economies of scale to reduce costs.

Revenue at all golf club properties is enhanced by cross-marketing, as the demographics of target markets for each are substantially similar. Revenue is further improved by corporate golf events, business meetings and social events that utilize golf capacity and related facilities at times that are not in high demand by ClubLink's members. This supplemental revenue which typically involves gatherings of people has been minimal since the start of COVID-19.

Member and Hybrid Golf Club revenue is maximized by the sale of flexible personal and corporate memberships that offer reciprocal playing privileges at ClubLink golf clubs. In recent years, ClubLink has been focusing on providing enhanced value for its memberships as well as cultivating a family-type atmosphere at its golf clubs.

Daily fee golf club revenue is maximized through unique and innovative marketing programs in conjunction with dynamic pricing.

ClubLink also has annual membership programs, which are unique to each Region. These product offerings include Players Card and Players Club in the Ontario/Quebec Region; as well as the ClubLink Card in the Florida Region.

(a) Ontario/Quebec

ClubLink's Ontario/Quebec Region is organized into two clusters: the major metropolitan areas of Southern Ontario and Muskoka, Ontario's premier resort area, extending from Hamilton to Huntsville to Pickering, with a particularly strong presence in the Greater Toronto Area; and Quebec/Eastern Ontario, extending from the National Capital Region to Montreal, including Mont-Tremblant, Quebec's premier resort area.

In 2022, ClubLink will be operating 25 Ontario/Quebec Region Member Golf Clubs in three categories as follows:

Prestige:	Greystone, King Valley, RattleSnake Point
Platinum:	Blue Springs, DiamondBack, Eagle Creek, Emerald Hills, Glencairn, Grandview, Heron Point, Islesmere, Kanata, King's Riding, Lake Joseph, Le Maître, Rocky Crest, Wyndance
Gold:	Caledon Woods, Country Club, Georgetown, Glendale, GreyHawk, Hautes Plaines, National Pines, Station Creek

In 2022, ClubLink will be managing two golf clubs on behalf of other owners as follows:

Club de Golf Le Fontainebleau was purchased by Club de Golf Rosemère on December 14, 2018 and changed its name to Club de Golf Rosemère. ClubLink retains a management fee arrangement of Fontainebleau. ClubLink is also involved with the La Bête Golf Club property which will be run as a managed property associated with Le Maître.

OVERVIEW OF BUSINESS SEGMENTS (continued)

Golf Club Operations Segment (continued)

(a) Ontario/Quebec (continued)

In 2022, ClubLink will be operating four Ontario/Quebec Region Hybrid Golf Clubs in three categories as follows:

Hybrid – Prestige: Glen Abbey

Hybrid – Gold: Cherry Downs

Hybrid – Silver: Bethesda Grange, Hidden Lake

Val des Lacs was closed for the 2020 operating season and was subsequently sold on July 13, 2020.

Hybrid Golf Clubs are available for daily fee (public) play, reciprocal access by other ClubLink Members and provide a home club for Members with reciprocal access to the ClubLink system.

In 2022, ClubLink will be operating one Ontario/Quebec Region Daily Fee Golf Club as follows:

Daily Fee: Rolling Hills

ClubLink has approximately 350 Players Card memberships. Players Card annual memberships allow golfers unlimited access to Rolling Hills during spring and fall shoulder seasons in addition to twilight golf during the summer season. A fixed number of rounds certificates are also included with each Players Card.

ClubLink has approximately 2,300 Players Club memberships. The Players Club memberships have varying degrees of access to ClubLink's daily fee golf clubs at different price points.

Players Card and Players Club member databases also provide ClubLink an opportunity to cultivate these relationships into a full privilege golf membership.

ClubLink owns sufficient land to develop an additional 18 holes at Cherry Downs Golf Club in Pickering, Grandview Golf Club in Muskoka and Rocky Crest Golf Club in Muskoka.

In 2022, ClubLink will be operating The Lake Joseph Club, Rocky Crest Resort and Sherwood Inn, all located in Muskoka.

The Lake Joseph Club and Rocky Crest Resort operate seasonally from May to October while Sherwood Inn is available during the off season for group and weekend bookings.

ClubLink's remaining Muskoka land holdings, excluding golf course development sites, include zoned and serviced land that are capable of supporting a substantial number of resort rooms/villas, conference facilities and residential homes.

(b) United States

ClubLink's Florida Region includes eight 18-hole equivalent championship golf courses.

In 2022, ClubLink will be operating six Florida Region Golf Clubs as follows:

TPC Eagle Trace, Club Renaissance, Scepter, Sandpiper, Palm Aire (Cypress/Oaks), Palm Aire (Palms)

In 2019, Heron Bay Golf Club was closed and on October 8, 2021 was sold for proceeds of US$32,000,000.

In 2020, Woodlands Golf and Country Club was closed as part of the mandated closures from the COVID-19 pandemic. Due to years of declining performance, it was not re-opened.

Corporate Operations Segment

TWC's objective at the corporate level is to identify opportunities to generate incremental returns and cash flow. Historically, the nature of these investments included debt and equity instruments in both public and private organizations.

OPERATING UPDATE - COVID-19 PANDEMIC

COVID-19 has impacted both the Company and its assets. All properties were mandated to be closed in the spring of 2020. Ontario properties were again mandated to be closed in both the first and second quarter of 2021 due to government imposed lockdowns. The Company's Florida properties were not subject to any mandated closures in 2021. COVID-19 and related restrictions has and is expected to continue to impact certain revenue streams such as corporate events, banquets, weddings and food and beverage into at least 2022 due to both restrictions and/or less demand for these services. On the other hand, COVID-19 has led to a high demand for golf due to the fact that it is outdoors and is considered to be a safe activity.

HIGHLAND GATE TRANSACTION AND CONSOLIDATION

TWC has been pursuing the development of its Highland Gate property in Aurora, Ontario with Geranium Homes which is also the manager.

On April 14, 2021, ClubLink purchased a 25% profit participation interest in Highland Gate from one of its partners of the project. The partner had equity into the project and was entitled to certain priority rights with profit distributions. ClubLink is now entitled to 83.33% of the project's profits. As a result of this transaction, ClubLink has achieved control of this project which requires the consolidation of the project's financial statements. As of December 31, 2021, there have been 22 homes closed for this project including the five closings in 2019.

GLEN ABBEY

TWC previously announced a long-term plan to transform Glen Abbey Golf Club and dedicate more than half (approximately 124 acres) of the privately-owned site to the public as permanent, publicly accessible green space by filing three development applications on November 10, 2016 with the Town of Oakville. The 20 week LPAT hearing for this file was scheduled to begin August 9, 2021.

On June 16, 2021, the Regional Municipality of Halton passed a resolution urging the Province of Ontario to use all resources and tools at their disposal to protect Glen Abbey.

Also on June 16, 2021, Provincial Housing Minister Steve Clark wrote a letter to the Town of Oakville and Region of Halton confirming that Glen Abbey was a matter of provincial interest and that Provincial staff will be working with Town staff for potential solutions to protect Glen Abbey.

On July 9, 2021, ClubLink withdrew its Glen Abbey redevelopment appeals.

In conjunction with the above events, TWC recorded a $9,785,000 charge for the year ending December 31, 2021, representing the capitalized costs in relation to the redevelopment.

SUMMARY OF CANADIAN/US EXCHANGE RATES USED FOR TRANSLATION PURPOSES

The following exchange rates translate one US dollar into the Canadian dollar equivalent.

	2021	2020	2019
Balance Sheet, at December 31	**1.2678**	1.2732	1.2988
Statement of Earnings, average for the year	**1.2537**	1.3412	1.3268

SELECTED FINANCIAL INFORMATION

The table below sets forth selected financial data relating to the Company's fiscal years ended December 31, 2021, December 31, 2020 and December 31, 2019. This financial data is derived from the Company's audited consolidated financial statements, which are prepared in accordance with IFRS.

(thousands of Canadian dollars, except per share amounts)	**2021**	2020	2019	**% Change 2021/2020**	% Change 2020/2019
OPERATING REVENUE	**$ 174,013**	$ 127,216	$ 163,641	**36.8%**	(22.3%)
DIRECT OPERATING EXPENSES	**121,601**	83,305	134,655	**46.0%**	(38.1%)
NET OPERATING INCOME	**52,412**	43,911	28,986	**19.4%**	51.5%
Amortization of membership fees	**4,404**	4,585	5,146	**(3.9%)**	(10.9%)
Depreciation and amortization	**(19,440)**	(19,249)	(20,119)	**1.0%**	(4.3%)
Interest, net and investment income	**(1,204)**	(3,609)	(4,923)	**(66.6%)**	(26.7%)
Other items	**74,763**	(21,458)	(1,996)	**N/A**	975.1%
Income taxes	**(21,288)**	(3,209)	(2,190)	**563.4%**	46.5%
NET EARNINGS	**$ 89,647**	$ 971	$ 4,904	**N/A**	(80.2%)
BASIC AND DILUTED EARNINGS PER SHARE	**$ 3.64**	$ 0.04	$ 0.18	**N/A**	(77.8%)
TOTAL ASSETS	**$ 746,806**	$ 632,382	$ 675,606	**18.1%**	(6.4%)
GROSS BORROWINGS	**$ 119,878**	$ 130,968	$ 148,947	**(8.5%)**	(12.1%)
SHAREHOLDERS' EQUITY	**$ 503,388**	$ 414,369	$ 436,530	**21.5%**	(5.1%)

The breakdown of operating revenue is as follows:

(thousands of Canadian dollars, except per share amounts)	**2021**	2020	2019	**% Change 2021/2020**	% Change 2020/2019
Annual dues	**$ 62,460**	$ 54,296	$ 56,412	**15.0%**	(3.8%)
Golf	**45,599**	42,673	36,006	**6.9%**	18.5%
Corporate events	**3,542**	2,327	11,529	**52.2%**	(79.8%)
Food and beverage	**19,400**	16,070	42,990	**20.7%**	(62.6%)
Merchandise	**11,647**	8,544	13,191	**36.3%**	(35.2%)
Real estate sales	**26,572**	-	-	**N/A**	N/A
Rooms and other	**4,793**	3,306	3,513	**45.0%**	(5.9%)
	$ 174,013	$ 127,216	$ 163,641	**36.8%**	(22.3%)

The breakdown of direct operating expenses is as follows:

(thousands of Canadian dollars, except per share amounts)	**2021**	2020	2019	**% Change 2021/2020**	% Change 2020/2019
Operating cost of sales	**$ 14,543**	$ 11,236	$ 22,414	**29.4%**	(49.9%)
Real estate cost of sales	**28,338**	-	-	**N/A**	N/A
Labour and employee benefits	**44,387**	39,358	70,475	**12.8%**	(44.2%)
Utilities	**5,908**	7,049	8,118	**(16.2%)**	(13.2%)
Selling, general and administrative	**4,574**	3,906	5,454	**17.1%**	(28.4%)
Property taxes	**2,251**	3,401	3,450	**(33.8%)**	(1.4%)
Insurance	**3,103**	2,970	2,724	**4.5%**	9.0%
Repairs and maintenance	**4,051**	3,184	4,241	**27.2%**	(24.9%)
Turf operating expenses	**3,953**	3,179	4,083	**24.3%**	(22.1%)
Fuel and oil	**1,233**	908	1,357	**35.8%**	(33.1%)
Other operating expenses	**9,260**	8,114	12,339	**14.1%**	(34.2%)
Total direct operating expenses	**$ 121,601**	$ 83,305	$ 134,655	**46.0%**	(38.1%)

2021 CONSOLIDATED OPERATING HIGHLIGHTS

As required by IFRS, ClubLink recognizes its annual dues revenue on a straight-line basis throughout the year based on when its properties are allowed to open and services are provided. As a result of COVID-19 lockdowns in both 2020 and 2021, annual dues revenue was not recognized during certain periods early in both years. Canadian annual dues revenue increased to $56,508,000 in 2021 from $48,081,000 in 2020 due to an increase in members. Any displaced revenue from the closure period was recognized into revenue throughout the remainder of the year on a straight-line basis.

Operating revenue increased 36.8% to 174,013,000 in 2021 from $127,216,000 in 2020 due to higher annual dues revenue along with the ability to operate in 2021 with less restrictions as compared to 2020 in addition to the revenue earned from 17 Highland Gate home sales.

Direct operating expenses increased 46.0% to $121,601,000 in 2021 from $83,305,000 in 2020 due to costs associated to higher revenue and activity levels in 2021 in addition to the cost of Highland Gate sales.

Net operating income for the Canadian golf club operations segment increased 18.3% to $54,660,000 in 2021 from income of $46,213,000 in 2020.

Interest, net and investment income decreased 66.6% to an expense of $1,204,000 in 2021 from $3,609,000 in 2020 due to a decrease in operational borrowings and an increase in investment income from the Company's investment in Automotive Properties REIT.

Other items consist of the following loss (income) items:

(thousands of Canadian dollars)	**2021**	2020	2019
Gain on property, plant and equipment	**$ (40,304)**	$ (1,416)	$ (525)
Unrealized loss (gain) on investment in marketable securities	**(30,360)**	7,311	(2,426)
Unrealized gain on real estate fund investments	**(9,311)**	-	-
Insurance proceeds	**(3,812)**	-	(2,141)
Equity income from investments in joint ventures	**(1,270)**	(115)	(1,135)
Unrealized foreign exchange loss (gain)	**207**	(1,256)	6,944
Glen Abbey redevelopment charge	**9,785**	-	-
Loss on sale of common shares in Carnival plc	**-**	16,240	-
Other	**302**	694	927
Other items	**$ (74,763)**	$ 21,458	$ 1,644

On October 8, 2021, the Company sold Heron Bay Golf Club for net proceeds of $40,235,000 (US$31,736,000). A gain of $39,425,000 (US$31,661,000) was recorded on the sale. This represents the vast majority of the total gain on property, plant and equipment recorded for the year.

At December 31, 2021, the Company recorded unrealized gains of $30,360,000 on investment in marketable securities (December 31, 2020 - loss of $7,311,000). This gain is attributable to the Company's investment in Automotive Properties REIT. The Company also recorded unrealized gains of $9,311,000 (December 31, 2020 - nil) on real estate fund investments in relation to Florida and southeastern US real estate.

The exchange rate used for translating US denominated assets has changed from 1.2732 at December 31, 2020 to 1.2678 at December 31, 2021. This has resulted in a foreign exchange loss of $207,000 in 2021 on the translation of the Company's US denominated financial instruments.

Net earnings increased to $89,647,000 in 2021 from $971,000 in 2020 due to the other items as described above and the improved golf results. Basic and diluted earnings per share increased to $3.64 per share in 2021, compared to 4 cents in 2020.

RESULTS OF OPERATIONS BY BUSINESS SEGMENT

The results of operations by business segment should be read in conjunction with the segmented information contained in Note 22 of the audited consolidated financial statements for the year ended December 31, 2021.

The following is a summary of the results of operations for the past three fiscal years.

(thousands of Canadian dollars)	2021	2020	2019
Operating revenue by segment			
Canadian golf club operations	**$ 128,791**	$ 109,432	$ 140,842
US golf club operations	**18,650**	17,784	22,799
Other (Highland Gate)	**26,572**	-	-
Operating revenue	**$ 174,013**	$ 127,216	$ 163,641
Net operating income (loss) by segment			
Canadian golf club operations	**$ 54,660**	$ 46,213	$ 31,267
US golf club operations	**2,354**	567	931
Corporate and other	**(4,602)**	(2,869)	(3,212)
Net operating income	**$ 52,412**	$ 43,911	$ 28,986

Review of Canadian Golf Club Operations for the Year Ended December 31, 2021

Summary of Canadian Golf Club Operations

(statistics)	2021	2020	% Change
18-hole equivalent championship golf courses	**39.5**	39.5	-
18-hole equivalent managed golf courses	**2.0**	1.0	100.0%
Championship rounds	**1,191,000**	1,223,000	(2.6%)

(thousands of Canadian dollars)	2021	2020	% Change
Operating revenue	**$ 128,791**	$ 109,432	17.7%
Direct operating expenses	**(74,131)**	(63,219)	17.3%
Net operating income	**54,660**	46,213	18.3%
Amortization of membership fees	**4,115**	4,239	(2.9%)
Depreciation and amortization	**(18,070)**	(17,545)	3.0%
Other items	**(5,074)**	1,382	N/A
Segment earnings before interest and income taxes	**$ 35,631**	$ 34,289	3.9%

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of Canadian Golf Club Operations for the Year Ended December 31, 2021 (continued)

Canadian Golf Club Operating Revenue

Canadian golf club operating revenue is recorded as follows:

(thousands of Canadian dollars)	**2021**	2020	% Change
Annual dues	**$ 56,508**	$ 48,081	17.5%
Corporate events	**3,315**	2,167	53.0%
Golf	**35,574**	33,241	7.0%
Food and beverage	**17,637**	14,642	20.5%
Merchandise, rooms and other	**15,757**	11,301	39.4%
Total operating revenue	**$ 128,791**	$ 109,432	17.7%

Canadian Golf Club Direct Operating Expenses

Canadian golf club direct operating expenses are recorded as follows:

(thousands of Canadian dollars)	**2021**	2020	% Change
Cost of sales	**$ 13,285**	$ 10,188	30.4%
Labour and employee benefits	**36,328**	30,400	19.5%
Utilities	**4,641**	5,714	(18.8%)
Selling, general and administrative	**2,916**	2,307	26.4%
Property taxes	**1,215**	2,099	(42.1%)
Insurance	**1,981**	1,791	10.6%
Repairs and maintenance	**3,183**	2,286	39.2%
Turf operating expenses	**3,228**	2,526	27.8%
Fuel and oil	**971**	699	38.9%
Other operating expenses	**6,383**	5,209	22.5%
Total direct operating expenses	**$ 74,131**	$ 63,219	17.3%

Direct operating expenses have increased 17.3% to $74,131,000 from $63,219,000 due to an increase in members resulting in higher revenue levels as well as being able to operate in 2021 with less restrictions as compared to 2020. The Company has recorded the Canada Emergency Wage Subsidy as a reduction to labour and employee benefits expense. The Company has also recorded rent and property tax relief as a reduction to property taxes expense and an energy rebate as a reduction to utilities expense.

Gross margin on food and beverage sales increased to 69.0% in 2021 compared to 67.8% in 2020 due to less restrictions and lockdowns within the summer operating season as compared to 2020.

Gross margin on merchandise sales decreased to 28.6% in 2021 compared to 31.0% in 2020, due to a change in mix of merchandise sales in 2021.

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of Canadian Golf Club Operations for the Year Ended December 31, 2021 (continued)

Canadian Membership Fees and Members

Full privilege golf members increased 4.6% to 15,545 on December 31, 2021 from 14,861 on December 31, 2020 due to the strong demand for golf as part of the public reaction to the COVID-19 pandemic.

Changes in full privilege golf members and future membership fee instalments are as follows:

(thousands of Canadian dollars)	**2021** Golf Members	**2021** Future Membership Fee Instalments	2020 Golf Members	2020 Future Membership Fee Instalments
Balance, beginning of year	**14,861**	**$ 24,379**	14,193	$ 20,533
Sales to new members	**1,728**	**11,161**	2,145	8,559
Reinstated members	**373**	**469**	322	494
Category changes	**(16)**	**-**	127	-
Transfer and upgrade fees from existing members	**-**	**2,508**	-	744
Resignations and terminations	**(1,401)**	**(3,243)**	(1,609)	(3,577)
Sale of Greenhills Golf Club	**-**	**-**	(317)	(52)
Instalments received in cash	**-**	**(2,968)**	-	(2,322)
Balance, end of year (Full Privilege)	**15,545**	**$ 32,306**	14,861	$ 24,379

Sales to new members are broken down into categories as follows:

	2021	2020	% Change
Corporate/Principal/Spousal	**1,471**	907	62.2%
Intermediate	**12**	913	(98.7%)
Junior	**6**	131	(95.4%)
Other	**239**	194	23.2%
Total	**1,728**	2,145	(19.4%)

Full privilege members are broken down into categories as follows:

	2021	2020	% Change
Corporate/Principal/Spousal	**8,128**	6,941	17.1%
Intermediate	**1,624**	1,990	(18.4%)
Junior	**227**	320	(29.1%)
Other	**5,566**	5,610	(0.8%)
Total	**15,545**	14,861	4.6%

The strong demand for golf as a reaction to the pandemic has resulted in ClubLink not accepting trial (intermediate or junior) memberships starting late 2020 and into 2021 and also resulted in membership caps implemented at certain Golf Clubs.

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of Canadian Golf Club Operations for the Year Ended December 31, 2021 (continued)

Canadian Membership Fees (continued)

Membership fees are amortized over the estimated weighted average remaining membership by year joined. This is determined by subtracting the average age of members that joined in that year from 70 and dividing the result by 2. The amortization period is reviewed annually and any adjustments are made prospectively. Membership fee revenue recognized in 2021 decreased 2.9% to $4,115,000 from $4,239,000 in 2020. This decline is primarily the result of the members that joined in 2008 completing their amortization period in 2020. Subsequent to this amortization period, membership fees are recorded as revenue upon receipt. An allowance for future resignations is considered as part of this model.

Details on amortization period in years, amortization of membership fee revenue and Canadian Region members at year end is broken down by member join year as follows:

Member Join Year	**Amortization Period (yrs) 2021**	Amortization Period (yrs) 2020	**Amortization of Membership Fees ($000) 2021**	Amortization of Membership Fees ($000) 2020	**Members at year end 2021**	Members at year end 2020	% Change
1994-2007	**Cash**	Cash	**$ 349**	$ 244	**6,550**	6,851	(4.4%)
2008	**Cash**	1	**36**	692	**385**	404	(4.7%)
2009	**1**	2	**575**	580	**453**	482	(6.0%)
2010	**1**	2	**443**	447	**550**	584	(5.8%)
2011	**4**	5	**361**	385	**390**	409	(4.6%)
2012	**6**	7	**181**	196	**237**	249	(4.8%)
2013	**6**	7	**204**	218	**228**	243	(6.2%)
2014	**7**	8	**232**	245	**337**	354	(4.8%)
2015	**8**	9	**154**	166	**286**	313	(8.6%)
2016	**9**	10	**178**	188	**470**	508	(7.5%)
2017	**10**	11	**141**	148	**586**	615	(4.7%)
2018	**12**	13	**147**	152	**814**	908	(10.4%)
2019	**13**	14	**137**	151	**669**	782	(14.5%)
2020	**14**	15	**382**	427	**1,862**	2,159	(13.8%)
2021	**11**	-	**595**	-	**1,728**	-	N/A
Totals			**$ 4,115**	$ 4,239	**15,545**	14,861	4.6%

The following is an age analysis of ClubLink's Canadian Region golf members:

	2021	2020	% Change
Under 30 years	**1,872**	2,208	(15.2%)
31 - 40 years	**1,153**	923	24.9%
41 - 50 years	**1,731**	1,665	4.0%
51 - 60 years	**4,169**	4,005	4.1%
61 - 70 years	**4,034**	3,798	6.2%
71 and over	**2,120**	1,850	14.6%
Not available	**466**	412	13.1%
	15,545	14,861	4.6%

The average age of a Canadian full privilege golf member as at December 31, 2021 is 54.6 years as compared to 53.6 at December 31, 2020.

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of US Golf Club Operations for the Year Ended December 31, 2021

Summary of US Golf Club Operations

(statistics)	2021	2020	% Change
18-hole equivalent championship golf courses	**8.0**	8.0	-
Championship golf rounds	**261,000**	249,000	4.8%

(thousands of dollars)	2021	2020	% Change
Operating revenue	**$ 14,840**	$ 13,317	11.4%
Direct operating expenses	**(12,986)**	(12,868)	0.9%
Net operating income	**1,854**	449	312.9%
Amortization of membership fees	**229**	259	(11.6%)
Depreciation and amortization	**(1,095)**	(1,269)	(13.7%)
Other items	**31,583**	(121)	N/A
Segment earnings (loss) before interest and income taxes (US dollars)	**32,571**	(682)	N/A
Exchange	**8,030**	(274)	N/A
Segment earnings (loss) before interest and income taxes (Cdn dollars)	**$ 40,601**	$ (956)	N/A

Review of Corporate Items for the Year Ended December 31, 2021

Highland Gate Sales

The Company's investment in Highland Gate is managed by Geranium Homes. Highland Gate is the development of a former golf course in Aurora, Ontario and includes 158 single family detached homes and a seven story multi-unit residential building with 114 units. During 2021 there were 17 closings of the first phase of this project.

The cost of goods sold includes the amortization of the purchase price of both the 2019 and 2021 tranches purchased by ClubLink in this project in addition to the recorded minority interest. The following is a breakdown of earnings recorded on this project in 2021:

(thousands of dollars)	2021	2020	% Change
Operating revenue	**$ 26,572**	$ -	-
Operating cost of goods sold	**(25,941)**	-	-
Cost of goods sold - amortization	**(2,397)**	-	-
Total	**$ (1,766)**	$ -	-

Sixteen of the seventeen closings in 2021 were smaller 52 foot lots which typically are less profitable.

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of Corporate Items for the Year Ended December 31, 2021 (continued)

Real Estate Investments

The Company has the following real estate investments:

(thousands of Canadian dollars)	2021	2020
Investment in Mount Auburn (US$10,362,000)	**$ 13,137**	$ -
Investment in Real Estate Investment Fund (US$4,841,000)	**6,137**	-
	$ 19,274	$ -

The investment in Mount Auburn represents an approximate 2% ownership interest in a portfolio of 34 residential garden-style assets consisting of approximately 8,400 units located primarily in Texas and Southeast United States. This investment was purchased for $5,705,000 (US$4,500,000) on March 1, 2021 and distributions in the amounts of $81,000 (US$64,000) has been received in 2021. This investment has been valued at $13,137,000 (US$10,362,000) at December 31, 2021. The increase in value is due to both a compression of cap rates (4.75% at December 31, 2021) and enhanced net operating income.

The Company has also invested $4,342,000 (US$3,425,000) in capital calls (US$10,000,000 total commitment) in a US-based real estate investment fund managed by 13th Floor. This fund primarily invests in Florida real estate projects and also includes an investment in the Mount Auburn portfolio. This investment has been valued at $6,137,000 (US$4,841,000) at December 31, 2021.

A total of unrealized gains in the amount of $9,311,000 (US$7,278,000) have been recorded on these investments.

Interest, Net and Investment Income

Interest, net and investment income decreased 66.6% to an expense of $1,204,000 for the year ended December 31, 2021 from $3,609,000 in 2020 due a decrease in operational borrowings and an increase in investment income from the Company's investment in Automotive Properties REIT.

Other Items

Other items consists of the following loss (income) items:

(thousands of Canadian dollars)	2021	2020	% Change
Gain on property, plant and equipment	**$ (40,304)**	$ (1,416)	N/A
Unrealized loss (gain) on investment in marketable securities	**(30,360)**	7,311	N/A
Unrealized gain on real estate fund investments	**(9,311)**	-	-
Insurance proceeds	**(3,812)**	-	-
Equity income from investments in joint ventures	**(1,270)**	(115)	1,004.3%
Unrealized foreign exchange loss (gain)	**207**	(1,256)	N/A
Glen Abbey redevelopment charge	**9,785**	-	-
Loss on sale of common shares in Carnival plc	**-**	16,240	-
Other	**302**	694	(56.5%)
Other items	**$ (74,763)**	$ 21,458	N/A

CRITICAL ACCOUNTING ESTIMATES

The Company's discussion and analysis of financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with IFRS.

The Company's significant accounting policies and accounting estimates under IFRS are contained in the consolidated financial statements (see Note 2 for description). Certain of these policies involve critical accounting estimates as they require us to make particularly subjective or complex judgments about matters that are inherently uncertain and because of the likelihood that materially different amounts could be reported under different conditions or using different assumptions. We have discussed the development, selection and application of our key accounting policies, and the critical accounting estimates and assumptions they involve, with the external auditors and the audit committee of the Board of Directors.

FINANCIAL CONDITION

The following is a summary consolidated balance sheet and analysis for the last two fiscal years:

(thousands of Canadian dollars)	**2021**	2020	Net Change	Ref
Assets				
Cash and cash equivalents	**$ 92,339**	$ 57,217	$ 35,122	1
Accounts receivable	**5,143**	14,242	(9,099)	
Mortgages and loans receivable	**2,997**	24,999	(22,002)	2
Inventories and prepaid expenses	**4,211**	4,591	(380)	
Residential inventory	**86,094**	-	86,094	3
Other assets	**138,347**	94,961	43,386	4
Right-of-use assets	**6,262**	11,359	(5,097)	
Property, plant and equipment and intangibles	**411,413**	425,013	(13,600)	
	$ 746,806	$ 632,382	$ 114,424	
Liabilities				
Accounts payable and accrued liabilities	**$ 36,328**	$ 20,717	$ 15,611	
Lease liabilities	**7,027**	12,359	(5,332)	
Borrowings	**112,561**	118,200	(5,639)	5
Prepaid annual dues and deposits	**33,019**	16,156	16,863	6
Deferred membership fees	**3,976**	5,229	(1,253)	
Deferred income tax liabilities	**50,507**	45,352	5,155	
	243,418	218,013	25,405	
Shareholders' Equity				
Share capital	**100,530**	102,453	(1,923)	7
Retained earnings	**389,418**	307,830	81,588	
Non-controlling interest	**8,683**	-	8,683	
Accumulated other comprehensive income	**4,757**	4,086	671	
	503,388	414,369	89,019	
	$ 746,806	$ 632,382	$ 114,424	

The following notes describe significant changes in the balance sheets presented:

1. Cash has increased by $34,178,000 due to the sale of Heron Bay Golf Club with net proceeds of $40,235,000.
2. Mortgages and loans receivable have decreased by $22,002,000 due to the repayment of the related party loan receivable of $20,000,000.
3. Residential inventory has increased by $86,094,000 due to the consolidation of Highland Gate and its home inventory balances.
4. Other assets increased by $43,386,000 primarily due to the investment in Florida real estate and the purchase of a further 1,042,993 units of Automotive Properties REIT, along with fair market value increases in these investments.
4. Borrowings have decreased $5,639,000 due to the changes as follows:

(thousands of dollars)	**2021**	2020	Change
Gross borrowings, beginning of year	**$ 118,609**	$ 131,706	$ (13,097)
Non-revolving borrowings payments	**(22,412)**	(20,956)	(1,456)
Highland Gate borrowings	**24,810**	-	24,810
Revolving borrowings	**(8,089)**	8,089	(16,178)
Unrealized foreign exchange	**(67)**	(230)	163
Gross borrowings, end of year	**112,851**	118,609	(5,758)
Deferred financing costs	**(290)**	(409)	119
Borrowings, end of year	**$ 112,561**	$ 118,200	$ (5,639)

FINANCIAL CONDITION (continued)

6. Prepaid annual dues and deposits have increased by $16,863,000 due to the consolidation of Highland Gate and $16,445,000 in deposits collected for various phases of the project.
7. Share capital has decreased by $1,923,000 due to the purchase of 469,518 shares for cancellation as part of the normal course issuer bid.

Shareholders' Equity

Consolidated shareholders' equity at December 31, 2021 totalled $503,388,000 or $20.51 per share, compared to $414,369,000 or $16.56 per share at December 31, 2020. The number of common shares outstanding decreased to 24,547,924 shares as at December 31, 2021 compared to 25,017,442 shares as at December 31, 2020 as reflected in the chart below.

The following is a summary of the common share activity:

(number of shares)	**2021**	2020
Balance, beginning of year	**25,017,442**	26,735,620
Shares cancelled through NCIB	**(469,518)**	(1,718,178)
Balance, end of year	**24,547,924**	25,017,442

During 2021, the Company purchased 469,518 (2020 - 1,718,178) shares for cancellation at a total price in the amount of $8,302,000 (2020 - $20,541,000).

The following is a summary of cash dividends declared in 2020 and 2021:

Date of declaration	Record date	Distribution date	Amount per share
March 9, 2020	March 13, 2020	March 31, 2020	0.02
April 29, 2020	May 29, 2020	June 15, 2020	0.02
August 6, 2020	August 31, 2020	September 15, 2020	0.02
November 2, 2020	November 30, 2020	December 15, 2020	0.02
March 3, 2021	March 15, 2021	March 31, 2021	0.02
April 29, 2021	May 31, 2021	June 15, 2021	0.02
August 5, 2021	August 31, 2021	September 15, 2021	0.02
November 1, 2021	November 30, 2021	December 15, 2021	0.02

LIQUIDITY AND CAPITAL RESOURCES

TWC's objective is to ensure that capital resources are readily available to meet obligations as they become due, to complete its approved capital expenditure program and to take advantage of attractive acquisitions as they arise. TWC's capital availability and demonstrated ability to execute transactions give it a competitive advantage in corporate development opportunities.

A summarized statement of cash flows is as follows:

(thousands of Canadian dollars)	**2021**	2020
Cash provided by operating activities	**$ 67,730**	$ 32,978
Operating property, plant and equipment expenditures	**(8,556)**	(6,046)
Expansion property, plant and equipment expenditures	**(2,266)**	(3,820)
Proceeds on sale of property, plant and equipment	**41,258**	4,517
Asset acquisition cost (Highland Gate)	**(12,444)**	-
Mortgages and loans receivable	**22,002**	12,357
Revolving borrowings	**(17,818)**	8,089
Non-revolving borrowings – amortization payments	**(22,412)**	(20,956)
Lease liabilities	**(5,332)**	(4,880)
Dividends paid	**(1,975)**	(2,091)
Common shares repurchased for cancellation	**(8,302)**	(20,541)
Investment in Automotive Properties REIT and marketable securities	**(11,340)**	(15,653)
Florida real estate investments	**(10,047)**	-
Other long term assets	**74**	597
Proceeds on sale of common shares in Carnival plc	**-**	5,825
Other	**3,606**	799
Net change in cash during the year	**34,178**	(8,825)
Cash, beginning of year	**57,217**	66,042
Cash, end of year	**$ 91,395**	$ 57,217

LIQUIDITY AND CAPITAL RESOURCES (continued)

The analysis of TWC's liquidity is as follows:

(thousands of Canadian dollars)	**Availability on December 31, 2021** Maximum	Available	Availability on December 31, 2020 Maximum	Available
Cash and cash equivalents (CDN)	**$ 12,993**	**$ 12,993**	$ 3,501	$ 3,501
Cash and cash equivalents (USD)	**78,402**	**78,402**	53,716	53,716
Restricted cash	**944**	**944**	-	-
Revolving line of credit (corporate)	**50,000**	**48,982**	50,000	40,893
Related party revolving line of credit	**50,000**	**50,000**	50,000	50,000
Subtotal	**192,339**	**191,321**	157,217	148,110
Highland Gate	**107,000**	**82,190**	-	-
Total	**$ 299,339**	**$ 273,511**	$ 157,217	$ 148,110

At December 31, 2021 there is $944,000 of restricted cash from the Highland Gate project, representing deposits on future home sales held by counsel.

Funds will be used during 2022 for operating capital expenditures and to pay debt obligations as they become due.

Liquidity risk arises from general funding needs and in the management of assets, liabilities and optimal capital structure. TWC manages liquidity risk to maintain sufficient liquid financial resources to meet its commitments and obligations in the most cost-effective manner possible.

Based on TWC's financial position at December 31, 2021, and projected future earnings, management expects to be able to fund its working capital requirements, and meet its other obligations including debt repayments.

The following is an analysis of the Company's net borrowings and their characteristics on December 31, 2021 compared to December 31, 2020:

(thousands of Canadian dollars)	**Interest Rate 2021**	Interest Rate 2020	**Total Indebtedness 2021**	Total Indebtedness 2020	**Average Term to Maturity (Yrs) 2021**	Average Term to Maturity (Yrs) 2020
Non-revolving	**8.0%**	8.0%	**$ 9,486**	$ 10,324	**7.75**	8.75
Exchange	**-**	-	**2,540**	2,820	**-**	-
Subtotal US borrowings	**8.0%**	8.0%	**12,026**	13,144		
Revolving (corporate)	**2.9%**	2.9%	**-**	8,089	**1.75**	1.75
Non-revolving	**6.9%**	7.0%	**72,699**	93,061	**3.92**	4.71
Other	**5.0%**	5.0%	**3,316**	4,315	**1.41**	2.41
Subtotal CDN borrowings	**6.6%**	6.4%	**76,015**	105,465		
Gross borrowings	**7.0%**	6.6%	**88,041**	118,609		
Lease liabilities	**6.1%**	6.1%	**7,027**	12,359	**1.83**	2.83
Subtotal			**95,068**	130,968		
Highland Gate borrowings	**3.0%**	-	**24,810**	-	**0.83**	-
Total			**$ 119,878**	$ 130,968		

None of the above non-revolving mortgages have any prepayment options without a corresponding yield maintenance payment.

LIQUIDITY AND CAPITAL RESOURCES (continued)

TWC has certain golf clubs that it operates, which are under lease arrangements. The following are the golf clubs under lease with expiration dates:

- The Country Club: December 31, 2022
- National Pines Golf Club: November 15, 2024

In December 2017, the landlord of the Country Club provided the Company with a five year notice - as provided in the lease document. The lease now expires on December 31, 2022.

In December 2018, the Company provided the landlord of The Club at Bond Head with a three year notice - as provided in the lease document. The lease has now expired on December 31, 2021. The Club at Bond Head will not be a ClubLink property in 2022.

TWC's consolidated borrowings include revolving lines of credit and non-revolving mortgages. The following table illustrates future maturities and amortization payments of consolidated borrowings for the next five years and thereafter as at December 31, 2021:

(thousands of Canadian dollars)	Highland Gate	Corporate Borrowings	Lease Liabilities	**Total**
2022	$ 16,434	$ 22,748	$ 4,507	**$ 43,689**
2023	8,376	21,560	1,183	**31,119**
2024	-	16,384	1,248	**17,632**
2025	-	10,700	10	**10,710**
2026	-	7,068	11	**7,079**
2027 and thereafter	-	9,581	68	**9,649**
	$ 24,810	$ 88,041	$ 7,027	**$ 119,878**

Operating Activities

Cash provided by operating activities were $67,730,000 in 2021 compared to $32,978,000 in 2020 due to the improved operating results and positive changes in the working capital.

Investing Activities

Cash provided by investing activities was $629,000 in 2021 compared to cash used in investing activities of $14,774,000 in 2020 due to proceeds from the sale of Heron Bay Golf Club offset by the Highland Gate acquisition and the real estate investments.

Operating property, plant and equipment expenditures are broken down as follows:

(thousands of Canadian dollars)	**2021**	2020
Canadian golf club operations		
Golf carts	**$ 3,987**	$ 1,538
Turf improvements	**1,211**	1,729
Turf equipment	**1,441**	725
Facilities, administrative and other	**940**	1,972
US golf club operations		
Golf carts	**212**	-
Turf improvements	**426**	47
Turf equipment	**297**	-
Other	**42**	35
	$ 8,556	$ 6,046

LIQUIDITY AND CAPITAL RESOURCES (continued)

Financing Activities

Financing activities repayments were $33,897,000 in 2021 compared to $28,082,000 in 2020 due to the addition of financing activities in relation to Highland Gate and the subsequent repayments.

The Company was approved by the Toronto Stock Exchange for a normal course issuer bid to purchase up to 1,338,000 of its common shares which expired on September 19, 2020. From September 20, 2019 to December 31, 2019, the Company repurchased for cancellation 20,100 common shares for a total purchase price of $270,126 or $13.44 per share, including commissions. From January 1, 2020 to September 19, 2020 the Company repurchased for cancellation 1,307,778 common shares for a total purchase price of $15,150,616 or $11.59 per share, including commissions.

The Company was approved by the Toronto Stock Exchange for a normal course issuer bid to purchase up to 1,271,000 of its common shares which expired on September 19, 2021. From September 20, 2020 to December 31, 2020 the Company repurchased for cancellation 410,400 common shares for a total purchase price of $5,389,859 or $13.13 per share, including commissions. From January 1, 2021 to September 19, 2021 the Company repurchased for cancellation 469,518 common shares for a total purchase price of $8,302,152 or $17.68 per share, including commissions.

The Company was approved by the Toronto Stock Exchange for a normal course issuer bid to purchase up to 1,227,000 of its common shares which expires on September 19, 2022.

In recording the repurchase and cancellation of shares, share capital is reduced by the weighted average issue price of the outstanding common shares with the differential to the purchase price being credited or charged to retained earnings.

During 2021, TWC declared and paid four quarterly dividends of 2 cents per common share for a total of 8 cents per common share or $1,975,000 (2020 - $2,091,000) for the year.

OFF-BALANCE SHEET FINANCING AND GUARANTEES

From time to time, TWC enters into agreements to provide financial or performance assurances to third parties of which letters of credit of $1,018,000 (2020 - $1,018,000) and unsecured surety bonds of $1,602,000 (2020 - $1,602,000) were outstanding as at December 31, 2021.

In the normal course of operations, the Company executes agreements that provide for indemnification and guarantees to third parties in transactions such as business dispositions, business acquisitions, sales of assets, sales of services, securitization agreements and underwriting and agency agreements.

TWC does not engage in any other off-balance sheet financing.

RELATED PARTY TRANSACTIONS

The immediate parent and controlling party of the Company is Paros Enterprises Limited ("Paros") and its parents – S.N.A. Management Limited. These companies are privately-owned companies whose shareholder is the Chairman, President and Chief Executive Officer of the Company – K. (Rai) Sahi.

K. (Rai) Sahi, the Chairman, President and Chief Executive Officer of the Company is also the controlling shareholder of Morguard Corporation ("Morguard").

The Company has provided an unsecured revolving demand credit facility to Morguard in the amount of $50,000,000 with no fixed maturity date. Morguard has provided an unsecured revolving demand credit facility to TWC in the amount of $50,000,000 with no fixed maturity date. During 2021, Morguard fully repaid to the Company the $20,000,000 loan receivable. These facilities bear interest on a basis which is consistent with the entity's borrowing costs.

Summarized information regarding these facilities is as follows:

	For the year ended	
(thousands of Canadian dollars)	**December 31, 2021**	December 31, 2020
Loan receivable from Morguard	**-**	20,000
Net interest receivable	**-**	45
Net interest earned	**390**	452

RELATED PARTY TRANSACTIONS (continued)

The Company has provided an unsecured revolving demand credit facility to Paros in the amount of $5,000,000, with no fixed maturity date. Paros has provided an unsecured revolving demand credit facility to TWC in the amount of $5,000,000 with no fixed maturity date. These facilities bear interest at prime plus 1%. During 2021 and 2020, there were no advances or repayments under this facility.

The purpose of these credit facilities is to allow each of the above entities to manage its financing activities in the most effective manner.

The Company has provided an unsecured revolving demand credit facility to an investment in joint venture in the amount of $3,000,000, with no fixed maturity date. This facility bears interest at prime plus 1.25%. As at December 31, 2021, the amount receivable on this facility was nil (December 31, 2020 - $800,000). Interest receivable at December 31, 2021 was nil (December 31, 2020 - $4,000), and interest earned amounted to $4,000 for the year ended December 31, 2021 (December 31, 2020 - $66,000).

The Company receives managerial and consulting services from Morguard. The Company paid a management fee of $695,000 for the year ended December 31, 2021 (December 31, 2020 - $695,000), under a contractual agreement, which is included in operating expenses. Morguard also provides back-office services to ClubLink US Corporation. The Company paid a management fee of US$460,000 (CDN$577,000) for the year ended December 31, 2021 (December 31, 2020 - US$460,000; CDN$617,000) under a contractual agreement, which is included in direct operating expenses.

The Highland Gate project receives managerial services from Geranium management companies. The project paid a management fee of $1,748,000 for the year ended December 31, 2021 (December 31, 2020 - nil) under a contractual agreement, which is capitalized to residential inventory.

The Company provides landscaping services for certain Morguard assets. The Company received a fee of $96,000 for the year ended December 31, 2021 (December 31, 2020 - nil) under a contractual agreement.

A total of US$53,000 of rental revenue was earned by TWC for the year ended December 31, 2021 (December 31, 2020 - US$53,000) from Morguard relating to a shared office facility in Florida.

During 2021, the Company earned $482,000 (2020 - $264,000) in operating revenue (primarily food and beverage and corporate events) from related parties controlled by the Chairman, President and Chief Executive Officer of the Company.

All related party transactions were made in the ordinary course of business and on substantially the same terms including interest rates and security as for comparable transactions with parties of a similar standing.

ENVIRONMENTAL AND HEALTH AND SAFETY OBLIGATIONS

The Company's operations and properties are subject to extensive federal, provincial, territorial, state, municipal and local environmental laws and requirements in both Canada and the United States, relating to, among other things, air emissions, the management of contaminants including hazardous materials and waste, discharges to waters and the remediation of environmental impacts. The Company believes it has identified and provided for the expenditures relating to known environmental matters, including compliance issues and the assessment and remediation of the environmental condition of its properties, whether currently or previously owned, or other properties where it may have environmental matters. The Company's total costs and liabilities cannot be predicted with certainty due to, among other things, the various issues described above, changing environmental laws, requirements and the potential necessity to conduct additional investigations.

TWC continually demonstrates its commitment to ensuring the health and safety of anyone affected by its operations and to responsibly manage the impact of its operations on the environment. In implementing its policies, TWC employs the benefits of strong environment, health and safety ("EH&S") management systems to a wide range of stakeholders in Canada and the United States. Stakeholders include all employees and the communities where TWC operates, along with customers, investors, partners, and service providers. This commitment extends throughout the entire Company at every level, starting with the Board of Directors.

The EH&S committee of the Company's Board of Directors meets on a regular basis to review and oversee TWC's policies and programs as well as to review the EH&S performance of each business unit. The committee also oversees the Company's compliance with applicable EH&S laws and regulations and monitors trends, issues and events which could have a significant impact on the Company.

TWC continually monitors changes in both EH&S technologies and regulations both directly and through its involvement with various industry associations.

TWC believes that safe operations are essential for a productive and engaged workforce. TWC is committed to workplace incident prevention and makes expenditures towards the necessary human and financial resources and site-specific systems to ensure compliance with its health and safety policies. Any injuries that may occur are investigated to determine root cause and to establish and put in place necessary controls, with the goal of preventing recurrence.

FINANCIAL INSTRUMENTS

TWC has a number of financial instruments which are described in Note 24 to the audited consolidated financial statements for the year ended December 31, 2021.

Risks associated with these financial instruments and information on their fair values are also disclosed in Note 24.

SUMMARY OF FINANCIAL RESULTS BY QUARTER

The table below sets forth selected financial data for the most recent eight quarters ending December 31, 2021. The financial data is derived from the Company's unaudited interim financial statements, which are prepared in accordance with IFRS as follows:

(thousands of Canadian dollars,	**2021**				2020			
except per share amounts)	**Dec. 31**	**Sep. 30**	**Jun. 30**	**Mar. 31**	Dec. 31	Sep. 30	Jun. 30	Mar. 31
Total assets	**$746,806**	**$720,505**	**$ 710,720**	**$ 651,511**	$ 632,382	$ 651,987	$ 655,406	$ 688,101
Operating revenue	**62,600**	**63,245**	**34,059**	**14,109**	30,157	55,293	21,696	20,070
Net operating income	**18,680**	**26,953**	**9,036**	**(2,257)**	10,768	30,990	533	1,620
Net earnings (loss)	**61,963**	**22,757**	**4,472**	**455**	8,359	22,427	2,605	(32,420)
Basic earnings (loss) per share	**2.52**	**0.93**	**0.18**	**0.02**	0.33	0.87	0.10	(1.22)
Eligible cash dividends per share	**0.02**	**0.02**	**0.02**	**0.02**	0.02	0.02	0.02	0.02

FOURTH QUARTER RESULTS

For the Fourth Quarter ended December 31, (thousands of Canadian dollars, except per share amounts)	**2021**	2020
Operating revenue	**$ 62,600**	$ 30,157
Cost of sales and operating expenses	**(43,920)**	(19,389)
Net operating income	**18,680**	10,768
Amortization of membership fees	**1,085**	1,033
Depreciation and amortization	**(5,185)**	(4,688)
Interest, net and investment income	**(121)**	(761)
Other items	**64,317**	3,286
Income tax provision	**(16,813)**	(1,279)
Net earnings	**$ 61,963**	$ 8,359
Weighted average shares outstanding (000)	**24,548**	25,175
Basic and diluted earnings per share	**$ 2.52**	$ 0.33

The following exchange rates translate one US dollar into the Canadian dollar equivalent:		
Statement of earnings, average for the fourth quarter	**1.2600**	1.3030

The revenue and net operating income earned in the fourth quarter relate to the activities of the Canadian and US golf operations as most golf clubs remain open in the fall and annual dues revenue is recognized throughout the year. Costs for the end of season maintenance and operating expenses negatively impact net operating income in the fourth quarter.

As required by IFRS, ClubLink recognizes its annual dues revenue on a straight-line basis throughout the year based on when its properties are open and services are provided. As a result of COVID-19, annual dues revenue was not recognized during the spring course closures from the Ontario lockdowns. This methodology shifted annual dues revenue from the first and second quarter to the third and fourth quarter. An increase of 684 members on a year over year basis as well as the relaxation of certain COVID restrictions throughout 2021 has also impacted results in a positive manner.

FOURTH QUARTER RESULTS (continued)

Other items consist of the following loss (income) items:

For the Fourth Quarter ended December 31, (thousands of Canadian dollars)	2021	2020
Gain on property, plant and equipment	**$ (37,459)**	$ -
Insurance proceeds	**(456)**	-
Unrealized foreign exchange loss	**157**	1,475
Unrealized loss (gain) on investment in marketable securities	**(16,484)**	(4,343)
Unrealized gain on real estate fund investments	**(9,311)**	-
Equity income from investments in joint ventures	**(977)**	(589)
Other	**213**	171
Other items	**$ (64,317)**	$ (3,286)

On October 8, 2021, the Company sold Heron Bay Golf Club for net proceeds of $40,235,000 (US$31,736,000). Immediately prior to the sale, the carrying amount of Heron Bay was re-measured to its recoverable amount. As a result, the Company recorded an impairment reversal pertaining to the 2018 impairment charge on this property. The impairment reversal was recorded at a value of $2,628,000 (US$2,074,000) representing the amount of what would have otherwise subsequently been depreciated from January 1, 2019 to September 30, 2021 prior to the sale. A gain of $36,797,000 (US$29,587,000) was recorded as a result of the sale, resulting in a total of $39,425,000 (US$31,661,000) including the impairment reversal.

SEASONALITY

The quarterly earnings performance of the Company reflects the highly seasonal nature of the business segments. The majority of revenue and earnings from the Canadian golf operations occur or have occurred during the second and third quarters of the year. Accordingly, the quarterly reported net earnings of the Company will fluctuate with those of the underlying business segments.

RISKS AND UNCERTAINTIES

TWC manages a number of risks in each of its business segments in order to achieve an acceptable level of risk without hindering its ability to maximize returns. Management has procedures to identify and manage significant operational and financial risks.

In addition to the risks described elsewhere in this MD&A, this section describes the principal risks that could have a material and adverse effect on the Company's financial condition, results of operations, cash flows or business, as well as cause actual results to differ materially from expectations expressed in or implied by forward-looking statements. The risks described below are not the only risks that could affect the Company. Additional risks and uncertainties not currently known or that are currently deemed to be immaterial may also materially and adversely affect TWC's financial condition, results of operations, cash flows or business.

COVID-19 and Other Pandemic or Epidemic Diseases

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to contain the spread of the virus. Outbreaks, or the threat of outbreaks of viruses or other contagions or epidemic or pandemic diseases, including the recent COVID-19 outbreak, may lead to prolonged voluntary or mandatory building closures, business closures, government restrictions on travel and gatherings, quarantines, self-isolation and physical distancing. The impact of these measures may lead to a general shutdown of economic activity and disrupt workforce and business operations both in Canada and the World. Such occurrences, including the outbreak of COVID-19, could have a material adverse effect on debt and capital markets, and the ability to provide certain services to golf members if social distancing regulations remain in place. The duration and impact of the COVID-19 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions. The pace of recovery following such occurrences cannot be accurately predicted, nor can the impact on the Company's asset valuations, cash flows, results of operations and the Company's ability to obtain additional financing or re-financing and ability to make dividend payments to shareholders.

RISKS AND UNCERTAINTIES (continued)

COVID-19 and Other Pandemic or Epidemic Diseases (continued)

Outbreaks, or the threat of outbreaks of viruses or other contagions or epidemic or pandemic diseases, including the recent COVID-19 outbreak, may lead to prolonged voluntary or mandatory building closures, business closures, government restrictions on travel and gatherings, quarantines, self-isolation and physical distancing. The impact of these measures may lead to a general shutdown of economic activity and disrupt workforce and business operations both in Canada and the World. Such occurrences, including the outbreak of COVID-19, could have a material adverse effect on debt and capital markets, and the ability to provide certain services to golf members if social distancing regulations remain in place. The duration and impact of the COVID-19 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions. The pace of recovery following such occurrences cannot be accurately predicted, nor can the impact on the Company's asset valuations, cash flows, results of operations and the Company's ability to obtain additional financing or re-financing and ability to make dividend payments to shareholders.

Specifically, such enhanced risks associated with COVID-19 include, but are not limited to:

- the negative impact on Canadian and global debt and equity capital markets, including both pricing and availability;
- ability to access capital markets at a reasonable cost;
- the trading price of the Company's shares;
- uncertainty associated with the costs and availability of resources required to provide the appropriate/required levels of service to our members and maintenance of our courses;
- a material reduction in annual dues revenue and related collections due to associated financial hardship and non-essential business orders governing the closure of certain businesses;
- a material increase in resignations potentially caused by both the resulting economic crisis and the inability of businesses to operate;
- uncertainty with property valuations resulting from the impact of a potential decline in revenue;
- issues delivering services due to illness, Company or government imposed isolation programs, restrictions on the movement of personnel, closures and supply chain disruptions;
- uncertainty associated with costs, delays and availability of resources required to complete major course maintenance and capital projects on time and budget;
- the impact of additional legislation, regulation and other government interventions in response to the COVID-19 pandemic;

The foregoing is not an exhaustive list of all risk factors.

Developments regarding the COVID-19 pandemic have resulted in a substantive shift in management's focus towards ensuring the continued safety of our employees, compliance with guidelines and requirements issued by various health authorities and government organizations, and continuity of other critical business operations. We remain focused on delivering our key business operations in a responsible manner.

Economic & Business Risk

A decline in the economic environment and its impact on disposable income in areas where TWC operates may have an adverse effect on operating revenue. The Company's business segments are dependent upon discretionary spending by consumers and corporations which in turn is impacted by general economic conditions.

An extended recession could materially affect revenue and financial performance as discretionary spending declines.

The ability to attract and retain full privilege golf members and the number of rounds played at member, hybrid and daily fee golf clubs have historically been dependent upon (i) discretionary spending by consumers and corporations, which may be affected by general economic conditions in the markets that it operates, and (ii) the popularity of golf as a leisure activity. There is no certainty that current levels of participation will be sustained or increase in the future. A decrease in the overall number of golfers, their rates of participation and consumer or corporate spending on golf, individually or collectively, could have a material adverse effect on the Company's business, financial condition and results of operations. Given that a substantial portion of the Company's golf activities are carried out in Southern Ontario, the results of operations will depend heavily on the financial condition of this market.

A decline in the economic environment and its impact on disposable income in areas where TWC's clusters are located may have an adverse effect on the Company's golf club operations revenue. The Company believes this is mitigated and that revenue from member clubs would remain relatively constant since a member is committed to pay annual dues and consume a food and beverage minimum to maintain their membership. While the sale of new memberships may decline in such circumstances, almost all Member Golf Clubs have a membership base that generates sufficient operating revenue to sustain profitable operations at that property.

Corporate event bookings, which represent a material portion of the Company's golf revenue, are susceptible to major changes in the economic environment.

RISKS AND UNCERTAINTIES (continued)

Foreign Currency Risk

TWC operates both in Canada and the United States and reports its earnings in Canadian dollars. Certain TWC borrowings have a base currency of US dollars as well. Fluctuations in exchange rates could affect the cost of capital or the contribution from operations in the United States, and the value of the Company's investments in the United States.

Availability of Credit/Liquidity

No assurance can be given that borrowings will be available to the Company or its subsidiaries to replace existing credit facilities on terms acceptable to the Company, if at all. Failure to renew or replace credit facilities as they mature would require TWC to obtain alternative sources of capital, which may include the sale of assets or the issuance of equity at prices that may be dilutive to current shareholders.

Renewal Risk

TWC is exposed to renewal risk on its maturing borrowings. This is mitigated due to a total of 75% (December 31, 2020 – 90%) of TWC's consolidated borrowings is fully amortizing over the remaining term to maturity and only 25% (December 31, 2020 – 10%) of TWC's borrowings is subject to this risk.

Interest Rate Risk

TWC is exposed to market risk related to interest rate fluctuations. However, the majority of TWC's borrowings has fixed interest rates over its remaining term to maturity, with only 25% (December 31, 2020 – 10%) of its debt subject to this risk.

Risks Associated with Information Systems

Golf club operations rely on information systems in its business to obtain, rapidly process and analyze data to manage:
- its tee sheet and reservation system;
- its member database;
- the accurate billing of receivables and collections from members;
- the accurate accounting for and payment to vendors; and
- the processing of financial data.

Results of operations could be adversely affected if these systems are interrupted, damaged by unforeseen events or fail for any extended period of time, including due to the action of third parties.

Competition

The competitive environment in all business segments is evolving. There have been significant additions to alternative products in the golf club, resort and tourism sectors in Ontario. While the Company has certain competitive advantages which management believes will offset, in part, the impact of this increased competition, it has been affected by these developments.

The Company faces strong competition in the Florida golf marketplace from golf clubs that have been reducing their golf fees to maintain market share. TWC believes its pricing is competitive and is striving to differentiate their product by ensuring a quality golfing experience.

Key Management

The Company's success depends upon the continued contribution of key management, some of whom have unique talents and experience and would be difficult to replace quickly. The loss or interruption of the services of a key executive could have a material adverse effect on our business during the transitional period that would be required to restructure the organization or for a successor to assume the responsibilities of the key management position.

Litigation

The Company and certain of its subsidiaries are defendants in a number of legal actions. Although the outcome of these claims cannot be determined, in the opinion of management, the resolution of these matters is not expected to have a material adverse effect on the Company's financial position or results of operations.

Laws Concerning Employees

The Canadian golf operations are subject to minimum wage and employment laws governing such matters as rate of pay, benefits, working conditions, overtime and tip credits. The Company believes it is in compliance with these laws and regulations. A significant number of employees are paid at rates which are at or slightly higher than the minimum wage level and accordingly, further increases in the minimum wage could increase the Company's labour costs.

RISKS AND UNCERTAINTIES (continued)

Regulatory Environment

TWC and its subsidiaries are subject to regulation by numerous agencies involving minimum wage, the serving of alcohol and adherence to environmental constraints. Changes in these regulations, and their application, can impact the cost and efficiency of each business segment.

Loss of Reputation

"ClubLink One Membership More Golf" currently enjoys a recognizable brand name in its operating market. Damage to this brand could have a negative impact on the affairs of the Company. If the Company does not meet or exceed customer expectations, this brand could suffer. We have endeavoured to reduce this risk by ongoing employee training and a company-wide focus on customer service excellence.

Environment

TWC's golf courses are managed with a high level of environmental awareness. In addition, TWC's turf management team is highly knowledgeable and receives extensive training regarding the proper use of pesticides and chemicals required to promote healthy golf course conditions and compliance with applicable regulations. However, certain risks are associated with the use of these materials and the overall effect a golf course has on the surrounding habitat, including nearby waterways.

Phase 1 environmental assessments are completed prior to the acquisition of any property. Once the property is acquired, environment assessment programs ensure continued compliance with all laws and regulations governing environment and related matters.

The Company believes that it has adopted appropriate practices and procedures and maintains adequate insurance to address environmental contingencies. As part of our environmental policies, TWC monitors, controls and manages environmental issues by way of measures for waste prevention, minimization and recycling of any waste products. A committee of the Board of Directors has been established to ensure appropriate policies and standards are maintained for environmental stewardship.

Weather and Climate Change

Extraordinary weather conditions brought about by climate change involving extended dry or wet periods or exceptional hot or cold temperatures could impact the condition of golf courses and the demand for golf. Severe weather conditions include hurricanes, micro-bursts, flooding and droughts. Management believes that its geographically diverse operations may serve to reduce the impact of severe weather conditions.

Hospitality Industry

The Company is susceptible to a downturn in the hospitality industry due to the fact that it operates resorts and also hosts large corporate outings at all of its properties. This includes the potential for cancellations due to concerns about the Coronavirus. The Company has cancellation policies to help mitigate lost revenue in this regard.

Real Estate

TWC is subject to risks inherent in the acquisition, development, ownership and financing of real estate in general and the operations, rehabilitation and development of golf courses and recreational real estate in particular, such as the risk of depreciation in the value of land and federal, provincial and municipal governmental regulations, including environmental, sewer, water, zoning and similar regulations. It is possible that enactment of new laws, changes in the interpretation or enforcement of applicable laws, rules and regulations or the decision of any authority to change or refuse a change to current zoning classification may have an adverse effect on the value of these golf facilities and related real estate.

Exchange of Confidential Information

This risk involves the utilization of members' confidential information, particularly in direct marketing. The potential dissemination of such information to the wrong individuals could cause significant damage to our relationship with our members and customers and could result in legal action. Various initiatives, such as a corporate privacy policy, have been implemented which seek to minimize the possibility that this may occur.

TWC is also involved in payment card industry ("PCI") compliance, a rigorous set of standards leveraging the latest security technology, such as encryption, to ensure the protection of customer credit card information. These capabilities are being introduced and implemented by TWC in accordance with the ongoing PCI certification program.

RISKS AND UNCERTAINTIES (continued)

Income and Commodity Tax Amounts

The operations of TWC are relatively complex and related tax interpretations, regulations and legislation that pertain to TWC's activities are subject to continual change. The Company collects and pays income and commodity taxes to various taxation authorities.

The audit and review activities of the Internal Revenue Services and Canada Revenue Agency and other jurisdictions' tax authorities affect the ultimate determination of the actual amounts of commodity taxes payable or receivable, income tax liabilities and income tax expense. Therefore, there can be no assurance that taxes will be payable as anticipated and/or that the amount and timing of receipt of use of the tax-related assets will be as currently expected.

Risk of Loss Not Covered by Insurance

The Company generally maintains insurance policies related to our business, including casualty, general liability and other policies covering our business operations, employees and assets; however, TWC would be required to bear all losses that are not adequately covered by insurance, as well as any insurance deductibles. In the event of a substantial property loss, the insurance coverage may not be sufficient to pay the full current market value or current replacement cost of the property. In the event of an uninsured loss, the Company could lose some or all of its capital investment, cash flow and anticipated profits related to one or more properties. Assurance cannot be provided that the Company will not incur losses in excess of insurance coverage or that insurance can be obtained in the future at acceptable levels and reasonable cost. Due to the cost involved, the Company has chosen not to purchase catastrophic wind (hurricane) insurance for its southeast Florida golf clubs.

Integration of Acquisitions

Integration activities include the review and alignment of accounting policies, employee transfers and moves, information systems, optimization of service offerings and establishment of control over new operations. Such activities may not be conducted efficiently and effectively, negatively impacting service levels, competitive position and expected financial results.

TWC has a team that performs the integration function. This team applies an integration model, based on experiences from numerous previous integrations, which enhances and accelerates the standardization of TWC's business processes and strives to preserve the unique qualities of acquired operations. The integration process begins with strategic, pre-closing analysis and planning, and continues after closing with the execution of a plan. Integrated operations are re-evaluated and assessed regularly, based on timely feedback received from the integration team.

Land Leases

TWC has certain golf clubs that it operates, which are under lease arrangements. The following are the golf clubs under lease with expiration dates:

- The Country Club: December 31, 2022
- National Pines Golf Club: November 15, 2024

Unless the terms of our leases are extended, the properties, together with any improvements that we have made, will revert to the property owners upon expiration of the lease terms. As the terms of our leases expire, we may not be able to renew these leases or find alternative locations that meet our needs on favourable terms, or at all. If we are unable to renew our expiring leases, our business and financial results could be materially adversely affected. The leases also provide that the landlord may increase the rent over the term of the lease, as well as obligate us to pay a variety of costs such as cost of insurance, taxes, maintenance and utilities. Breaching the terms of a lease may result in the Company incurring substantial penalties, including, among others, paying all amounts due to the landlord for the balance of the lease term. In the event that a significant number of our leases are terminated on that basis, our business and financial results could be materially adversely affected.

Data, Security and Privacy Breaches

Information security risks have increased in recent years because of the proliferation of new technologies and the increased sophistication of perpetrators of cyber-attacks. Cyber incidents can result from deliberate attacks or unintentional events. Cyber threats in particular vary in technique and sources, are persistent, frequently change and are increasingly more targeted and difficult to detect and prevent. Cyber attacks and security breaches could include unauthorized attempts to access, disable, improperly modify or degrade the Company's information systems and networks, the introduction of computer viruses and other malicious codes, and fraudulent "phishing" emails that seek to misappropriate data and information or install malware onto users' computers. They could result in important remediation costs, increased cyber security costs, lost revenues due to a disruption of activities, litigation and reputational harm affecting customer and investor confidence, which could materially adversely affect our business and financial results.

RISKS AND UNCERTAINTIES (continued)

Data, Security and Privacy Breaches (continued)

The Company collects and maintains proprietary and confidential information related to the business and affairs, including our members, suppliers and employees. We store and process such internal data both at onsite facilities and at third-party owned facilities. Any fraudulent, malicious or accidental breach of data security could result in unintentional disclosure of, or unauthorized access to members, suppliers, employees or other confidential or sensitive data or information, which could potentially result in additional costs to the Company to enhance security or to respond to occurrences, violations of privacy or other laws or regulations, penalties or litigation. In addition, media or other reports of perceived security vulnerabilities of the Company's systems, even if no breach has been attempted or has occurred, could adversely impact the Company's brand and reputation and materially impact its business and financial results.

While the Company has dedicated resources and utilizes third party technology products and services to help protect the Company's information technology systems and infrastructure as well as its proprietary and confidential information against security breaches and cyber-incidents, such measures may not be adequate or effective to prevent, identify or mitigate attacks by hackers or breaches caused by employee error, malfeasance or other disruptions, which could be in excess of any available insurance, and could materially adversely affect its business and financial results.

DISCLOSURE CONTROLS AND PROCEDURES

TWC's Chairman, President and Chief Executive Officer ("CEO") and its Chief Financial Officer ("CFO") are responsible for establishing and maintaining the Company's disclosure controls and procedures. Our disclosure controls are designed to provide reasonable assurance that information required to be disclosed by TWC is recorded, processed, summarized and reported within the time periods specified under Canadian securities laws, and include controls and procedures that are designed to ensure that information is accumulated and communicated to management, including the CEO and CFO, to allow timely decisions regarding required disclosure. The CEO and CFO, after evaluating the effectiveness of the Company's disclosure controls and procedures as at December 31, 2021, have concluded that the Company's disclosure controls are adequate and effective to ensure that material information relating to the Company and its subsidiaries would have been known to them.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting.

The Company's internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of TWC's assets; (ii) provide reasonable assurance that transactions are recorded appropriately to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorization of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Based on their evaluation, the CEO and CFO have concluded that, as at December 31, 2021, the Company's internal control over financial reporting is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes is in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

There were no changes in internal control over financial reporting that occurred during the Company's most recent year that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

OUTLOOK

Highland Gate Development

TWC has been pursuing the development of its Highland Gate property in Aurora, Ontario with Geranium Homes which is also the manager.

The development plan contains 158 single family detached homes, a seven storey multi-unit residential building with 114 units, a 10-metre landscaped buffer between existing rear yards and adjacent new streets, 7.6 kilometres of off-street trails resulting in a total pedestrian network consisting of 10.2 kilometres, and building a major new 21-acre park.

In 2021, there were 17 closings of the first phase of this project. Supply chain issues and lack of trades people have meant delays in closing of certain homes. The remaining 19 closings for Phase 1 are expected to take place in 2022. Phase 2 homes (51 units) are expected to close in 2023. There are 66 units which have not been released to be sold.

OUTLOOK (continued)

Kanata Development

ClubLink has been working with two local developers to explore potential development options at Kanata Golf and Country Club in Ottawa. Development applications were submitted to the City of Ottawa on October 8, 2019 and deemed complete on October 17, 2019. On October 25, 2019, the City of Ottawa filed a Superior Court application seeking a declaration that certain agreements assumed by ClubLink remain valid and enforceable, and requesting an order that ClubLink either withdraw its development applications or offer to convey the golf course lands to the City at no cost under the terms of an agreement known as the 40% Agreement. On February 19, 2021, ClubLink was notified that the Superior Court granted the City's application in part, but did not order ClubLink to withdraw its development applications. An expedited appeal by ClubLink was held on June 17, 2021 and on November 26, 2021, the Ontario Court of Appeal overturned the decision, concluding that certain provisions of the 40% Agreement are void and unenforceable. In summary, this means that ClubLink would not be required to give the golf course to the City of Ottawa if it ceased to operate it. The extent to which the Court of Appeal's decision affects other provisions of the 40% Agreement and related agreements has been remitted to the Superior Court. On January 25, 2022, the City of Ottawa filed an application for leave to appeal the Ontario Court of Appeal's decision to the Supreme Court of Canada and on February 28, 2022, ClubLink filed its response and a conditional cross-application. An Ontario Land Tribunal hearing for ClubLink's appeals of the development applications was conducted starting on January 17, 2022, concluding on February 14, 2022. On February 22, 2022, the Kanata Greenspace Protection Coalition filed a separate Superior Court application seeking orders that the 40% Agreement and another agreement constitute valid and enforceable restrictive covenants and that ClubLink's development applications contravene these instruments.

Woodlands Golf Club

ClubLink is working with 13th Floor (a local real estate developer based in south Florida) to explore development options at Woodlands Country Club in Tamarac, Florida. This process has been managed by Morguard as part of its management services arrangement. The development plan that has been submitted includes approximately 400 single family homes. The plan also contains over 160 acres of permanently preserved open space, including 40 new acres of lakes, a new community centre and gated entry ways among other features. This plan has been initially approved by the City of Tamarac, has obtained final approval of Broward County and the State of Florida and is awaiting final approval by the City of Tamarac. There is currently a dispute between the City of Tamarac and 13th Floor about the form of the meeting to conduct a final review and approval. It is unclear when this final meeting will be scheduled.

Islesmere Golf Club

ClubLink and its partner, which together own Club de Golf Islesmere in Laval, Quebec, are exploring sale options and have appointed a real estate broker to oversee the process.

ADDITIONAL INFORMATION

Additional information concerning the Company, as well as the Company's Annual Information Form is available on SEDAR (www.sedar.com) and the investor relations section of the Company's website (www.twcenterprises.ca).

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements (the "financial statements") and management's discussion and analysis of operations contained in this MD&A are the responsibility of the Company's management. To fulfill this responsibility, the Company maintains a system of internal controls to ensure that its reporting practices and accounting and administrative procedures are appropriate and provide assurance that relevant and reliable financial information is produced. The consolidated financial statements have been prepared in conformity with International Financial Reporting Standards and, where appropriate, reflect estimates based on management's best judgment in the circumstances. The financial information presented throughout this MD&A is consistent with the information contained in the consolidated financial statements.

Deloitte LLP, the independent auditor appointed by the shareholders, have audited the consolidated financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the shareholders their opinion on the consolidated financial statements. Their independent auditor's report is set out on the following page.

The consolidated financial statements have been further examined by the Board of Directors and by its Audit Committee, which meets regularly with the auditors and management to review the activities of each. The Audit Committee, which is comprised of three independent directors, who are not officers of the Company, reports to the Board of Directors.

K. (Rai) Sahi Chairman, President and Chief Executive Officer March 9, 2022	**Andrew Tamlin** Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and the Board of Directors of TWC Enterprises Limited

Opinion

We have audited the consolidated financial statements of TWC Enterprises Limited (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of earnings and comprehensive earnings, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Impairment Assessment of Long-Lived Assets – Southern Ontario/Muskoka Cash Generating Unit ("CGU") – Refer to Notes 2c, 2d, 10 and 11 to the financial statements

Key Audit Matter Description

When an impairment indicator has been identified for a CGU, the Company estimates the recoverable amount for the CGU and an impairment loss is recognized if the carrying amount exceeds the recoverable amount. The recoverable amount is determined based on the higher of value in use and fair value less costs to sell. Value in use is determined using a discounted cash flow model and fair value less costs to sell considers recent market transactions. An impairment indicator was identified for the Southern Ontario/Muskoka CGU and the determined recoverable amount exceeded its carrying value as of the measurement date and no impairment was recognized.

While there are several inputs that are required to determine the recoverable amount for the Southern Ontario/Muskoka CGU, the estimates and assumptions with the highest degree of subjectivity and judgment uncertainty are future revenue forecasts and discount rate. Auditing these estimates and assumptions required a high degree of subjectivity in applying audit procedures which resulted in an increased extent of audit effort, including the involvement of fair value specialists.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to future revenue forecasts and the discount rate used to determine the recoverable amount of the Southern Ontario/Muskoka CGU included the following, among others.

- Evaluated the reasonableness of the future revenue forecasts by comparing the forecasts to:
  - Historical results;
  - Internal communications to management and the Board of Directors, and;
  - Industry report and other relevant publicly available information.
- With the assistance of fair value specialists, evaluated the reasonableness of the discount rate by testing the source information underlying the determination of the discount rate and developing a range of independent estimates and comparing those to the discount rate selected by management.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Other Information

Management is responsible for the other information. The other information comprises:

• Management's Discussion and Analysis of Financial Condition and Results of Operations; and

• The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines 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, management is responsible for assessing the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS 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.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Terng Chen.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
March 9, 2022

(thousands of Canadian dollars)	Notes	**December 31, 2021**	December 31, 2020
ASSETS			
Current			
Cash and cash equivalents		**$ 91,395**	$ 57,217
Restricted cash		**944**	-
Accounts receivable	24	**5,143**	14,242
Mortgages and loans receivable	3, 24	**1,465**	21,314
Inventories and prepaid expenses	4	**4,211**	4,591
Other assets	7	**113,092**	69,847
Residential inventory	8	**86,094**	-
		302,344	167,211
Mortgages and loans receivable	3, 24	**1,532**	3,685
Other assets	7	**25,255**	25,114
Right-of-use assets	9	**6,262**	11,359
Property, plant and equipment	10	**398,482**	410,404
Intangible assets	11	**12,931**	14,609
Total assets		**$ 746,806**	$ 632,382
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	12	**$ 36,328**	$ 20,717
Lease liabilities	13	**4,507**	5,339
Borrowings	14	**39,182**	22,427
Prepaid annual dues and deposits		**33,019**	16,156
		113,036	64,639
Lease liabilities	13	**2,520**	7,020
Borrowings	14	**73,379**	95,773
Deferred membership fees	15	**3,976**	5,229
Deferred income tax liabilities	17	**50,507**	45,352
Total liabilities		**243,418**	218,013
Share capital	18	**100,530**	102,453
Retained earnings		**389,418**	307,830
Accumulated other comprehensive income		**4,757**	4,086
Non-controlling interest	6	**8,683**	-
Total shareholders' equity		**503,388**	414,369
Total liabilities and shareholders' equity		**$ 746,806**	$ 632,382

See Accompanying Notes

On behalf of the Board of Directors

K. (Rai) Sahi
Chairman, President and Chief Executive Officer

Donald Turple
Director

TWC Enterprises Limited
Consolidated Statements of Earnings and Comprehensive Earnings

For the years ended December 31, 2021 and 2020

(thousands of Canadian dollars, except per share amounts)	Notes	2021	2020
REVENUE			
Operating revenue		**$ 174,013**	$ 127,216
Amortization of membership fees	15	**4,404**	4,585
	16	**178,417**	131,801
EXPENSES			
Cost of sales		**42,881**	11,236
Labour and employee benefits		**44,387**	39,358
Utilities		**5,908**	7,049
Selling, general and administrative		**4,574**	3,906
Property taxes		**2,251**	3,401
Repairs and maintenance		**4,051**	3,184
Insurance		**3,103**	2,970
Turf operating expenses		**3,953**	3,179
Fuel and oil		**1,233**	908
Other operating expenses		**9,260**	8,114
Depreciation of right-of-use assets	9	**5,107**	5,154
Depreciation of property, plant and equipment	10	**12,660**	12,971
Amortization of intangible assets	11	**1,673**	1,124
Interest, net and investment income	19	**1,204**	3,609
Other items	20	**(74,763)**	21,458
		67,482	127,621
Earnings before income taxes		**110,935**	4,180
Income tax expense (recovery)	17		
Current		**16,112**	5,779
Deferred		**5,176**	(2,570)
		21,288	3,209
Net earnings		**89,647**	971
Unrealized foreign exchange gain (loss) in respect of foreign operations		**671**	(500)
Total comprehensive earnings		**$ 90,318**	$ 471
Weighted average shares outstanding (000)	18	**24,645**	25,981
Earnings per share - basic and diluted	18	**$ 3.64**	$ 0.04

(thousands of Canadian dollars)	2021	2020
Net earnings (loss) attributable to:		
Shareholders	**$ 89,942**	$ 971
Non-controlling interest (Note 6)	**(295)**	-
	$ 89,647	$ 971

See Accompanying Notes

For the years ended December 31, 2021 and 2020

(thousands of Canadian dollars, except common shares)	Notes	Common Shares	Share Capital	Retained Earnings	Accumulated Other Comprehensive Income	Non-controlling Interest	Total Shareholders' Equity
Balance, January 1, 2020		**26,735,620**	**$ 109,490**	**$ 322,454**	**$ 4,586**	**$ -**	**$436,530**
Activity during 2020							
Comprehensive earnings (loss)		-	-	971	(500)	-	471
Cash dividend	18B	-	-	(2,091)	-	-	(2,091)
Shares cancelled subject to normal course issuer bid	18C	(1,718,178)	(7,037)	(13,504)	-	-	(20,541)
Balance, December 31, 2020		**25,017,442**	**102,453**	**307,830**	**4,086**	**-**	**414,369**
Activity during 2021							
Comprehensive earnings (loss)		-	-	89,942	671	(295)	90,318
Cash dividend	18B	-	-	(1,975)	-	-	(1,975)
Shares cancelled subject to normal course issuer bid	18C	(469,518)	(1,923)	(6,379)	-	-	(8,302)
Asset acquisition	5, 6	-	-	-	-	8,978	8,978
Balance, December 31, 2021		**24,547,924**	**$ 100,530**	**$ 389,418**	**$ 4,757**	**$ 8,683**	**$503,388**

See Accompanying Notes

TWC Enterprises Limited
Consolidated Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(thousands of Canadian dollars)	Notes	**2021**	2020
OPERATING ACTIVITIES			
Net earnings		**$ 89,647**	$ 971
Items not affecting cash:			
Amortization of membership fees	15	**(4,404)**	(4,585)
Depreciation of right-of-use assets	9	**5,107**	5,154
Depreciation of property, plant and equipment	10	**12,660**	12,971
Amortization of intangible assets	11	**1,673**	1,124
Interest, net and investment income	19	**1,204**	3,609
Glen Abbey redevelopment charge	20	**9,785**	-
Unrealized foreign exchange loss (gain)	20	**207**	(1,256)
Unrealized loss (gain) on investment in marketable securities	20	**(30,360)**	7,311
Unrealized gain on real estate investments	20	**(9,311)**	-
Loss on sale of marketable securities	20	**-**	16,240
Gain on sale of property, plant and equipment	20	**(40,304)**	(1,416)
Equity income from investments in joint ventures	7	**(1,270)**	(115)
Income tax provision	17	**21,288**	3,209
Collection of membership fee instalments	15	**3,151**	2,501
Interest paid, net		**(1,158)**	(3,517)
Income taxes paid		**(7,295)**	(6,216)
Restricted cash	6	**(944)**	-
Accounts receivable		**9,014**	(5,857)
Inventories and prepaid expenses		**385**	628
Residential inventory, net		**(2,024)**	-
Accounts payable and accrued liabilities		**4,612**	(620)
Prepaid annual dues and deposits		**6,067**	2,842
Cash and cash equivalents provided by operating activities		**67,730**	32,978
INVESTING ACTIVITIES			
Operating property, plant and equipment expenditures	10	**(8,556)**	(6,046)
Expansion property, plant and equipment expenditures	10	**(2,266)**	(3,820)
Proceeds on sale of common shares in Carnival plc		**-**	5,825
Proceeds on sale of property, plant and equipment		**41,258**	4,517
Right-of-use assets	9	**(11)**	(194)
Asset acquisition cost	5	**(12,444)**	-
Cash acquired	5	**3,961**	-
Net investment in marketable securities		**(11,340)**	(15,653)
Real estate investments	7	**(10,047)**	-
Other long-term assets		**74**	597
Cash provided by (used in) investing activities		**629**	(14,774)
FINANCING ACTIVITIES			
Deferred financing costs		**(60)**	(60)
Revolving borrowings		**(17,818)**	8,089
Non-revolving borrowings - amortization payments		**(22,412)**	(20,956)
Lease liabilities		**(5,332)**	(4,880)
Mortgages and loans receivable		**22,002**	12,357
Shares repurchased for cancellation	18	**(8,302)**	(20,541)
Dividends paid	18	**(1,975)**	(2,091)
Cash used in financing activities		**(33,897)**	(28,082)
Net effect of currency translation adjustment on cash and cash equivalents		**(284)**	1,053
Net increase (decrease) in cash and cash equivalents during the year		**34,178**	(8,825)
Cash and cash equivalents, beginning of year		**57,217**	66,042
Cash and cash equivalents, end of year		**$ 91,395**	$ 57,217

See Accompanying Notes

1. NATURE OF OPERATIONS

TWC Enterprises Limited (the "Company" or "TWC") was formed under the laws of Canada. The Company's executive office is located at 15675 Dufferin Street, King City, Ontario L7B 1K5. TWC is a publicly traded company on the Toronto Stock Exchange ("TSX") under the symbol "TWC."

TWC is engaged in golf club operations under the trademark "ClubLink One Membership More Golf" ("ClubLink"). ClubLink is Canada's largest owner, operator and manager of golf clubs with 49½, 18-hole equivalent championship and 3½, 18-hole equivalent academy courses, at 37 locations in two separate geographical Regions: (a) Ontario/Quebec (including two managed properties) and (b) Florida. ClubLink's lease of the Bond Head property in Bond Head, Ontario (36 holes) concluded as of December 31, 2021 and as such the above totals will be reduced for the 2022 operating season.

The golf club operations located in the United States have a functional currency in United States ("US") dollars, which are translated into Canadian dollars for reporting purposes in these consolidated financial statements.

2. BASIS OF PRESENTATION

(A) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

These financial statements were authorized for issuance by the Board of Directors on March 9, 2022.

(B) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

(C) Significant accounting judgments and estimates

The preparation of financial statements that conform with IFRS requires management to make judgments and estimates and form assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The following section discusses the accounting estimates, judgments and assumptions that the Company has made and how they affect the amounts reported in the consolidated financial statements.

Judgment is commonly used in determining whether a balance or transaction should be recognized in the financial statements and estimates and assumptions are more commonly used in determining the measurement of recognized transactions and balances. However, judgments and estimates are often interrelated.

On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from management's judgments and estimates.

Amortization of membership fees

The weighted average remaining life of memberships sold by join year is used to recognize membership fee revenue. The membership fee revenue is amortized over the weighted average remaining membership life by year joined. The amortization period is reviewed annually and any adjustments are made prospectively. Subsequent to this amortization period, membership fees are recorded as revenue upon receipt. These amortization periods should decline each year by one year as each group gets one year older, producing a relatively uniform revenue stream from membership fees over the average remaining life of memberships sold by join year. However, these average ages may not decline on a consistent basis if a disproportionate amount of older or younger members decide to resign at any particular time or if there was a significant change in the demographic of new members. This could result in a deferral or acceleration of membership fee revenue, the amount of which would be dependent on the variability of the change in average ages. There was a reduction in the average membership life for the 2021 join year.

Property, plant and equipment

Property, plant and equipment are depreciated over their useful lives on a straight-line basis. The Company assesses on an annual basis the useful life and residual value of these assets, which are used in the calculation of depreciation expense. The useful lives assigned are disclosed in the list of accounting policies. Due to the relatively large proportion of these assets to total assets, the selection of the method of depreciation and the length of depreciation period could have a material impact on depreciation expense and net book value of property, plant and equipment.

When determining whether an asset is property, plant and equipment or an investment property, the original intent of the acquisition is considered in order to conclude as to which category is used.

2. BASIS OF PRESENTATION (continued)

(C) Significant accounting judgments and estimates (continued)

Intangible assets

Intangible assets includes amounts assigned to the membership base from past business combinations of member golf courses. These are amortized over a thirty year time frame. Inherent in this useful life is the estimate of the weighted average life of a member which is fifteen years, as well as the practice of our current members referring colleagues and family members as new ClubLink members. As part of the thirty year useful life amortization period, it is estimated that the average member (which typically has a fifteen year average life) will refer one other member for a combined thirty year useful life.

Impairment

Property, plant and equipment and intangible assets are reviewed for impairment at each reporting date or whenever events or changes in the circumstances indicate that the carrying amount of an asset may not be recoverable. Estimates are made in the assessment of any impairment calculation, which are described more fully in the accounting policy note.

The impairment process begins with the identification of the appropriate asset or cash-generating unit for purposes of impairment testing. Identification and measurement of any impairments are based on the asset's recoverable amount, which is the higher of its fair value less costs to sell and its value in use. Value in use is generally based on an estimate of discounted future cash flows. Judgment is required in determining the appropriate discount rate. In determining fair value less costs to sell, recent market transactions were considered. If no such comparable transaction could be identified, an appropriate valuation model was used. Assumptions must also be made about development potential of the land, future sales and market conditions over the long-term life of the assets or cash-generating unit.

During the quarter ended June 30, 2021, there was an indicator of impairment in regards to the Southern Ontario/Muskoka cash generating unit. Management concluded that there was no impairment after conducting an impairment review, as the recoverable amount exceeded its carrying value. In determining the recoverable amount, management used value in use in its assessment, and fair value less costs to sell for determining terminal value. Management applied judgement in its assumptions relating to development potential of the land and associated estimates, forecasts relating to golf revenue and memberships, and discount rates.

The Company cannot predict if an event that triggers impairment will occur, when it will occur or how it will affect reported asset amounts. Although estimates are reasonable and consistent with current conditions, internal planning and expected future operations, such estimates are subject to significant uncertainties and judgments. As a result, it is reasonably possible that the amounts reported for asset impairments could be different if different assumptions were used or if market and other conditions were to change. The changes could result in non-cash charges that could materially affect the Company's consolidated financial statements.

Income taxes

TWC records income taxes using the balance sheet liability method of accounting. Under this method, deferred income tax assets and liabilities are determined according to differences between the carrying amounts and tax bases of the assets and liabilities. Management uses judgment and estimates in determining the appropriate rates and amounts to record for deferred income taxes, giving consideration to timing and probability. Previously recorded tax assets and liabilities are remeasured using tax rates in effect when these differences are expected to reverse in accordance with enacted laws or those substantively enacted as at the date of the consolidated financial statements.

The Company operates in several tax jurisdictions. As a result, its income is subject to various rates of taxation. The complexity of tax regulations require assessments of uncertainties and judgments in estimating the taxes the Company will ultimately pay. While the Company believes that its positions and filings are appropriate and supportable, certain matters are periodically challenged by tax authorities. The final taxes paid are dependent upon many factors, including negotiations with taxing authorities in various jurisdictions and resolution of disputes arising from federal, provincial, state and local tax audits. The resolution of these uncertainties and the associated final taxes may result in adjustments to the Company's tax assets and tax liabilities and have a corresponding impact to net earnings.

Contingencies

The Company is exposed to possible losses and gains related to environmental matters and other various claims and lawsuits pending for and against it in the ordinary course of business. Prediction of the outcome of such uncertain events (i.e., being virtually certain, probable, remote or undeterminable), determination of whether recognition or disclosure in the consolidated financial statements is required and estimation of potential financial effects are matters for judgment. Where no amounts are recognized, such amounts are contingent and disclosure may be appropriate. While the amount disclosed in the consolidated financial statements may not be material, the potential for large liabilities exists and therefore these estimates could have a material impact on the Company's consolidated financial statements.

2. BASIS OF PRESENTATION (continued)

(D) Accounting policies

The following are the Company's accounting policies under IFRS:

Scope of consolidation

The consolidated financial statements of TWC, as the parent company, include the accounts of all entities that are controlled directly or indirectly by the Company. This includes the following wholly-owned major operating subsidiaries: ClubLink Corporation ULC and ClubLink US LLC and their respective subsidiaries. Starting in the second quarter of 2021, the Highland Gate project is being consolidated as described in Note 5. Control is achieved when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Intercompany transactions between subsidiaries are eliminated on consolidation.

Accounts receivable

Amounts are recorded at fair value less an allowance for doubtful accounts. In assessing the allowance, consideration is given to the financial solvency of specific customers and performing an evaluation of the remaining receivables according to their default risk primarily based on the age of the receivable and historical loss experience. Account balances are written off against the allowance after all collection efforts have been exhausted and the likelihood of recovery is considered remote. Recoveries are credited back to the allowance account.

Inventories

Inventories are stated at the lower of cost and net realizable value and consist of food, beverages and merchandise. Cost of sales represents the amount of inventories expensed during the year. Cost of sales are determined on a weighted-average basis.

Residential Inventory

Residential inventory, which is developed for sale in the ordinary course of business within the normal operating cycle, is stated at the lower of cost and estimated net realizable value and includes land acquisition, development and construction costs. Residential inventory is reviewed for impairment at each reporting date. An impairment loss is recognized as an expense when the carrying value of the property exceeds its net realizable value. Net realizable value is based on projections of future cash flows, which take into account the development plans for each project and management's best estimate of the most probable set of anticipated economic conditions.

The cost of residential inventory includes borrowing costs directly attributable to projects under active development. Residential inventory is presented separately on the consolidated balance sheets as current assets, as the Company intends to sell these assets in the ordinary course of business within the normal operating cycle.

The revenue generated from contracts with customers on the sale of residential units is recognized at a point in time when control of the asset has transferred to the purchaser (i.e., generally, when the purchaser takes possession of the home) as the purchaser has the ability to direct the use of and obtain substantially all of the remaining benefits from the asset. The amount of revenue recognized is based on the transaction price included in the purchasers' contracts. Any funds received prior to the purchasers taking possession of their respective assets are recognized as prepaid deposits (contractual liability).

Property, plant and equipment

Property, plant and equipment ("PP&E") is recorded at cost less impairment and accumulated depreciation.

PP&E include land and improvements thereto, buildings and related equipment. Operating PP&E, including assets under finance lease, are depreciated on a straight-line basis over their estimated useful lives as follows:

Land	Not depreciated
Buildings and land improvements	25 - 60 years
Bunkers, cart paths and irrigation	20 years
Equipment	5 - 30 years

PP&E include properties under construction or held for future development. TWC capitalizes all direct costs relating to the development and construction of these properties. TWC also capitalizes interest and direct project development and management costs during construction of qualifying assets.

2. BASIS OF PRESENTATION (continued)

(D) Accounting policies (continued)

Intangible assets

Purchased intangible assets with finite useful lives are recorded at acquisition cost and amortized on a straight-line basis over their estimated useful life. All of TWC's intangible assets have estimable useful lives and are therefore subject to amortization.

Intangible assets are amortized on a straight-line basis as follows:
Membership base ....30 years
Brand ....30 years
Below market rent terms ....over the length of the lease

Business Combinations and Acquisition of Property

At the time of acquisition of property, whether through a controlling share investment or directly, the Company considers whether the acquisition represents the acquisition of a business. The Company accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. More specifically, consideration is made of the extent to which significant processes are acquired. If no significant processes, or only insignificant processes, are acquired, the acquisition is treated as an asset acquisition rather than a business combination.

The Company has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met and the acquisition can be treated as an asset acquisition, if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the acquisition date. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. The difference between the purchase price and the Company's net fair value of the acquired identifiable net assets and liabilities is goodwill. Goodwill is not amortized and must be tested for impairment at least annually, or more frequently, if events or changes in circumstances indicate that impairment has occurred. The Company expenses transaction costs associated with business combinations in the period incurred.

When an acquisition does not meet the criteria for a business combination, it is accounted for as an acquisition of a group of assets and liabilities, the cost of which includes transaction costs that are allocated to the assets and liabilities acquired based upon their relative fair values. No goodwill is recognized for asset acquisitions.

Impairment of long-lived assets

The Company reviews long-lived assets such as property, plant and equipment and acquired intangible assets, for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable.

The Company assesses recoverability of these assets by comparing their carrying amount to the recoverable amount, which is the higher of value in use and fair value less costs to sell. Where the carrying amount of an asset or a group of assets exceeds its recoverable amount, the asset is considered to be impaired, and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or group of assets' recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

Accounts payable, borrowings and other liabilities

Trade payables and other non-derivative financial liabilities are recognized initially at fair value and in the case of borrowings include attributable transaction costs.

2. BASIS OF PRESENTATION (continued)

(D) Accounting policies (continued)

Deferred income taxes

The Company uses the balance sheet liability method of accounting for deferred income taxes. Temporary differences arising from the difference between the tax base of an asset or liability and its carrying amount on the consolidated balance sheets and unutilized tax losses are used to calculate deferred income tax liabilities or assets. Deferred income tax liabilities and assets are calculated using the substantively enacted tax rates and laws that are expected to be in effect in the periods that the temporary differences are expected to reverse. The effect of changes in tax rates is included in earnings in the period, which includes the substantive enactment.

Foreign currency translation

(a) Functional currency and currency translation account

The functional currency of TWC and its subsidiaries is the local currency. The assets and liabilities of TWC's foreign operations where the functional currency is not the Canadian dollar are translated using the rate of exchange at the balance sheet date, whereas revenue and expenses are translated using average exchange rates during the respective periods. The resulting foreign currency translation adjustments are included in accumulated other comprehensive earnings or loss. The accumulated balance of the foreign currency translation reserve reflects the differences since January 1, 2010, the transition date to IFRS. When a foreign operation is disposed of, the foreign currency translation adjustment applicable to that entity is recognized in the consolidated statement of earnings.

(b) Local currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the entity at the applicable exchange rate on the date of each transaction. Monetary assets and liabilities that are denominated in foreign currencies other than the functional local currency are translated at the year-end closing rate with the resulting gains and losses reflected in the consolidated statement of earnings.

(c) Cash flow statement

Operating, investing and financing cash flows are translated using average exchange rates during the respective periods. The effects on cash due to fluctuations in exchange rates are shown in a separate line in the consolidated statement of cash flows.

Financial instruments

Financial assets must be classified and measured based on three categories: amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL"). Financial liabilities are classified and measured based on two categories: amortized cost and FVTPL. Initially, all financial assets and financial liabilities are recorded in the consolidated balance sheets at fair value. After initial recognition, the effective interest related to financial assets and liabilities measured at amortized cost and the gain or loss arising from the change in the fair value of financial assets or liabilities classified as FVTPL are included in net income for the year in which they arise. At each consolidated balance sheet date, financial assets measured at amortized cost or at FVTOCI, except for investment in equity instruments, require an impairment analysis using the expected credit loss model ("ECL model") to determine the expected credit losses using judgment determined on a probability weighting basis.

The following is a summary of the accounting model the Company applies to each of its significant categories of financial instruments:

Balance Sheet Classification	**Financial Instrument Designation**
Cash and cash equivalents	Amortized cost
Accounts receivable	Amortized cost
Investments	FVTPL
Mortgages and loans receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Borrowings	Amortized cost

2. BASIS OF PRESENTATION (continued)

(D) Accounting policies (continued)

Financial instruments (continued)

Transaction costs related to the Company's borrowings are netted against the related liability and are expensed using the effective interest method.

The fair value of financial instruments that are not quoted in an active market is determined by applying various valuation techniques with maximum use of observable market inputs. The valuation techniques used are discounted cash flows, option pricing models, valuations with reference to recent transactions in the same instrument and valuation with reference to other financial instruments that are substantially the same.

An item may only be designated in a hedging relationship if changes in fair value of the hedging item are expected to offset virtually all changes in fair value of the hedged item attributable to the hedged risk. This offsetting must be expected at inception of the hedge and throughout the hedging period.

The Company formally documents all relationships between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents and assesses, both at hedge inception and on an ongoing basis, whether the derivative financial instruments that are used in hedging transactions are highly effective in offsetting expected changes in the hedged items.

Gains and losses on derivative financial instruments that are not designated in a hedging relationship and gains and losses related to the "ineffective" portion of effective hedges are recognized in other operating income and expenses.

Hedge accounting is discontinued prospectively if the hedging instrument or hedged item is terminated or sold, or if it is determined that the hedging instrument is no longer effective.

The Company has no hedges at either December 31, 2020 or December 31, 2021.

Share capital

Repurchased common shares are recorded at acquisition cost and are presented as a deduction from shareholders' equity. On retirement of treasury shares, any excess over the calculated average issue price is charged to retained earnings.

Revenue recognition

Golf club operations revenue includes annual dues (recognized on a daily basis as earned when the Company is allowed to operate) and sales to members and customers of green fees, cart rentals, food and beverage, merchandise and room rentals, which are all recognized when the service is provided. The Company recognizes its annual dues revenue on a straight-line basis throughout the year based on when its properties are open and services are provided. Membership fee revenue is amortized over the estimated weighted average remaining membership life by year joined. Subsequent to this amortization period, membership fees are recorded as revenue upon receipt.

Non-monetary transactions

The Company records non-monetary transactions at the fair value of the assets or services exchanged unless the exchange transaction lacks commercial substance or the fair value of neither the asset or service received nor the asset or service given up is reliably measurable.

The Company has recorded $608,000 (2020 – $462,000) of operating revenue relating to non-monetary transactions.

Lease payments

The Company is a lessee of property, plant and equipment, mainly leased golf clubs, under leases that do not transfer the substantive risks and rewards of ownership.

At the commencement date of a lease, a lessee will recognize a liability to make lease payments and an asset representing the right-of-use to use the underlying asset during the lease term. Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Earnings per share

Basic earnings per share is calculated by dividing net earnings by the weighted average number of common shares outstanding during the year. Diluted earnings per share is calculated using the treasury stock method.

2. BASIS OF PRESENTATION (continued)

(D) Accounting policies (continued)

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in joint ventures are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the joint venture since the acquisition date. The consolidated statement of income reflects the Company's share of the results of operations of the joint venture. Any change in other comprehensive income of the joint venture is presented as part of the Company's consolidated statement of comprehensive earnings.

When the Company's share of losses of a joint venture exceeds the Company's interest in that joint venture, the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the joint venture.

When the Company transacts with a joint venture, profits and losses resulting from the transactions are recognized in the Company's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Company.

Subsidies

As per IAS 20, Government Grants, the Company recognizes government assistance, in the form of grants or forgivable loans, when there is reasonable assurance that the Company will be able to comply with the conditions attached to the assistance and that the assistance will be received. Government assistance that compensates the Company for expenses incurred is recognized in the Consolidated Statements of Earnings and Comprehensive Earnings, as a reduction of the related expense, in the periods in which the expenses are recognized.

On April 11, 2020, the Government of Canada passed the Canada Emergency Wage Subsidy ("CEWS") to support employers experiencing certain revenue declines as a result of the COVID-19 pandemic. The Company applied from March 15, 2020, and will continue to apply as long as it is eligible. For the year ended December 31, 2021, the Company recognized a recovery of labour and employee benefit expenses of $9,283,000 (December 31, 2020 - $11,948,000).

3. MORTGAGES AND LOANS RECEIVABLE

Mortgages and loans receivable consist of the following:

(thousands of Canadian dollars)	**2021**	2020
Vendor take-back mortgages	**$ 2,997**	$ 4,199
Related party receivable (Note 21)	**-**	20,800
	2,997	24,999
Less: current portion	**1,465**	21,314
	$ 1,532	$ 3,685

The vendor take-back mortgages have maturity dates to June 2023 and have an average fixed interest rate of 6.05% (2020 – 5.95%).

4. INVENTORIES AND PREPAID EXPENSES

Inventories and prepaid expenses consist of the following:

(thousands of Canadian dollars)	**2021**	2020
Merchandise and supplies	**$ 2,716**	$ 3,036
Food and beverage	**668**	610
Other	**827**	945
	$ 4,211	$ 4,591

5. ASSET ACQUISITION

On April 14, 2021, ClubLink purchased a 25% profit participation interest in the Highland Gate project from one of its project partners for $12,000,000 cash excluding transaction costs. Transaction costs (primarily land transfer tax) amounted to $444,000 and were capitalized to residential inventory. The partner had $8,464,000 equity into the project. Including previous profit participation positions, ClubLink is now entitled to 83.33% of the project's profits. The difference between the purchase price and the net equity position in the project has been allocated to residential inventory.

This transaction was accounted for as an asset acquisition. The Company's investment in Highland Gate was previously accounted for as an equity method investment from December 16, 2014 to April 13, 2021 as the Company had determined that it had joint control during that period. During that period the Company could only nominate one of the two directors for this asset, and decisions needed to be unanimous. Therefore, Highland Gate was considered to be jointly controlled and was accounted for as a joint venture until the most recent acquisition through which the Company obtained effective control.

The Company has allocated the purchase price of the Highland Gate acquisition as follows:

(thousands of Canadian dollars)	April 14, 2021
Cash and cash equivalents	$ 3,961
Accounts receivable	278
Inventories and prepaid expenses	5
Residential inventory	84,070
Accounts payable and accrued liabilities	(2,729)
Borrowings	(34,539)
Prepaid annual dues and deposits	(10,796)
Net assets acquired	$ 40,250
Considerations paid in cash	$ 12,000
Transaction costs	444
Non-controlling interest (Note 6)	8,978
Previously held interest (Note 7)	18,828
Total purchase consideration	$ 40,250

6. NON-CONTROLLING INTEREST

As a result of the Highland Gate acquisition on April 14, 2021, ClubLink is now entitled to 83.33% of the project's profits and is consolidating the Highland Gate results. The remaining 16.67% profit participation interest is attributable to non-controlling interests. Summarized financial information in respect of the non-controlling interest in Highland Gate is as follows:

(thousands of Canadian dollars)	**2021**	2020
Cash and cash equivalents	**$ 160**	$ -
Restricted cash	**944**	-
Accounts receivable	**108**	-
Residential inventory (Note 8)	**86,094**	-
Inventories and prepaid expenses	**5**	-
Total assets	**$ 87,311**	$ -
Accounts payable and accrued liabilities	**$ 7,492**	$ -
Prepaid annual dues and deposits	**16,445**	-
Borrowings	**24,810**	-
Total liabilities	**48,747**	-
Partner capital	**31,352**	-
Retained earnings deficit	**(1,471)**	-
Non-controlling interest	**8,683**	-
Total shareholders' equity	**38,564**	-
Total liabilities and shareholders' equity	**$ 87,311**	**$** -

6. NON-CONTROLLING INTEREST (continued)

(thousands of Canadian dollars)	**2021**	2020
Revenue	**$ 26,572**	$ -
Operating cost of goods sold	**(25,941)**	-
Cost of goods sold - amortization (Note 8)	**(2,397)**	-
Loss for the year	**$ (1,766)**	$ -
Loss attributable to shareholders	**$ (1,471)**	-
Loss attributable to non-controlling interests	**(295)**	-
Loss for the year	**$ (1,766)**	-

(thousands of Canadian dollars)	**2021**	2020
Balance, beginning of year	**$ -**	$ -
Non-controlling interest arising on consolidation (Note 5)	**8,978**	-
Share of loss for the year	**(295)**	-
Balance, end of year	**$ 8,683**	$ -

7. OTHER ASSETS

Other assets consist of the following:

(thousands of Canadian dollars)	**2021**	2020
Investment in joint ventures	**$ 5,422**	$ 22,996
Investment in Automotive Properties REIT (7,564,650 units; December 31, 2020 - 6,521,657 units)	**113,092**	69,847
Investment in other marketable securities	**-**	1,531
Real estate fund investments (US$15,203,000; December 31, 2020 - nil)	**19,274**	-
Other	**559**	587
	138,347	94,961
Less: current portion	**113,092**	69,847
	$ 25,255	$ 25,114

The Company's investment in joint ventures consist of the following:

(thousands of Canadian dollars)	**2021**	2020
Balance, beginning of year	**$ 22,996**	$ 23,492
Equity income	**1,270**	115
Transfer resulting from acquisition (Note 5)	**(18,828)**	-
Net return of capital on investments	**(16)**	(611)
Balance, end of year	**$ 5,422**	$ 22,996

On August 16, 2019, TWC purchased a 50% interest in a real estate management company and various real estate housing investments with ownership percentages ranging from 11.67% to 23.33% for $14,501,000. This purchase price was broken down into a cash outlay of $9,236,000 and promissory notes in the amount of $5,265,000. Included in this acquisition was an 8.33% profit participation interest in the Highland Gate project, which is now being consolidated (see Note 5).

Control of the real estate management company and the various real estate housing investments is shared with TWC's partners and are considered to be joint ventures which are to be accounted for using the equity accounting method. The real estate management company manages the real estate housing investments acquired.

7. OTHER ASSETS (continued)

Summarized financial information for the real estate management company and the real estate housing investments at 100% and TWC's ownership interest is provided below:

			2021	2020
(thousands of Canadian dollars)	Real Estate Management Company	Real Estate Housing Investments	**Total**	Total
Current assets	$ 5,836	$ 2,813	**$ 8,649**	$ 7,466
Related party	(36)	(22)	**(58)**	200
Land and other long-term assets	1,657	49,870	**51,527**	112,770
Secured project debt	-	(11,997)	**(11,997)**	(41,433)
Loan from TWC	-	-	**-**	(800)
Liabilities	(2,983)	(17,718)	**(20,701)**	(19,416)
Net assets at 100%	4,474	22,946	**27,420**	58,787
Net assets at Company's share	2,237	3,182	**5,419**	24,282
Return of capital investments to date	-	3	**3**	(611)
Deferred profit	-	-	**-**	(675)
Net assets attributable to TWC	$ 2,237	$ 3,185	**$ 5,422**	$ 22,996
Net assets attributable to partners	$ 2,237	$ 19,761	**$ 21,998**	$ 35,791
Equity income (loss)	$ 1,352	$ (82)	**$ 1,270**	$ 115

TWC has committed US$10,000,000 towards a real estate fund based out of Florida. As at December 31, 2021, there has been US$3,425,000 (CDN$4,342,000) in capital calls paid towards this commitment. Outside of the fund, the Company made an investment of US$4,500,000 (CDN$5,705,000) in one of the fund investment opportunities. A total amount of unrealized gains in the amount of US$7,278,000 (CDN$9,227,000) has been recorded on these investments at December 31, 2021.

8. RESIDENTIAL INVENTORY

Residential inventory is comprised of land, development, servicing and construction costs in relation to the construction of homes in the Highland Gate project and consists of the following:

(thousands of Canadian dollars)	**Total**
At January 1, 2021	**$ -**
Amount arising on consolidation (Note 5)	**84,070**
Additions	**30,362**
Operating cost of goods sold	**(25,941)**
Cost of goods sold - amortization	**(2,397)**
At December 31, 2021	**$ 86,094**

The Company's investment in Highland Gate is managed by Geranium Homes. Highland Gate is the development of a former golf course in Aurora, Ontario and includes 158 single family detached homes and a seven story multi-unit residential building with 114 units. During 2021 there were 17 closings of the first phase of this project.

The cost of goods sold includes the amortization of the purchase price of both the 2019 and 2021 tranches purchased by ClubLink in this project in addition to the recorded minority interest.

9. RIGHT-OF-USE ASSETS

Right-of-use assets consists of the following:

(thousands of Canadian dollars)	Land and Buildings	Equipment	**Total**
At January 1, 2020	$ 15,960	$ 358	**$ 16,318**
Additions	-	194	**194**
Depreciation	(4,944)	(210)	**(5,154)**
Foreign exchange	-	1	**1**
At December 31, 2020	11,016	343	**11,359**
Additions	-	11	**11**
Depreciation	(4,947)	(160)	**(5,107)**
Foreign exchange	-	(1)	**(1)**
At December 31, 2021	$ 6,069	$ 193	**$ 6,262**

10. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

(thousands of Canadian dollars)	Land	Buildings and Land Improvements	Bunkers, Cart Paths and Irrigation	Equipment	**Total**
Cost					
At January 1, 2020	$ 292,433	$ 157,343	$ 104,944	$ 89,429	**$ 644,149**
Additions	617	4,048	1,659	3,542	**9,866**
Disposals	(2,395)	(1,561)	(691)	(3,560)	**(8,207)**
Foreign exchange difference	(212)	(192)	(168)	(135)	**(707)**
At December 31, 2020	290,443	159,638	105,744	89,276	**645,101**
Additions	2,290	272	1,516	6,744	**10,822**
Disposals	(11,211)	(897)	(1,750)	(3,841)	**(17,699)**
Impairment reversal	1,426	897	1,738	971	**5,032**
Foreign exchange difference	(41)	(39)	(34)	(37)	**(151)**
At December 31, 2021	$ 282,907	$ 159,871	$ 107,214	$ 93,113	**$ 643,105**
Accumulated Depreciation					
At January 1, 2020	$ -	$ 77,631	$ 78,894	$ 70,318	**$ 226,843**
Depreciation	-	5,101	4,234	3,636	**12,971**
Disposals	-	(487)	(642)	(3,678)	**(4,807)**
Foreign exchange difference	-	(79)	(109)	(122)	**(310)**
At December 31, 2020	-	82,166	82,377	70,154	**234,697**
Depreciation	-	4,039	3,679	4,942	**12,660**
Disposals	-	(276)	(1,169)	(3,630)	**(5,075)**
Impairment reversal	-	276	1,163	951	**2,390**
Foreign exchange difference	-	(11)	(13)	(25)	**(49)**
At December 31, 2021	$ -	$ 86,194	$ 86,037	$ 72,392	**$ 244,623**
Net book value at December 31, 2020	$ 290,443	$ 77,472	$ 23,367	$ 19,122	**$ 410,404**
Net book value at December 31, 2021	$ 282,907	$ 73,677	$ 21,177	$ 20,721	**$ 398,482**

Certain property, plant and equipment have been assigned as collateral for borrowings (Note 14).

Due to the withdrawal of the Glen Abbey redevelopment appeals, $9,785,000 in capitalized development costs in relation to Glen Abbey have been expensed to Other Items (Note 20).

On October 8, 2021, the Company sold Heron Bay Golf Club for net proceeds of $40,235,000 (US$31,736,000). Immediately prior to the sale, the carrying amount of Heron Bay was re-measured to its recoverable amount. As a result, the Company recorded an impairment reversal pertaining to the 2018 impairment charge on this property. The impairment reversal was recorded at a value of $2,642,000 (US$2,074,000) representing the amount of what would have otherwise subsequently been depreciated from January 1, 2019 to September 30, 2021 prior to the sale.

Proceeds collected on the sale of various pieces of miscellaneous equipment amounted to $1,023,000 (2020 - $320,000).

11. INTANGIBLE ASSETS

Intangible assets consist of the following:

(thousands of Canadian dollars)	Membership Base	Brand	Other	**Total Intangible Assets**
Cost				
At January 1, 2020	$ 12,171	$ 13,477	$ 2,437	**$ 28,085**
Foreign exchange difference	(40)	-	(4)	**(44)**
At December 31, 2020	12,131	13,477	2,433	**28,041**
Foreign exchange difference	(9)	-	(1)	**(10)**
At December 31, 2021	$ 12,122	$ 13,477	$ 2,432	**$ 28,031**
Accumulated amortization				
At January 1, 2020	$ 5,095	$ 5,048	$ 2,195	**$ 12,338**
Amortization	518	485	121	**1,124**
Foreign exchange difference	(26)	-	(4)	**(30)**
At December 31, 2020	5,587	5,533	2,312	**13,432**
Amortization	677	875	121	**1,673**
Foreign exchange difference	(4)	-	(1)	**(5)**
At December 31, 2021	$ 6,260	$ 6,408	$ 2,432	**$ 15,100**
Net book value at December 31, 2020	$ 6,544	$ 7,944	$ 121	**$ 14,609**
Net book value at December 31, 2021	$ 5,862	$ 7,069	$ -	**$ 12,931**

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

(thousands of Canadian dollars)	**2021**	2020
Trade payables	**$ 8,848**	$ 2,680
Accrued payroll costs	**3,269**	2,619
Accrued interest	**492**	625
Income taxes payable	**12,425**	4,885
Cost to complete (Highland Gate)	**1,324**	-
Accrued liabilities and other	**9,970**	9,908
	$ 36,328	$ 20,717

13. LEASE LIABILITIES

The following table represents the change in the balance of the Company's lease liabilities:

(thousands of Canadian dollars)	Land and Buildings	Equipment	**Total**
At January 1, 2020	$ 16,531	$ 710	**$ 17,241**
Additions	-	194	**194**
Interest expense	847	48	**895**
Lease payments	(5,503)	(472)	**(5,975)**
Foreign exchange	-	4	**4**
At December 31, 2020	11,875	484	**12,359**
Additions	-	11	**11**
Interest expense	557	24	**581**
Lease payments	(5,615)	(308)	**(5,923)**
Foreign exchange	-	(1)	**(1)**
At December 31, 2021	6,817	210	**7,027**
Less: current portion	4,366	141	**4,507**
	$ 2,451	$ 69	**$ 2,520**

Future minimum payments of lease liabilities are as follows:

(thousands of Canadian dollars)	Lease Liabilities	Interest	**Total Minimum Lease Payments**
2022	$ 4,507	$ 279	**$ 4,786**
2023	1,183	114	**1,297**
2024	1,248	41	**1,289**
2025	10	5	**15**
2026	11	4	**15**
2027 and thereafter	68	12	**80**
	$ 7,027	$ 455	**$ 7,482**

The above lease liabilities have a weighted average interest rate of 6.1% (2020 - 6.1%).

Land Lease Rent

TWC has certain golf clubs that it operates, which are under lease arrangements. The following are the golf clubs under lease with expiration dates:

- The Country Club: December 31, 2022
- National Pines Golf Club: November 15, 2024

During 2021, the Company paid $483,000 (2020 - $4,000) in percentage rent in addition to the land lease commitments described above.

14. BORROWINGS

Borrowings consist of the following:

(thousands of Canadian dollars)	**2021**	2020
Secured revolving operating line of credit to a maximum of $50,000,000 due September 11, 2022	**$ -**	$ 8,089
Highland Gate syndicated credit facilities to a maximum of $107,000,000		
Servicing facility - Phase 1: due on demand - maturing October 31, 2022		
Prime rate loan (Prime + 1.25%)	**434**	-
BA loan (Stamping fees @ 2.50%)	**16,000**	-
Servicing facility - Phase 2: due on demand - maturing June 30, 2023		
Prime rate loan (Prime + 1.25%)	**76**	-
BA loan (Stamping fees @ 2.50%)	**8,300**	-
	24,810	-
Mortgages with blended monthly payments of principal and interest		
8.345% Mortgages due July 1, 2022	**1,577**	4,110
7.550% Mortgage due July 1, 2022	**187**	488
7.416% Mortgages due September 1, 2023	**5,973**	9,056
7.268% Mortgage due July 1, 2024	**3,346**	4,482
8.060% Mortgage due July 1, 2024	**18,047**	24,155
6.194% Mortgage due March 1, 2026	**21,161**	25,383
6.315% Mortgage due December 1, 2027	**22,408**	25,387
8.000% Mortgage due October 1, 2029 (US$9,702,000; December 31, 2020 - US$10,324,000; September 30, 2020 - US$10,523,000)	**12,026**	13,144
Other - maturing from August 16, 2022 to August 16, 2024	**3,316**	4,315
	88,041	118,609
Gross borrowings	**112,851**	118,609
Less: deferred financing costs	**290**	409
Borrowings	**112,561**	118,200
Less: current portion	**39,182**	22,427
	$ 73,379	$ 95,773

Note a: As at December 31, 2021, there are $1,018,000 (2020 – $1,018,000) in letters of credit issued, representing unavailable funds and there is availability of $48,982,000 (2020 – $40,893,000) under this facility. This is a revolving operating line of credit with a two-year term and provisions for annual one-year extensions. This facility bears interest at bankers' acceptance rates plus 1.60% or 2.15% (2020 – 2.16%).

Borrowings are collateralized by certain property, plant and equipment assets (Note 10).

Minimum principal debt repayments for the next five years and thereafter are as follows:

(thousands of Canadian dollars)	Highland Gate	Corporate Borrowings	**Total Borrowings**
2022	$ 16,434	$ 22,748	**$ 39,182**
2023	8,376	21,560	**29,936**
2024	-	16,384	**16,384**
2025	-	10,700	**10,700**
2026	-	7,068	**7,068**
2027 and thereafter	-	9,581	**9,581**
	$ 24,810	$ 88,041	**$ 112,851**

15. DEFERRED MEMBERSHIP FEES

Deferred membership fees consist of the following:

(thousands of Canadian dollars)	**2021**	2020
Unamortized membership fees (Note 15A)	**$ 37,258**	$ 30,479
Future membership fee instalments (Note 15B)	**(33,282)**	(25,250)
Deferred membership fees	**$ 3,976**	$ 5,229

Unamortized membership fees represents the portion of collected or committed membership fees that have not been booked as revenue.

Future membership fee instalments represents the amount of uncollected committed membership fee instalments. The Company forgives future instalments upon resignation of a member.

The net deferred membership fees represents the excess of membership fees collected over membership fee revenue recognized.

(A) Changes in unamortized membership fees are as follows:

(thousands of Canadian dollars)	**2021**	2020
Balance, beginning of year	**$ 30,479**	$ 28,726
Sales to new members	**11,398**	8,751
Transfer and reinstatement fees	**3,076**	1,333
Resignations and terminations	**(3,289)**	(3,626)
Amortization of membership fees to revenue	**(4,404)**	(4,585)
Sale of Greenhills Golf Club	**-**	(104)
Exchange difference	**(2)**	(16)
Balance, end of year	**$ 37,258**	$ 30,479

(B) Changes in future membership fee instalments are as follows:

(thousands of Canadian dollars)	**2021**	2020
Balance, beginning of year	**$ 25,250**	$ 21,364
Sales to new members	**11,398**	8,751
Transfer and reinstatement fees	**3,076**	1,333
Resignations and terminations	**(3,289)**	(3,626)
Instalments received in cash	**(3,151)**	(2,501)
Sale of Greenhills Golf Club	**-**	(52)
Exchange difference	**(2)**	(19)
Balance, end of year	**$ 33,282**	$ 25,250

16. REVENUE

Revenue consists of the following:

	Year ended December 31, 2021				Year ended December 31, 2020		
(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Other (Highland Gate)	**Total**	Canadian Golf Club Operations	US Golf Club Operations	**Total**
Annual dues	$ 56,508	$ 5,952	$ -	**$ 62,460**	$ 48,081	$ 6,215	**$ 54,296**
Golf	35,574	10,025	-	**45,599**	33,241	9,432	**42,673**
Corporate events	3,315	227	-	**3,542**	2,167	160	**2,327**
Membership fees	4,115	289	-	**4,404**	4,239	346	**4,585**
Food and beverage	17,637	1,763	-	**19,400**	14,642	1,428	**16,070**
Merchandise	10,932	715	-	**11,647**	7,941	603	**8,544**
Real estate sales	-	-	26,572	**26,572**	-	-	**-**
Rooms and other	4,825	(32)	-	**4,793**	3,360	(54)	**3,306**
	$ 132,906	$ 18,939	$ 26,572	**$178,417**	$ 113,671	$ 18,130	**$131,801**

17. INCOME TAXES

(A) Income tax provision

The provision for income taxes differs from the expected amount calculated by applying the Canadian combined federal and provincial corporate income tax rates to earnings before income taxes. The major components of these differences are explained as follows:

(thousands of Canadian dollars)	**2021**	2020
Earnings before income taxes	**$ 110,935**	$ 4,180
Expected corporate tax rate	**26.50%**	26.50%
Calculated income tax provision	**29,398**	1,108
Difference in statutory tax rates	**(1,199)**	26
Capital items	**(4,513)**	2,473
Foreign exchange	**420**	(61)
Permanent differences	**310**	59
Previously unrecognized tax losses	**(2,888)**	-
Unbenefited operating losses	**-**	339
Other	**(240)**	(735)
Total tax expense	**$ 21,288**	$ 3,209

The tax rate used for the 2021 and 2020 reconciliations above is the corporate rate of 26.50% payable by corporate entities in Ontario, Canada.

(B) Deferred income tax liabilities

The tax effects of temporary differences that give rise to the deferred income tax assets and liabilities are summarized as below:

(thousands of Canadian dollars)	Capital/ Intangible Assets and Other	Investments	Foreign Exchange	**Total**
Balance, January 1, 2020	$ 45,558	$ 2,656	$ (286)	**$ 47,928**
Recognized in earnings	(2,022)	(409)	(139)	**(2,570)**
Recognized in equity through comprehensive earnings	(6)	-	-	**(6)**
As at December 31, 2020	43,530	2,247	(425)	**45,352**
Recognized in earnings	486	4,626	54	**5,166**
Recognized in equity through comprehensive earnings	(11)	-	-	**(11)**
As at December 31, 2021	$ 44,005	$ 6,873	$ (371)	**$ 50,507**

17. INCOME TAXES (continued)

(B) Deferred income tax liabilities (continued)

There are no unused tax losses on which the deferred tax assets have been recognized as at December 31, 2021 (2020 - nil).

As at December 31, 2021, the Company had temporary differences of $1,394,000 (2020 - $43,000) associated with investments in joint ventures for which no deferred tax liabilities have been recognized, as the Company is able to control the timing of the reversal of these temporary differences and it is not probable that these differences will reverse in the foreseeable future.

18. SHARE CAPITAL

(A) Authorized and issued share capital

The authorized share capital is an unlimited number of common shares and preferred shares. As at December 31, 2021, there are 24,547,924 common shares outstanding (December 31, 2020 - 25,017,442). As at December 31, 2021, no preferred shares have been issued. Please refer to the consolidated statements of changes in shareholders' equity for details.

(B) Dividends

During 2020, ClubLink declared and paid four quarterly cash dividends of 2 cents per common share for a total of 8 cents per common share or $2,091,000 for the year.

During 2021, TWC declared and paid four quarterly cash dividends of 2 cents per common share for a total of 8 cents per common share or $1,975,000 for the year.

(C) Shares repurchased and cancelled

The Company was approved by the Toronto Stock Exchange for a normal course issuer bid to purchase up to 1,271,000 of its common shares which expired on September 19, 2021. From September 20, 2020 to December 31, 2020 the Company repurchased for cancellation 410,400 common shares for a total purchase price of $5,389,859 or $13.13 per share, including commissions. From January 1, 2021 to September 19, 2021 the Company repurchased for cancellation 469,518 common shares for a total purchase price of $8,302,152 or $17.68 per share, including commissions.

The Company was approved by the Toronto Stock Exchange for a normal course issuer bid to purchase up to 1,227,000 of its common shares which expires on September 19, 2022.

In recording the repurchase and cancellation of shares, share capital is reduced by the weighted average issue price of the outstanding common shares with the differential to the purchase price being credited or charged to retained earnings.

(D) Earnings per share

Diluted earnings per share is the same as basic earnings per share as the Company has no dilutive instruments.

19. INTEREST, NET AND INVESTMENT INCOME

Interest, net and investment income consists of the following:

(thousands of Canadian dollars)	**2021**	2020
Revolving line of credit	**$ 76**	$ 80
Non-revolving mortgages	**6,819**	8,465
Construction line of credit (Highland Gate)	**885**	-
Lease liabilities (Note 13)	**581**	895
Line of credit to related party	**(390)**	(452)
Amortization of deferred financing costs	**179**	214
Other	**205**	262
Interest revenue and investment income	**(6,266)**	(5,855)
Capitalized interest (Highland Gate)	**(885)**	-
	$ 1,204	$ 3,609

20. OTHER ITEMS

Other items consist of the following loss (income) items:

(thousands of Canadian dollars)	**2021**	2020
Gain on sale of property, plant and equipment	**$ (40,304)**	$ (1,416)
Unrealized loss (gain) on investment in marketable securities	**(30,360)**	7,311
Unrealized gain on real estate fund investments	**(9,311)**	-
Insurance proceeds	**(3,812)**	-
Equity income from investments in joint ventures	**(1,270)**	(115)
Unrealized foreign exchange loss (gain)	**207**	(1,256)
Glen Abbey redevelopment charge	**9,785**	-
Loss on sale of common shares in Carnival plc	**-**	16,240
Other	**302**	694
Other items	**$ (74,763)**	$ 21,458

Net gain on property, plant and equipment consists of the following:

(thousands of Canadian dollars)	**2021**	2020
Gain on sale of Heron Bay property (Florida)	**$ (39,425)**	$ -
Gain on sale of Harwood property (Quebec)	**-**	(503)
Gain on sale of Val des Lacs property (Quebec)	**-**	(835)
Gain on disposal of miscellaneous equipment	**(879)**	(78)
	$ (40,304)	$ (1,416)

On October 8, 2021, the Company sold Heron Bay Golf Club for proceeds of $40,570,000 (US$32,000,000). Immediately prior to the sale, the carrying amount of Heron Bay was re-measured to its recoverable amount. As a result, the Company recorded an impairment reversal pertaining to the 2018 impairment charge on this property. The impairment reversal was recorded at a value of $2,628,000 (US$2,074,000) representing the amount of what would have otherwise subsequently been depreciated from January 1, 2019 to September 30, 2021 prior to the sale. A gain of $36,797,000 (US$29,587,000) was recorded as a result of the sale, resulting in a total profit of $39,425,000 (US$31,661,000) including the impairment reversal.

At December 31, 2021, the Company recorded unrealized gains of $30,360,000 on investment in marketable securities (December 31, 2020 - loss of $7,311,000). This gain is attributable to the Company's investment in Automotive Properties REIT. The Company also recorded unrealized gains of $9,311,000 (December 31, 2020 - nil) on real estate fund investments in relation to Florida and southeastern US real estate.

The exchange rate used for translating US denominated assets has changed from 1.2732 at December 31, 2020 to 1.2678 at December 31, 2021. This has resulted in a foreign exchange loss of $207,000 for the year ended December 31, 2021 on the translation of the Company's US denominated financial instruments.

21. RELATED PARTY TRANSACTIONS

The immediate parent and controlling party of the Company is Paros Enterprises Limited (“Paros”) and its parents – S.N.A. Management Limited. These companies are privately-owned companies whose shareholder is the Chairman, President and Chief Executive Officer of the Company – K. (Rai) Sahi.

K. (Rai) Sahi, the Chairman, President and Chief Executive Officer of the Company is also the controlling shareholder of Morguard Corporation (“Morguard”).

The Company has provided an unsecured revolving demand credit facility to Morguard in the amount of $50,000,000 with no fixed maturity date. Morguard has provided an unsecured revolving demand credit facility to TWC in the amount of $50,000,000 with no fixed maturity date. During 2021, Morguard fully repaid to the Company the $20,000,000 loan receivable. These facilities bear interest on a basis which is consistent with the entity’s borrowing costs.

Summarized information regarding these facilities is as follows:

(thousands of Canadian dollars)	For the year ended **December 31, 2021**	December 31, 2020
Loan receivable from Morguard	**-**	20,000
Net interest receivable	**-**	45
Net interest earned	**390**	452

The Company has provided an unsecured revolving demand credit facility to Paros in the amount of $5,000,000, with no fixed maturity date. Paros has provided an unsecured revolving demand credit facility to TWC in the amount of $5,000,000 with no fixed maturity date. These facilities bear interest at prime plus 1%. During 2021 and 2020, there were no advances or repayments under this facility.

The purpose of these credit facilities is to allow each of the above entities to manage its financing activities in the most effective manner.

The Company has provided an unsecured revolving demand credit facility to an investment in joint venture in the amount of $3,000,000, with no fixed maturity date. This facility bears interest at prime plus 1.25%. As at December 31, 2021, the amount receivable on this facility was nil (December 31, 2020 - $800,000). Interest receivable at December 31, 2021 was nil (December 31, 2020 - $4,000), and interest earned amounted to $4,000 for the year ended December 31, 2021 (December 31, 2020 - $66,000).

The Company receives managerial and consulting services from Morguard. The Company paid a management fee of $695,000 for the year ended December 31, 2021 (December 31, 2020 - $695,000), under a contractual agreement, which is included in operating expenses. Morguard also provides back-office services to ClubLink US Corporation. The Company paid a management fee of US$460,000 (CDN$577,000) for the year ended December 31, 2021 (December 31, 2020 - US$460,000; CDN$617,000) under a contractual agreement, which is included in direct operating expenses.

The Highland Gate project receives managerial services from Geranium management companies. The project paid a management fee of $1,748,000 for the year ended December 31, 2021 (December 31, 2020 - nil) under a contractual agreement, which is capitalized to residential inventory.

The Company provides landscaping services for certain Morguard assets. The Company received a fee of $96,000 for the year ended December 31, 2021 (December 31, 2020 - nil) under a contractual agreement.

A total of US$53,000 of rental revenue was earned by TWC for the year ended December 31, 2021 (December 31, 2020 - US$53,000) from Morguard relating to a shared office facility in Florida.

During 2021, the Company earned $482,000 (2020 - $264,000) in operating revenue (primarily food and beverage and corporate events) from related parties controlled by the Chairman, President and Chief Executive Officer of the Company.

All related party transactions were made in the ordinary course of business and on substantially the same terms including interest rates and security as for comparable transactions with parties of a similar standing.

22. SEGMENTED INFORMATION

TWC's reportable segments are strategic business units that offer different services and/or products. The Company's operating segments have been determined based on reports reviewed that are used to make strategic decisions by the President and CEO, the Company's chief operating decision maker.

TWC is engaged in golf club operations under the trademark "ClubLink One Membership More Golf". TWC is Canada's largest owner, operator and manager of golf clubs with 49½, 18-hole equivalent championship and 3, 18-hole equivalent academy courses (including two managed properties), at 37 locations in two separate geographic Regions: (a) Canada and (b) United States.

TWC's golf clubs are strategically organized in clusters that are located in densely populated metropolitan areas and resort destinations frequented by those who live and work in these areas. By operating in regions, TWC is able to offer golfers a wide variety of unique membership, corporate event and resort opportunities. TWC is also able to obtain the benefit of operating synergies to maximize revenue and achieve economies of scale to reduce costs.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Any inter-segment transfers are recorded at cost.

Geographical information is not separately presented as the industry segments operate in separate and distinct geographical segments on their own.

	For the Year Ended December 31, 2021			
(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate and Other	**Total**
Operating revenue	$ 128,791	$ 18,650	$ 26,572	**$ 174,013**
Direct operating expenses	(74,131)	(16,296)	(31,174)	**(121,601)**
Net operating income (loss)	54,660	2,354	(4,602)	**52,412**
Amortization of membership fees	4,115	289	-	**4,404**
Depreciation and amortization	(18,070)	(1,370)	-	**(19,440)**
Other items	(5,074)	39,328	40,509	**74,763**
Segment earnings before interest and income taxes	$ 35,631	$ 40,601	$ 35,907	**112,139**
Interest, net (unallocated)				**(1,204)**
Provision for income taxes (unallocated)				**(21,288)**
Net earnings				**$ 89,647**
Capital expenditures	$ 9,845	$ 977	$ -	**$ 10,822**

22. SEGMENTED INFORMATION (continued)

(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate and Other	Total
	For the Year Ended December 31, 2020			
Operating revenue	$ 109,432	$ 17,784	$ -	**$ 127,216**
Direct operating expenses	(63,219)	(17,217)	(2,869)	**(83,305)**
Net operating income (loss)	46,213	567	(2,869)	**43,911**
Amortization of membership fees	4,239	346	-	**4,585**
Depreciation and amortization	(17,545)	(1,704)	-	**(19,249)**
Other items	1,382	(165)	(22,675)	**(21,458)**
Segment earnings (loss) before interest and income taxes	$ 34,289	$ (956)	$ (25,544)	**7,789**
Interest, net (unallocated)				**(3,609)**
Provision for income taxes (unallocated)				**(3,209)**
Net earnings				**$ 971**
Capital expenditures	$ 9,784	$ 82	$ -	**$ 9,866**

(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate and Other	Total
				December 31, 2021
Segment assets	$ 442,857	$ 71,737	$ 232,212	**$ 746,806**
Segment liabilities	$ 139,518	$ 15,613	$ 88,287	**$ 243,418**

(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate and Other	Total
				December 31, 2020
Segment assets	$ 459,558	$ 29,188	$ 143,636	**$ 632,382**
Segment liabilities	$ 169,764	$ 7,950	$ 40,299	**$ 218,013**

23. CAPITAL MANAGEMENT

TWC's objective is to ensure that capital resources are readily available to meet obligations as they become due, to complete its approved capital expenditure program and to take advantage of attractive acquisitions as these opportunities arise.

Certain secured debt obligations of the Company have restrictive covenants that require maintenance of certain financial ratios. These covenants include debt service ratios, borrowings to adjusted equity/asset ratios and a minimum total equity requirement. For all of 2021 and 2020, the Company was in compliance with these borrowings covenants.

TWC monitors capital on the basis of the net borrowings-to-adjusted equity ratio. This ratio is calculated as net borrowings divided by adjusted equity. Net borrowings is calculated as gross borrowings less cash. Adjusted equity is comprised of all components of shareholders' equity (i.e., share capital, retained earnings and accumulated other comprehensive gain or loss) and deferred membership fees less a related statutory tax provision.

The Company sets its capital structure in proportion to risk. It manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, purchase and cancel shares pursuant to issuer bids, issue new shares, or sell assets to reduce borrowings.

TWC's objective is to maintain a net borrowings-to-adjusted equity ratio of less than 2.50, in order to maintain access to financing at a reasonable cost. The net borrowings-to-adjusted equity ratios at December 31, 2021 and December 31, 2020, are as follows:

(thousands of Canadian dollars)	**2021**	2020
Gross borrowings	**$ 112,851**	$ 118,609
Cash and cash equivalents	**(91,395)**	(57,217)
Net borrowings (A)	**$ 21,456**	$ 61,392
Share capital	**$ 100,530**	$ 102,453
Retained earnings	**389,418**	307,830
Non-controlling interest	**8,683**	-
Accumulated other comprehensive gain	**4,757**	4,086
Deferred membership fees	**3,976**	5,229
Less: tax provision at statutory income tax rates	**(1,054)**	(1,386)
Adjusted equity (B)	**$ 506,310**	$ 418,212
Net borrowings-to-adjusted equity ratio (A/B)	**0.04**	0.15

TWC has a revolving credit arrangement, which is used to fund operations. This allows the flexibility to manage its highly seasonal cash inflows and regular year round disbursements while providing appropriate returns to the shareholders. Cash flows considered surplus to the long-term needs of the business segment are generally utilized in corporate operations.

TWC may access financing from related party companies such as Morguard and Paros, as needed.

24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of financial assets and liabilities

Pursuant to IFRS, financial instruments are classified into one of the following three categories: amortized cost, FVTOCI, FVTPL. The carrying values of the Company's financial instruments on the consolidated balance sheets are classified into the following categories:

(thousands of Canadian dollars)	**2021**	2020
Assets - Amortized cost (1)	**$ 100,479**	$ 96,458
Assets - FVTPL - Automotive Properties REIT units and Florida real estate investments	**132,366**	69,847
Liabilities - Amortized cost (2)	**152,073**	151,276

(1) Includes cash and cash equivalents, accounts receivable and mortgages and loans receivable.
(2) Includes accounts payable and accrued liabilities and borrowings.

A portion of the accounts receivable balance has been pledged in conjunction with the assignment of certain property, plant and equipment as collateral for borrowings.

Fair values

The Company has determined, using considerable judgment, the estimated fair values of its financial instruments based on the valuation methodologies which are described below. The fair values of TWC's financial instruments approximate their carrying values for financial statement purposes.

The methods and assumptions used to estimate the fair value of each type of financial instrument are as follows:

The fair values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and revolving lines of credit approximate their carrying values given their short-term maturities.

The carrying value of mortgages and loans receivable is assumed to approximate fair value as they bear interest at current market rates.

The fair value of non-revolving borrowings was estimated based on the discounted cash flows of the borrowings at the Company's estimated incremental interest rates for borrowings of the same remaining maturities.

Financial instruments recorded at fair value on the consolidated balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities.

Level 2 – valuation techniques based on inputs that are quoted prices of similar instruments in active markets; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – valuation techniques with inputs not based on observable market inputs.

Risks arising from financial instruments and risk management

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange and interest rate risks), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is the responsibility of the corporate finance department whose function is to identify, evaluate and, where appropriate, hedge financial risks. The Company's overall risk management program focuses on establishing policies to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company aims to develop a disciplined control environment in which all employees understand their roles and obligations. Risks are monitored and are regularly discussed with the board of directors.

24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Foreign exchange risk

As discussed in Note 1, the United States golf club operations have a reporting currency in US dollars. Therefore, fluctuations in the US dollar exchange rate will impact the earnings of TWC.

For the year ended December 31, 2021, if the Canadian dollar had weakened (strengthened) 10% against the US dollar, all other variables held constant, the after tax earnings would have increased (declined) by $4,050,000 (2020 - $106,000).

Interest rate risk

The following debt instruments have variable interest rates:

(thousands of Canadian dollars)	**2021**	2020
Revolving line of credit - corporate (December 31, 2021 - BA's plus 160 basis points or 2.15%; prime plus 47.5 basis points or 2.93%) December 31, 2020 - BA's plus 160 basis points or 2.16%; prime plus 47.5 basis points or 2.93%)	**$ -**	$ 8,089
Revolving facility - Highland Gate (December 31, 2021 - BA's plus 2.50%; prime plus 125 basis points or 3.70%)	**24,810**	-
Operating line of credit from related party (cost of funds plus 10 basis points)	**-**	-
	$ 24,810	$ 8,089

The objective of the Company's interest rate management activities is to minimize the volatility of the Company's earnings.

Credit risk

Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to trade accounts receivable and mortgages and loans receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

The objective of managing credit risk is to prevent losses in financial assets. It is TWC's experience that the credit worthiness of its member accounts receivable balances is very good because it has the ability to suspend the playing and charging privileges of members who have overdue accounts in order to manage credit risk exposure to its members.

Further, the Company collects deposits on group functions such as corporate events, banquets and resort stays to help reduce this risk.

The credit risk associated with mortgages and loans receivable is considered minimal as they are adequately secured. Collateral for mortgages and loans receivable include a charge on the underlying asset for vendor take-back mortgages and loans and the underlying security for share purchase loans.

The carrying amount of accounts receivable is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of earnings within operating expenses. When a receivable balance is considered uncollectible, it is written off against the allowance for doubtful accounts receivable. Subsequent recoveries of amounts previously written off are credited to the allowance account.

24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Credit risk (continued)

The following table describes the changes in the allowance for doubtful accounts receivable:

(thousands of Canadian dollars)	**2021**	2020
Balance, beginning of year	**$ 102**	$ 125
Increase in allowance through bad debt expense	**110**	42
Bad debt write-offs	**(100)**	(65)
Balance, end of year	**$ 112**	$ 102

The following table sets forth details of the age of receivables that are not overdue, as well as an analysis of overdue amounts and related allowance for doubtful accounts:

(thousands of Canadian dollars)	**2021**	2020
Accounts receivable		
Current - including accruals	**$ 4,636**	$ 13,210
Past due for more than one day but not more than 60 days	**308**	244
Past due for more than 60 days	**311**	890
Less: allowance for doubtful accounts	**(112)**	(102)
Subtotal	**5,143**	14,242
Mortgages and loans receivable		
Current	**2,997**	24,999
Past due	**-**	-
Less: allowance for doubtful accounts	**-**	-
Subtotal	**2,997**	24,999
Total loans and receivables	**$ 8,140**	$ 39,241

Liquidity risk

Liquidity risk arises through excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available cash reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and through the availability of funding from committed credit facilities.

The Company and its subsidiaries are subject to risks associated with borrowings, including the possibility that existing mortgages may not be refinanced or may not be refinanced on as favorable terms or with interest rates as favourable as those of the existing facilities. The Company and its subsidiaries reduce these risks by its continued efforts to stagger and to extend the maturity profile of its borrowings, enhance the value of its real estate properties and foster excellent relations with its lenders.

The Company believes that cash on hand, future free cash flows generated by operations and availability under its revolving operating facility will be adequate to meet its financial obligations.

24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Liquidity risk (continued)

The Company has financial liabilities with varying contractual maturity dates. Total financial liabilities at December 31, 2021, based on contractual undiscounted payments are as follows:

(thousands of Canadian dollars)	2022	2023	2024	2025	2026	2027 and beyond	Total
Accounts payable and accrued liabilities	$ 36,328	$ -	$ -	$ -	$ -	$ -	**$ 36,328**
Revolving lines of credit - Highland Gate	16,434	8,376	-	-	-	-	**24,810**
Non-revolving mortgages - principal	21,697	20,456	15,223	10,700	7,068	9,581	**84,725**
Non revolving mortgages - interest	5,210	3,691	2,351	1,544	918	784	**14,498**
Lease liabilities - principal	4,507	1,183	1,248	10	11	68	**7,027**
Lease liabilities - interest	279	114	41	5	4	12	**455**
Other	1,051	1,104	1,161	-	-	-	**3,316**
	$ 85,506	$ 34,924	$ 20,024	$ 12,259	$ 8,001	$ 10,445	**$ 171,159**

Total financial liabilities at December 31, 2020, based on contractual undiscounted payments are as follows:

(thousands of Canadian dollars)	2021	2022	2023	2024	2025	2026 and beyond	Total
Accounts payable and accrued liabilities	$ 20,717	$ -	$ -	$ -	$ -	$ -	**$ 20,717**
Revolving lines of credit	-	8,089	-	-	-	-	**8,089**
Non-revolving mortgages - principal	21,428	21,702	20,461	15,229	10,706	16,679	**106,205**
Non revolving mortgages - interest	6,815	5,214	3,695	2,353	1,547	1,706	**21,330**
Lease liabilities - principal	5,339	4,504	1,180	1,247	10	79	**12,359**
Lease liabilities - interest	582	279	114	41	5	16	**1,037**
Other	999	1,051	1,104	1,161	-	-	**4,315**
	$ 55,880	$ 40,839	$ 26,554	$ 20,031	$ 12,268	$ 18,480	**$174,052**

25. CONTINGENCIES

TWC has committed US$10,000,000 towards a real estate fund based out of Florida. As at December 31, 2021 there has been US$3,425,000 (CDN$4,342,000) in capital calls towards this commitment (see Note 7).

As at December 31, 2020 and December 31, 2021, TWC has $1,018,000 outstanding in letters of credit against its corporate credit facility.

As at December 31, 2021, TWC has $2,000,000 outstanding in letters of credit issued in its name with a Morguard credit facility.

From time to time, TWC and certain of its subsidiaries, employees, officers and/or directors are defendants in a number of legal actions arising in the ordinary course of operations. In the opinion of management, it is expected that the ultimate resolution of such pending legal proceedings will not have a material effect on TWC's consolidated financial position.

In the normal course of operations, the Company executes agreements that provide for indemnification and guarantees to third parties in transactions such as business dispositions, business acquisitions, sales of assets and sales of services.

26. SUBSEQUENT EVENT

On March 9, 2022, the Company declared a 2 cents per common share cash dividend, payable March 31, 2022 to shareholders of record on March 15, 2022.

TWC ENTERPRISES LIMITED

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CORPORATE DIRECTORY

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(b) Corporate Governance and Compensation Committee
(c) Environmental, Health and Safety Committee
(d) Lead director

OFFICERS

TWC ENTERPRISES LIMITED

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Chairman, President and Chief Executive Officer

ANDREW TAMLIN
Chief Financial Officer

JOHN A. FINLAYSON
Chief Operations Officer, Canadian Golf Operations
Vice President, Florida Golf Operations

JAMIE KING
Vice President, Sales, Canadian Golf Operations

BRENT MILLER
Vice President, Corporate Operations and Member Services, Canadian Golf Operations

CORPORATE INFORMATION

EXECUTIVE OFFICE
15675 Dufferin Street
King City, Ontario L7B 1K5
TEL: (905) 841-3730
FAX: (905) 841-1134

WEB SITES
twcenterprises.ca
clublink.ca

INVESTOR RELATIONS
Contact: Andrew Tamlin
Tel: 905-841-5372
Email: atamlin@clublink.ca

BANKERS
HSBC Bank Canada
HSBC Bank USA

AUDITORS
Deloitte LLP

STOCK EXCHANGE LISTING
Common shares: TSX: TWC

TRANSFER AGENT
TSX Trust Company
P.O. Box 700, Postal Station B, Montreal, QC H3B 3K3
Tel: 416-682-3860
Tel: 1-800-387-0825 (toll free North America)
Fax: 1-888-249-6189
Email: shareholderinquiries@tmx.com

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15675 DUFFERIN STREET, KING CITY, ON L7B 1K5
TEL: 905-841-3730 | FAX: 905-841-1134