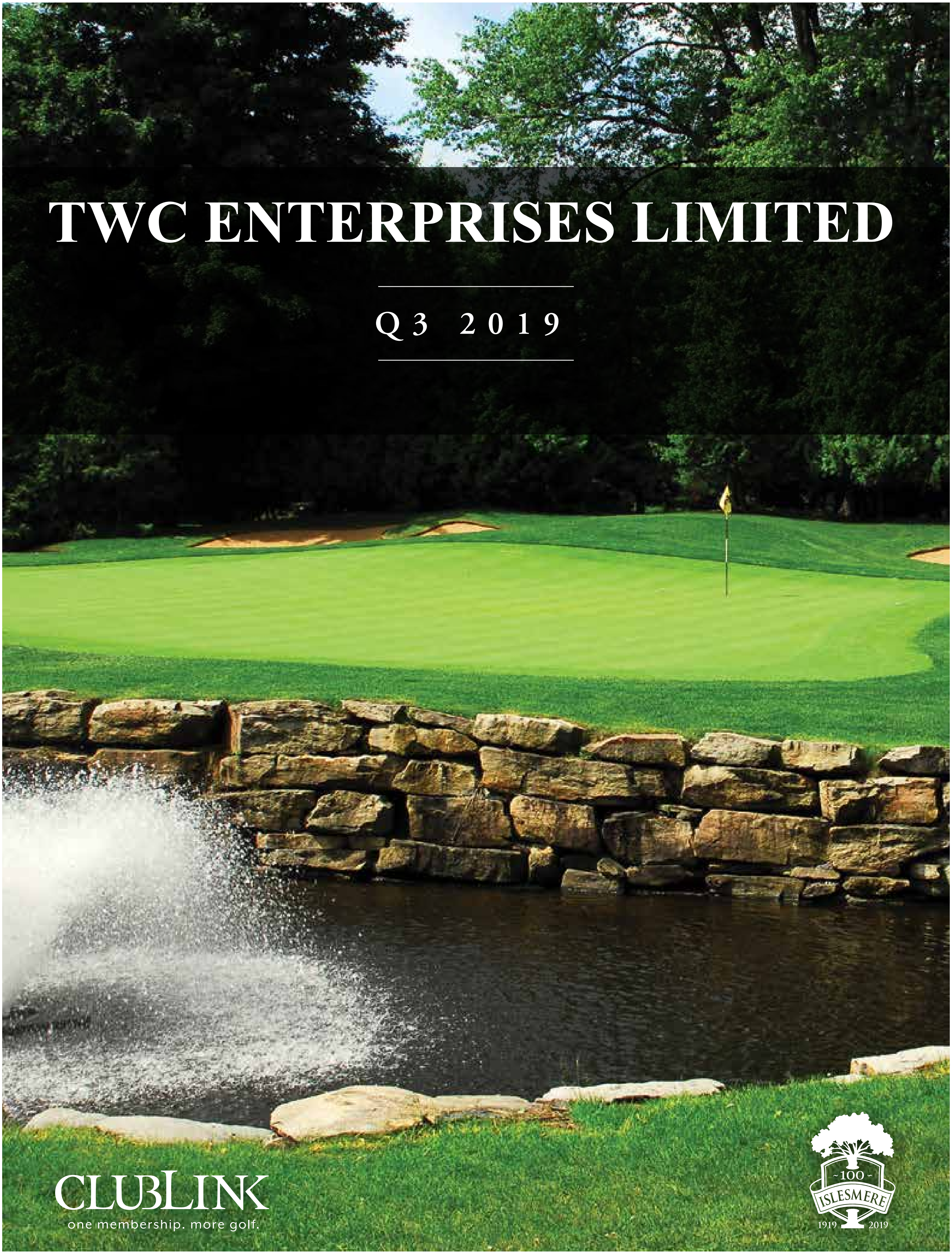
TWC ENTERPRISES LIMITED

Q3 2019



FINANCIAL HIGHLIGHTS

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

(thousands of Canadian dollars - except as indicated)	For the three months ended September 30, 2019	September 30, 2018	For the nine months ended September 30, 2019	September 30, 2018
OPERATIONS				
Operating revenue	**65,260**	65,351	**134,496**	136,906
Net operating income[1]	**15,176**	14,763	**24,101**	25,553
Operating margin (%)[1]	**23.3**	22.6	**17.9**	18.7
Net earnings from continuing operations	**7,322**	8,846	**45**	5,770
Net earnings from discontinued operations	**-**	211,587	**-**	214,434
Net earnings	**7,322**	220,433	**45**	220,204
OPERATING DATA				
ClubLink One Membership More Golf				
Canadian full privilege golf members			**14,755**	15,588
Championship rounds - Canada[2]	**607,000**	558,000	**954,000**	926,000
18-hole equivalent championship golf courses - Canada[2,3]			**41.5**	42.5
18-hole equivalent managed championship golf courses - Canada			**1.0**	-
Championship rounds - U.S.[2]	**43,000**	44,000	**254,000**	252,000
18-hole equivalent championship golf courses - U.S.[2,3]			**11.0**	11.0
COMMON SHARE DATA (000)				
Shares outstanding			**26,755**	27,316
Weighted average shares outstanding	**27,130**	27,334	**27,234**	27,342
PER COMMON SHARE DATA ($)				
Basic and diluted earnings from continuing operations	**0.27**	0.32	**0.00**	0.21
Basic and diluted earnings from discontinued operations	**-**	7.74	**-**	7.84
Basic and diluted earnings	**0.27**	8.06	**0.00**	8.05
Eligible cash dividend	**0.02**	0.02	**0.06**	0.06
FINANCIAL POSITION				
Total assets			**698,543**	706,172
Gross borrowings (excluding lease liabilities)			**136,704**	151,016
Shareholders' equity			**432,842**	433,009
Net book value per share [1]			**16.18**	15.85

(1) Net operating income, operating margin 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 or to cash flows from operating, investing and financing activities, as a measure of liquidity and cash flows. 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 September 30.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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 three month and nine month periods ended September 30, 2019. This MD&A has been prepared as at November 5, 2019 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").

This interim financial quarterly report has been prepared in compliance with IAS 34.

FORWARD-LOOKING STATEMENTS

This quarterly report contains certain forward-looking information and statements relating but not limited to, operations, anticipated or prospective financial performance, results of operations, business prospects and strategies of TWC. Forward-looking information typically contains statements with words such as "consider", "anticipate", "believe", "expect", "plan", "intend", "may", "likely", or similar words suggesting future outcomes or statements regarding an outlook, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Readers should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements of TWC to differ materially from those suggested by the forward-looking statements, some of which may be beyond the control of management.

Although TWC believes it has a reasonable basis for making the forecasts or projections included in this MD&A, readers are cautioned not to place undue reliance on such forward-looking information. By its nature, TWC's forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts and other forward-looking statements will not occur. These factors include, but are not limited to, availability of credit, weather conditions, the economic environment, environmental regulation and competition.

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.

NON-IFRS MEASURES

The Company has prepared the financial information contained in this discussion and analysis in accordance with IFRS. Reference is also made to net operating income, operating margin, cash flow from operations, funds from operations and adjusted funds from operations. The calculations of these measures can be found embedded in the MD&A.

TWC uses non-IFRS measures as a benchmark measurement of our own operating results and as a benchmark relative to our competitors. We consider these non-IFRS measures to be a meaningful supplement to net earnings. We also believe these non-IFRS measures are commonly used by securities analysts, investors and other interested parties to evaluate our financial performance. These measures, which included direct operating expenses and net operating income do not have standardized meaning under IFRS. While these non-IFRS measures have been disclosed herein to permit a more complete comparative analysis of the Company's operating performance and debt servicing ability relative to other companies, readers are cautioned that these non-IFRS measures as reported by TWC may not be comparable in all instances to non-IFRS measures as reported by other companies.

The glossary of financial terms is as follows:

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 margin = net operating income/operating revenue

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-IFRS 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. Effective July 31, 2018, the rail and port operating business segment was sold. In addition, the corporate operations segment oversees the business segments. Due to the fact that the rail and port operations were divested on July 31, 2018, it is being presented as discontinued operations.

TWC's strategic objective is to grow long-term shareholder value by improving net operating income and operating margins of both underlying businesses. Management has been considering golf club acquisition opportunities in Ontario, Quebec and Florida.

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 53½, 18-hole equivalent championship and 3½, 18-hole equivalent academy courses, at 41 locations in two separate geographical Regions: (a) Ontario/Quebec (including one managed property) and (b) Florida.

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 TravelLink, 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.

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 and, on payment of an additional fee, inter-regional play within ClubLink through the TravelLink program and ClubCorp Holdings Inc. golf clubs.

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

The TravelLink program offers two levels that allow ClubLink members inter-regional access. The first level (Basic TravelLink), a free membership benefit, provides ClubLink members inter-regional access with preferred green fee pricing. Level 2 (TravelLink 2nd Home Club) is optional and provides ClubLink members with the ability to elect a second Home Club in another region for an annual fee, and allows members to receive all the benefits of a Home Club Member (access to prime tee times, practice facilities, member events).

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.

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. While traditional full privilege golf members have been declining, ClubLink has been focusing on these supplemental categories to replace annual dues revenue.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW OF BUSINESS SEGMENTS (continued)

Golf Club Operations Segment (continued)

(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 London 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 2019, ClubLink is operating 26 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, Eagle Ridge, Glendale, Greenhills, GreyHawk, Hautes Plaines, National Pines, Station Creek

In 2019, ClubLink is managing one golf club as follows:

Club de Golf Le Fontainebleau was sold to Club de Golf Rosemère on December 14, 2018 and changed its name to Club de Golf Rosemère. ClubLink retains a management fee arrangement for this property.

In 2019, ClubLink is operating six Ontario/Quebec Region Hybrid Golf Clubs in three categories as follows:

Hybrid – Prestige:	Glen Abbey
Hybrid – Gold:	Cherry Downs, The Club at Bond Head, Val des Lacs
Hybrid – Silver:	Bethesda Grange, Hidden Lake

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 2019, ClubLink is operating two Ontario/Quebec Region Daily Fee Golf Clubs as follows:

Daily Fee:	Grandview Inn, Rolling Hills

In 2019, ClubLink has approximately 400 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.

In 2019, ClubLink has approximately 3,000 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 2019, ClubLink is operating The Lake Joseph Club, Rocky Crest Resort and Sherwood Inn.

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.

OVERVIEW OF BUSINESS SEGMENTS (continued)

Golf Club Operations Segment (continued)

(b) United States

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

In 2019, ClubLink is operating eight Florida Region Golf Clubs in six categories as follows:

Hybrid – Prestige:	TPC Eagle Trace
Hybrid – Platinum:	Club Renaissance
Gold:	Scepter
Hybrid – Gold:	Woodlands
Hybrid – Silver:	Sandpiper
Daily Fee:	Heron Bay, Palm Aire (Cypress/Oaks), Palm Aire (Palms)

Heron Bay has been temporarily closed.

ClubLink has been actively selling ClubLink Card Holder annual memberships in the southeast Florida marketplace. ClubLink Card Holder members have the ability to book preferred tee times at discounted green fees.

Rail and Port Operations Segment

TWC was previously engaged in rail and port operations based in Skagway, Alaska which operate under the trade name White Pass & Yukon Route ("White Pass"). The railway stretches approximately 110 kilometres (67.5 miles) from Skagway, Alaska to Carcross, Yukon. In addition, White Pass operates three docks, primarily for cruise ships. White Pass was divested on July 31, 2018.

On June 6, 2018, TWC announced that it entered into a purchase and sale agreement to sell the White Pass rail and port operations to a joint venture for proceeds of US$290,000,000. Closing on July 31, 2018, the transaction represented a sale of the complete operations of White Pass. Consequently, this segment is being presented as discontinued operations in the financial statements.

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. Currently, management is focused on improving the returns of the existing operating business segments.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

SUMMARY OF CANADIAN/US EXCHANGE RATES USED FOR TRANSLATION PURPOSES

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

	September 30, 2019	December 31, 2018	September 30, 2018
Balance Sheet	**1.3243**	1.3642	1.2945
Statement of Earnings - First Quarter	**1.3292**	N/A	1.2648
Statement of Earnings - Second Quarter	**1.3375**	N/A	1.2912
Statement of Earnings - Third Quarter	**1.3206**	N/A	1.3069

THREE MONTH CONSOLIDATED OPERATING HIGHLIGHTS

The table below sets forth selected financial data relating to the Company's three month periods ended September 30, 2019 and September 30, 2018. This financial data is derived from the Company's unaudited consolidated financial statements, which are prepared in accordance with IFRS.

	For the three months ended		
(thousands of Canadian dollars - except as indicated)	**September 30, 2019**	September 30, 2018	% Change 2019/2018
OPERATING REVENUE	**$ 65,260**	$ 65,351	(0.1%)
DIRECT OPERATING EXPENSES	**50,084**	50,588	(1.0%)
NET OPERATING INCOME	**15,176**	14,763	2.8%
Operating margin (%)	**23.3%**	22.6%	2.9%
Amortization of membership fees	**1,480**	1,807	(18.1%)
Depreciation and amortization	**(4,993)**	(4,040)	23.6%
Land lease rent	**-**	(1,097)	N/A
Interest, net and investment income	**(1,317)**	(2,522)	(47.8%)
Other items	**357**	3,169	(88.7%)
Income taxes	**(3,381)**	(3,234)	4.5%
NET EARNINGS FROM CONTINUING OPERATIONS	**7,322**	8,846	(17.2%)
NET EARNINGS FROM DISCONTINUED OPERATIONS	**-**	211,587	N/A
NET EARNINGS	**$ 7,322**	$ 220,433	N/A
BASIC AND DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	**$ 0.27**	$ 0.32	(15.6%)
BASIC AND DILUTED EARNINGS PER SHARE FROM DISCONTINUED OPERATIONS	**-**	7.74	N/A
BASIC AND DILUTED EARNINGS PER SHARE	**$ 0.27**	$ 8.06	N/A

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

THREE MONTH CONSOLIDATED OPERATING HIGHLIGHTS (continued)

On June 6, 2018, TWC announced that it entered into a purchase and sale agreement to sell the White Pass rail and port operations to a joint venture for proceeds of US$290,000,000. Closing on July 31, 2018, the transaction represented a sale of the complete operations of White Pass. Consequently, this segment is being presented as discontinued operations in the financial statements.

On December 14, 2018, the Company sold Club de Golf Le Fontainebleau to the shareholders of Club de Golf Rosemère for net proceeds of $8,589,000. ClubLink retains a management fee arrangement of Fontainebleau. This sale has resulted in a decrease of 458 members.

As of January 1, 2019, the Company adopted IFRS 16, Leases. As part of this guidance, land lease rent for operating leases will no longer be expensed directly. Instead, these leases are set up on the balance sheet and right-of-use depreciation expense and interest expense is reflected instead.

Consolidated operating revenue decreased 0.1% to $65,260,000 for the three month period ended September 30, 2019 from $65,351,000 in 2018.

Direct operating expenses decreased 1.0% to $50,084,000 for the three month period ended September 30, 2019 from $50,588,000 in 2018.

Net operating income increased 2.8% to $15,176,000 for the three month period ended September 30, 2019 from $14,763,000 in 2018 due to improvements in golf net operating income resulting from higher guest and green fee revenue for the quarter.

Amortization of membership fees decreased 18.1% to $1,480,000 from $1,807,000 in 2018.

Interest, net and investment income decreased 47.8% to an expense of $1,317,000 for the three month period ended September 30, 2019 from $2,522,000 in 2018 due to interest income earned on funds from the sale of White Pass and a decrease in borrowings.

Other items have decreased to income of $357,000 for the three month period ended September 30, 2019 from income of $3,169,000 in 2018 due to insurance proceeds received in 2018 for the insurance claim relating to the clubhouse at Le Maître.

Net earnings decreased to $7,322,000 for the three month period ended September 30, 2019 from earnings of $220,433,000 in 2018 due to the disposition of White Pass. Basic and diluted loss per share changed to 27 cents per share in 2019, compared to basic and diluted earnings per share of $8.06 in 2018.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

NINE MONTH CONSOLIDATED OPERATING HIGHLIGHTS

The table below sets forth selected financial data relating to the Company's nine month periods ended September 30, 2019 and September 30, 2018. This financial data is derived from the Company's unaudited interim consolidated financial statements, which are prepared in accordance with IFRS.

(thousands of Canadian dollars - except as indicated)	For the nine months ended **September 30, 2019**	September 30, 2018	% Change
OPERATING REVENUE	**$ 134,496**	$ 136,906	(1.8%)
DIRECT OPERATING EXPENSES	**110,395**	111,353	(0.9%)
NET OPERATING INCOME	**24,101**	25,553	(5.7%)
Operating margin (%)	**17.9%**	18.7%	(4.0%)
Amortization of membership fees	**4,033**	5,145	(21.6%)
Depreciation and amortization	**(15,177)**	(12,153)	24.9%
Land lease rent	**-**	(3,292)	N/A
Interest, net and investment income	**(4,126)**	(10,030)	(58.9%)
Other items	**(7,594)**	3,105	N/A
Income taxes	**(1,192)**	(2,558)	(53.4%)
NET EARNINGS FROM CONTINUING OPERATIONS	**45**	5,770	(99.2%)
NET EARNINGS FROM DISCONTINUED OPERATIONS	**-**	214,434	N/A
NET EARNINGS	**$ 45**	$ 220,204	N/A
BASIC AND DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	**$ 0.00**	$ 0.21	(100.0%)
BASIC AND DILUTED EARNINGS PER SHARE FROM DISCONTINUED OPERATIONS	**-**	7.84	N/A
BASIC AND DILUTED EARNINGS PER SHARE	**$ 0.00**	$ 8.05	N/A

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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 17 of the unaudited consolidated financial statements for the period ended September 30, 2019.

(thousands of Canadian dollars)	For the nine months ended **September 30, 2019**	September 30, 2018	% Change
Operating revenue by segment			
Canadian golf club operations	**$ 116,915**	$ 120,390	(2.9%)
US golf club operations	**17,581**	16,516	6.4%
Operating revenue	**$ 134,496**	$ 136,906	(1.8%)
Net operating income by segment			
Canadian golf club operations	**$ 25,668**	$ 27,878	(7.9%)
US golf club operations	**1,106**	147	652.4%
Corporate operations	**(2,673)**	(2,472)	(8.1%)
Net operating income	**$ 24,101**	$ 25,553	(5.7%)

Capital expenditures are summarized as follows:

(thousands of Canadian dollars)	For the nine months ended **September 30, 2019**	September 30, 2018
Operating capital		
Canadian golf club operations	**$ 4,937**	$ 4,752
US golf club operations	**90**	604
Rail and port operations (discontinued)	**-**	2,892
	5,027	8,248
Expansion capital		
Canadian golf club operations	**1,197**	1,329
Rail and port operations (discontinued)	**-**	6,826
	1,197	8,155
Total capital expenditures	**$ 6,224**	$ 16,403

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of Canadian Golf Club Operations for the Period Ended September 30, 2019

Summary of Canadian Golf Club Operations

(statistics)	For the nine months ended **September 30, 2019**	September 30, 2018	% Change
18-hole equivalent championship golf courses	**41.5**	42.5	(2.4%)
18-hole equivalent managed championship golf courses	**1**	-	N/A
Championship golf rounds	**954,000**	926,000	3.0%

(thousands of Canadian dollars)	For the nine months ended **September 30, 2019**	September 30, 2018	% Change
Operating revenue	**$ 116,915**	$ 120,390	(2.9%)
Direct operating expenses	**91,247**	92,512	(1.4%)
Net operating income	**25,668**	27,878	(7.9%)
Amortization of membership fees	**3,770**	4,906	(23.2%)
Depreciation and amortization	**(13,788)**	(10,373)	32.9%
Land lease rent	**-**	(3,292)	N/A
Other items	**1,078**	2,045	(47.3%)
Segment earnings before interest and income taxes	**$ 16,728**	$ 21,164	(21.0%)
Operating margin %	**22.0%**	23.2%	(5.2%)

Canadian Golf Club Operating Revenue

Canadian golf club operating revenue is recorded as follows:

(thousands of Canadian dollars)	For the nine months ended **September 30, 2019**	September 30, 2018	% Change
Annual dues	**$ 36,879**	$ 38,792	(4.9%)
Corporate events, guest fees and cart rentals	**32,013**	32,389	(1.2%)
Food and beverage	**34,652**	35,987	(3.7%)
Merchandise, rooms and other	**13,371**	13,222	1.1%
Total operating revenue	**$ 116,915**	$ 120,390	(2.9%)

On December 14, 2018, the Company sold Club de Golf Le Fontainebleau to the shareholders of Club de Golf Rosemère for net proceeds of $8,589,000. ClubLink will retain a management fee arrangement for this property. This sale has resulted in a decrease of 458 members and a decrease in net operating income for the Canadian golf operations segment on a year over year basis.

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of Canadian Golf Club Operations for the Period Ended September 30, 2019 (continued)

Canadian Golf Club Direct Operating Expenses

Canadian golf club direct operating expenses are recorded as follows:

(thousands of Canadian dollars)	For the nine months ended **September 30, 2019**	September 30, 2018	% Change
Cost of sales	**$ 17,706**	$ 18,238	(2.9%)
Labour and employee benefits	**48,958**	48,843	0.2%
Utilities	**4,817**	5,048	(4.6%)
Selling, general and administrative	**2,893**	2,823	2.5%
Property taxes	**1,963**	2,162	(9.2%)
Insurance	**1,259**	1,296	(2.9%)
Repairs and maintenance	**2,723**	2,852	(4.5%)
Fertilizers and pest control products	**1,477**	1,578	(6.4%)
Fuel and oil	**867**	1,011	(14.2%)
Other operating expenses	**8,584**	8,661	(0.9%)
Total direct operating expenses	**$ 91,247**	$ 92,512	(1.4%)

Canadian Membership Fees

Full privilege golf members decreased 5.3% to 14,755 on September 30, 2019 from 15,588 on September 30, 2018 due to the sale of 458 former Fontainebleau members as part of the sale of the property.

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

	Nine months ended September 30, 2019		Year ended December 31, 2018		Nine months ended September 30, 2018	
(thousands of Canadian dollars)	**Golf Members**	**Future Membership Fee Instalments**	Golf Members	Future Membership Fee Instalments	Golf Members	Future Membership Fee Instalments
Balance, beginning of period	**14,602**	**$ 21,967**	14,991	$ 24,100	14,991	$ 24,100
Sales to new members	**1,076**	**4,384**	1,399	4,908	1,389	4,226
Reinstated members	**189**	**203**	205	329	182	294
Transfer and upgrade fees from existing members	**-**	**257**	-	325	-	259
Resignations and terminations	**(1,112)**	**(2,031)**	(1,535)	(3,765)	(974)	(2,361)
Sale of Club de Golf Le Fontainebleau	**-**	**-**	(458)	(487)	-	-
Instalments received in cash	**-**	**(2,483)**	-	(3,443)	-	(3,123)
Balance, end of period (Full Privilege)	**14,755**	**$ 22,297**	14,602	$ 21,967	15,588	$ 23,395

In general, golf members are becoming more transient between member golf clubs since there is less membership fees being charged per member by both ClubLink and our competitors. This has translated into both more member sales and more member resignations.

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of US Golf Club Operations for the Period Ended September 30, 2019

Summary of US Golf Club Operations

(statistics)	For the nine months ended **September 30, 2019**	September 30, 2018	% Change
18-hole equivalent championship golf courses	**11.0**	11.0	-
Championship golf rounds	**254,000**	252,000	0.8%

(thousands of dollars)	For the nine months ended **September 30, 2019**	September 30, 2018	% Change
Operating revenue	**$ 13,222**	$ 12,906	2.4%
Direct operating expenses	**12,394**	12,748	(2.8%)
Net operating income	**828**	158	424.1%
Amortization of membership fees	**198**	186	6.5%
Depreciation and amortization	**(1,045)**	(1,383)	(24.4%)
Other items	**54**	76	(28.9%)
Segment earnings (loss) before interest and income taxes (US dollars)	**35**	(963)	N/A
Exchange	**(1)**	(353)	N/A
Segment earnings (loss) before interest and income taxes (Cdn dollars)	**$ 34**	$ (1,316)	N/A

Review of Corporate Items for the Period Ended September 30, 2019

Interest, Net and Investment Income

Interest, net and investment income decreased 58.9% to an expense of $4,126,000 for the nine month period ended September 30, 2019 from $10,030,000 in 2018 due to interest income earned on funds from the July 2018 sale of White Pass and a resulting decrease in borrowings.

Other Items

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

(thousands of Canadian dollars)	For the nine months ended **September 30, 2019**	September 30, 2018	% Change
Gain on property, plant and equipment	**$ (462)**	$ (407)	13.5%
Insurance proceeds	**(860)**	(1,488)	(42.2%)
Foreign exchange loss	**4,952**	1,398	254.2%
Unrealized loss (gain) on shares held for trading	**3,685**	(2,492)	N/A
Other	**279**	(116)	N/A
Other items	**$ 7,594**	$ (3,105)	N/A

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FINANCIAL CONDITION

Assets

Total assets decreased 0.6% to $698,543,000 at September 30, 2019 from $703,076,000 at December 31, 2018. This compares to $706,172,000 at September 30, 2018.

Liabilities

Total liabilities increased 0.5% to $265,701,000 at September 30, 2019 from $264,495,000 at December 31, 2018. This compares to $273,163,000 at September 30, 2018.

Shareholders’ Equity

Consolidated shareholders’ equity at September 30, 2019 totaled $432,842,000 or $16.18 per share, compared to $438,581,000 or $16.07 per share at December 31, 2018 and $433,009,000 or $15.85 per share at September 30, 2018. The number of common shares outstanding decreased to 26,754,720 shares as at September 30, 2019 compared to December 31, 2018.

The following is a summary of the common share activity:

	For the nine months ended	
(number of shares)	**September 30, 2019**	September 30, 2018
Balance, beginning of period	**27,286,052**	27,345,540
Other	**-**	(1)
Shares cancelled through NCIB	**(531,332)**	(29,800)
Balance, end of period	**26,754,720**	27,315,739

During the nine month period ending September 30, 2019, the Company purchased 531,332 shares for cancellation at a total price in the amount of $6,882,000.

The company has recorded a negative adjustment to its accumulated other comprehensive earnings account of $562,000 due to the translation of one US dollar into 1.3243 Canadian dollars at September 30, 2019 compared to 1.3642 at December 31, 2018. This change has a corresponding impact on the assets and liabilities having a base currency of US dollars.

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)	For the nine months ended **September 30, 2019**	September 30, 2018
Cash provided by (used in) operating activities	**$ 56,536**	$ (20,195)
Operating property, plant and equipment expenditures	**(5,027)**	(8,248)
Expansion property, plant and equipment expenditures	**(1,197)**	(8,155)
Proceeds from divestiture of White Pass	**-**	351,236
Mortgages and loans receivable	**(2,015)**	(8,737)
Revolving borrowings	**(20,689)**	(112,869)
Non-revolving borrowings – amortization payments	**(13,839)**	(14,254)
Term debt – maturities	-	(24,935)
Lease liabilities	**(3,826)**	(4,761)
Cash dividends	**(1,638)**	(1,640)
Other long term assets	**(191)**	3,867
Proceeds from sale of property, plant and equipment	**624**	307
Joint venture acquisition	**(9,301)**	-
Shares repurchased for cancellation	**(6,882)**	(364)
Marketable securities	**(6,393)**	-
Other	**256**	676
Net change in cash during the period	**(13,582)**	151,928
Cash, beginning of period	**137,207**	848
Cash, end of period	**$ 123,625**	$ 152,776

The analysis of TWC's liquidity is as follows:

(thousands of Canadian dollars)	**Availability as at September 30, 2019**		Availability as at December 31, 2018		Availabilty as at September 30, 2018	
	Maximum	**Available**	Maximum	Available	Maximum	Available
Cash and cash equivalents (CDN)	**$ 72,865**	**$ 72,865**	$ 389	$ 389	$ 1,417	$ 1,417
Cash and cash equivalents (USD)	**50,760**	**50,760**	136,818	136,818	151,359	151,359
Revolving line of credit (US Golf)	**9,932**	**9,932**	10,232	10,232	9,709	9,709
Revolving line of credit (corporate)	**50,000**	**50,000**	50,000	28,293	50,000	47,397
Related party revolving line of credit	**50,000**	**50,000**	50,000	50,000	50,000	50,000
	$ 233,557	**$ 233,557**	$ 247,439	$ 225,732	$ 262,485	$ 259,882

As part of the White Pass transaction, sale proceeds were received in US funds. On the date of the sale, July 31, 2018, the exchange rate was 1.3017. On March 8, 2019, $90,000,000 US of the proceeds were converted to Canadian at a rate of 1.3430, resulting in a realized foreign exchange gain of $3,717,000. On April 24, 2019, a further $20,000,000 US of the proceeds were converted to Canadian at a rate of 1.3430, resulting in a realized foreign exchange gain of $826,000, for a total of $4,543,000.

LIQUIDITY AND CAPITAL RESOURCES (continued)

Funds will be used during 2019 for operating capital expenditures, expansion 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 September 30, 2019, 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 September 30, 2019 compared to December 31, 2018:

(thousands of Canadian dollars)	**Interest Rate September 30, 2019**	Interest Rate December 31, 2018	**Total Indebtedness September 30, 2019**	Total Indebtedness December 31, 2018	**Average Term to Maturity (Yrs) September 30, 2019**	Average Term to Maturity (Yrs) December 31, 2018
Non-revolving	**8.00%**	8.00%	**$ 11,282**	$ 11,812	**10.00**	10.75
Exchange	**-**	-	**3,659**	4,302	**-**	-
Subtotal US borrowings	**8.00%**	8.00%	**14,941**	16,114		
Revolving (corporate)	**4.08%**	4.08%	**-**	20,689	**1.00**	1.75
Non-revolving	**7.05%**	7.07%	**116,563**	129,696	**5.80**	6.49
Other	**5.00%**	-	**5,200**	-	**3.66**	-
Subtotal CDN borrowings	**7.05%**	6.66%	**121,763**	150,385		
Gross borrowings	**7.16%**	6.79%	**$ 136,704**	$ 166,499		

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

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 September 30, 2019:

(thousands of Canadian dollars)	Revolving Maturities	Mortgage Payments	Other	**Total Borrowings**
Balance of 2019	$ -	$ 4,779	$ (65)	**$ 4,714**
2020	-	19,991	950	**20,941**
2021	-	21,471	999	**22,470**
2022	-	21,748	1,051	**22,799**
2023	-	20,512	1,104	**21,616**
2024 and thereafter	-	43,003	1,161	**44,164**
	$ -	$ 131,504	$ 5,200	**$ 136,704**

Operating Activities

Cash provided by operating activities were $56,536,000 in 2019 compared to a deficiency of $20,195,000 used in operating activities in 2018 due to income taxes remitted as part of the White Pass divestiture in 2018.

Investing Activities

Cash used in investing activities were $21,485,000 in 2019 compared to $339,007,000 provided by investing activities in 2018 due to the disposition of White Pass. In 2019, TWC invested $9,301,000 in a 50% interest in a real estate management company and various real estate housing investments.

LIQUIDITY AND CAPITAL RESOURCES (continued)

Financing Activities

Financing activities repayments were $48,898,000 in 2019 compared to $167,646,000 in 2018.

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. These facilities bear interest on a basis consistent with the entity's borrowing costs.

Summarized information regarding these facilities is as follows:

(thousands of Canadian dollars)	For the three months ended **September 30, 2019**	For the three months ended September 30, 2018	For the nine months ended **September 30, 2019**	For the nine months ended September 30, 2018	For the year ended December 31, 2018
Loan receivable from Morguard	**45,780**	8,272	**45,780**	8,272	47,809
Net interest receivable (payable)	**386**	(13)	**386**	(13)	365
Net interest earned (incurred)	**386**	(13)	**1,186**	(543)	269

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 2019 and 2018, there were no advances or repayments under this facility.

The purpose of these above 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 September 30, 2019, the amount receivable on this facility was $1,528,000 (September 30, 2018 - nil). Interest receivable at September 30, 2019 was $9,000 (September 30, 2018 - nil), and interest earned amounted to $9,000 for the three and nine months ended September 30, 2019 (September 30, 2018 - nil).

The Company receives managerial and consulting services from Morguard. The Company paid a management fee of $521,000 for the nine month period ended September 30, 2019 (September 30, 2018 - $255,000), under a contractual agreement, which is included in operating expenses. For the three months ended September 30, 2019, the Company paid a management fee of $173,000 (three months ended September 30, 2018 – $135,000). Morguard also provides back-office services to ClubLink US Corporation. The Company paid a management fee of US$345,000 (CDN$459,000) for the nine month period ended September 30, 2019 (September 30, 2018 - US$345,000; CDN$444,000) under a contractual agreement, which is included in direct operating expenses. For the three months ended September 30, 2019, the Company paid US$115,000 (CDN$152,000) in management fees (three months ended September 30, 2018 – US$115,000; CDN$151,000).

A total of US$39,000 of rental revenue was earned by TWC for the nine month period ended September 30, 2019 (September 30, 2018 - US$39,000) from Morguard relating to a shared office facility in Florida. For the three months ended September 30, 2019, rental revenue earned was US$13,000 (for the three months ended September 30, 2018 – US$13,000).

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

SUMMARY OF FINANCIAL RESULTS BY QUARTER

The table below sets forth selected financial data for the most recent nine quarters ending September 30, 2019. 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, except per share amounts)	**2019** Sept. 30	Jun. 30	Mar. 31	2018 Dec. 31	Sep. 30	Jun. 30	Mar. 31	2017 Dec. 31	Sep. 30
Total assets	**$ 698,543**	$ 714,319	$ 727,366	$ 703,076	$ 706,172	$ 665,514	$ 649,279	$ 630,054	$ 680,979
Operating revenue (a)	**65,260**	46,202	23,034	29,035	65,351	48,203	23,352	28,168	63,818
Net operating income (a)	**15,176**	5,348	3,577	3,476	14,763	6,935	3,855	3,055	15,981
Operating margin (%)	**23.3**	11.6	15.5	12.0	22.6	14.4	16.5	10.7	25.2
Net earnings (loss)	**7,322**	(3,291)	(3,986)	3,090	220,433	7,072	(7,301)	(19,581)	19,466
Basic earnings (loss) per share	**0.27**	(0.12)	(0.15)	0.11	8.06	0.26	(0.27)	(0.72)	0.71
Eligible cash dividends per share	**0.02**	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02

(a) net of discontinued operations

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 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.

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.

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.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OUTLOOK

Canadian Golf Club Operations

Management is expecting 2019 revenue from the amortization of membership fees to be approximately $5.1 million compared to $6.7 million in 2018. In general, membership fee collections have been declining over the last five years due to the downward pressure from the Company's competitors and an oversupply of golf courses in the markets where the Company operates. The average membership price for 2019 is $4,074 as compared to $3,508 for fiscal 2018, $4,107 in 2017 and $5,996 in 2016. This trend is expected to continue in the short-term. Inflationary increases for annual dues are still the norm.

Highland Gate Development

TWC has been pursuing the development of its Highland Gate property in Aurora, Ontario as part of a joint venture with Geranium Homes.

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 the first phase of the development.

The sales office opened on July 24, 2017 and servicing of the 44 lots in Phase 1a commenced on October 23, 2017.

There has been one closing within the third quarter of 2019 and there are four more closings scheduled for the fourth quarter of 2019.

Glen Abbey Development

ClubLink Corporation ULC and ClubLink Holdings Limited, wholly owned subsidiaries of TWC have 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 mixed-use development on the remainder of the site will deliver approximately 107,000 sf office and 69,000 sf retail space, along with a housing development consisting of 3,222 units compatible with the current character of the Oakville community and consistent with the provincial directive to focus growth within Oakville's built boundary.

The proposed removal of the golf course from the Sixteen Mile Creek valley will also enable this portion of the Lands to be re-naturalized and dedicated to public use, as a condition of approval of the redevelopment proposal. This would provide an opportunity for all members of the community to enjoy these lands and allow the Town to establish an important publicly-accessible connection within the valley on both the North and South sides of our property.

ClubLink's three development applications, Official Plan and zoning by-law amendments and the Draft Plan of Subdivision, were deemed complete on November 10, 2016, the date they were received by the Town. Each of these applications have been appealed to the Local Planning Appeal Tribunal ("LPAT"). An Oakville motion was heard on March 27, 2019, on whether the development application hearing in 2020 should be phased. On June 14, 2019, LPAT issued its decision and dismissed Oakville's request for a phased hearing and confirmed a 20-week single phase hearing on the development applications. This is scheduled for July 6, 2020 to November 20, 2020. On July 12, 2019, Oakville wrote to LPAT and requested that paragraphs 21 to 25 be deleted from the decision because the decision contains statements by the member demonstrating a misapprehension of submissions made by counsel for the Town, and related statements that could be taken as a predetermination of issues to be determined at the hearing of the ClubLink applications.

On December 20, 2017, Oakville Council Designated the Glen Abbey property as a significant cultural heritage landscape under by-law 2017-138. On December 17, 2018, ClubLink filed a superior court application to quash By-law 2017-138, a hearing is scheduled for two days during the week of April 20, 2020.

On September 25, 2017, ClubLink requested the Town to schedule a Ontario Heritage Act (OHA) section 34 pre-consultation meeting to demolish and remove 16 buildings and the golf course. The Town responded that our request was beyond the scope of a section 34 application and made an application to Ontario's Superior Court asking for confirmation of the Town's interpretation. ClubLink filed a section 34 application on November 21, 2017, and also made an application to Ontario's Superior Court asking for confirmation that ClubLink had filed a valid section 34 application. The two Superior Court applications were heard together on July 16 and 17, 2018 by Justice Morgan. In accordance with the court's scheduling order, Oakville Council reviewed our section 34 application on February 12, 2018 and refused it. ClubLink appealed Council's decision to LPAT and the appeal is being held in abeyance until a final decision on the court applications is made. On October 25, 2018, Justice Morgan ruled

OUTLOOK (continued)

that the Glen Abbey golf course is both composed of structures and overall is a structure for the purposes of section 34 of the OHA. The Court of Appeal heard Oakville's appeal of Justice Morgan's decision on May 21, 2019 and issued a majority decision on October 23, 2019 confirming that ClubLink had filed a valid section 34 application.

On January 30, 2018, Oakville Council passed a Town-wide Cultural Heritage Landscape Conservation Plan by-law (CHL By-law) and a site specific Conservation Plan for Glen Abbey. Council also passed conforming amendments to four other by-laws. On February 6, 2018, ClubLink filed an application to Ontario's Superior Court to quash the Glen Abbey Conservation Plan, CHL Law and conforming amendments to four other by-laws approved on January 30, 2018. The Superior Court application was heard on October 22 and 23, 2018 by Justice Morgan. On December 11, 2018, Justice Morgan struck down Oakville's CHL By-law and four related by-laws and the Town initiated site specific Conservation Plan for the Glen Abbey property, concluding that all three grounds for illegality were satisfied. The three grounds are ultra vires; bad faith and vagueness. The Court of Appeal heard Oakville's appeal of Justice Morgan's decision on May 23, 2019 and issued a majority decision that the Glen Abbey Conservation plan was ultra vires because it effectively forced ClubLink to operate a golf course in perpetuity but did not comment on bad faith or vagueness. In an unanimous decision the Court of Appeal reinstated the CHL By-law and four related by-laws because of their Town-wide application.

On September 18, 2019, LPAT confirmed that ClubLink's appeals of OPA 15 (Urban Structure), OPA 16 (Cultural Heritage Policy Updates), OPA 24 and a Glen Abbey specific Zoning By-law Amendment 2018-016 had transitioned to the new Bill 108 regime. LPAT reconvened the Case Management Conference (CMC) on November 1, 2019 to address the events that have occured since February 2019 and a ClubLink motion to hear these appeals together with the redevelopment hearing scheduled to commence on July 6, 2020. In an oral decision, ClubLink's motion was granted and the November 15, 2019 CMC was postponed to a date to be confirmed.

On January 29, 2019, ClubLink filed a Superior Court application to quash OPA 24 and Zoning By-law 2018-016, a two-day hearing has been scheduled for the week of April 20, 2020.

The development application process at Glen Abbey may take several years to conclude and accordingly the property will be operated as a golf course by the Company for the immediate future.

Kanata Development

ClubLink has been working with two local developers on development options at Kanata Golf and Country Club in Ottawa. A development application was 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 to have ClubLink's application withdrawn or transfer the property to the City at no cost. ClubLink will vigorously defend Ottawa's application.

US Golf Club Operations

ClubLink is working with a local developer to explore development options at Woodlands Country Club in Tamarac, Florida.

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 DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The condensed consolidated interim financial statements (the "financial statements") and management's discussion and analysis of operations contained in this quarterly report 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 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 quarterly report is consistent with the information contained in the financial statements.

The 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

Andrew Tamlin
Chief Financial Officer

November 5, 2019

TWC ENTERPRISES LIMITED
Interim Condensed Consolidated Balance Sheets (Unaudited)

(thousands of Canadian dollars)	Notes	**September 30, 2019**	December 31, 2018	September 30, 2018
ASSETS			(restated-note 3)	
Current				
Cash and cash equivalents		**$ 123,625**	$ 137,207	$ 152,776
Accounts receivable		**14,687**	38,104	47,009
Mortgages and loans receivable		**45,787**	47,815	8,278
Inventories and prepaid expenses		**8,745**	4,937	8,641
Other assets	4	**25,856**	23,147	28,382
		218,700	251,210	245,086
Mortgages and loans receivable		**4,292**	2,721	1,441
Other assets	4	**23,258**	8,517	8,804
Right-of-use assets	5	**18,016**	-	-
Property, plant and equipment	6	**418,249**	423,763	433,667
Intangible assets	7	**16,028**	16,865	17,174
Total assets		**$ 698,543**	$ 703,076	$ 706,172
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	8	**$ 32,803**	$ 26,851	$ 42,892
Lease liabilities	9	**5,083**	528	573
Borrowings	10	**20,837**	18,643	18,264
Prepaid annual dues and deposits		**19,506**	12,560	19,885
		78,229	58,582	81,614
Lease liabilities	9	**13,853**	338	472
Borrowings	10	**115,306**	147,116	131,954
Deferred membership fees	11	**8,247**	9,682	11,060
Deferred income tax liabilities		**50,066**	48,777	48,063
Total liabilities		**265,701**	264,495	273,163
Share capital	13	**109,568**	111,744	111,865
Retained earnings		**318,307**	321,308	316,123
Accumulated other comprehensive earnings		**4,967**	5,529	5,021
Total shareholders' equity		**432,842**	438,581	433,009
Total liabilities and shareholders' equity		**$ 698,543**	$ 703,076	$ 706,172

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

TWC ENTERPRISES LIMITED
Interim Condensed Consolidated Statements of Earnings (Loss) and Comprehensive Earnings (Loss) (Unaudited)

(thousands of Canadian dollars, except per share amounts)	Notes	For the three months ended September 30, 2019	September 30, 2018	For the nine months ended September 30, 2019	September 30, 2018
REVENUE					
Operating revenue		**$ 65,260**	$ 65,351	**$ 134,496**	$ 136,906
Amortizaton of membership fees	11	**1,480**	1,807	**4,033**	5,145
	12	**66,740**	67,158	**138,529**	142,051
EXPENSES					
Cost of sales		**11,299**	11,282	**19,148**	19,677
Labour and employee benefits		**26,765**	26,454	**57,942**	57,961
Utilities		**2,168**	2,612	**6,071**	6,216
Selling, general and administrative		**1,388**	1,443	**4,213**	3,941
Property taxes		**540**	582	**3,208**	3,331
Repairs and maintenance		**1,195**	1,285	**3,448**	3,648
Insurance		**673**	679	**2,042**	1,939
Fertilizers and pest control products		**1,017**	857	**1,981**	2,163
Fuel and oil		**569**	659	**1,114**	1,255
Other operating expenses		**4,470**	4,735	**11,228**	11,222
Depreciation of right-of-use assets	5	**1,294**	-	**3,880**	-
Depreciation of property, plant and equipment	6	**3,431**	3,769	**10,494**	11,351
Amortization of intangible assets	7	**268**	271	**803**	802
Land lease rent		**-**	1,097	**-**	3,292
Interest, net and investment income	14	**1,317**	2,522	**4,126**	10,030
Other items	15	**(357)**	(3,169)	**7,594**	(3,105)
		56,037	55,078	**137,292**	133,723
Earnings before income taxes		**10,703**	12,080	**1,237**	8,328
Income tax provision					
Current		**2,500**	1,801	**1,081**	1,301
Deferred		**881**	1,433	**111**	1,257
		3,381	3,234	**1,192**	2,558
Net earnings from continuing operations		**7,322**	8,846	**45**	5,770
Net earnings from discontinued operations	3	**-**	211,587	**-**	214,434
Net earnings		**7,322**	220,433	**45**	220,204
Unrealized foreign exchange gain (loss) in respect of foreign operations		**255**	(1,455)	**(562)**	3,750
Unrealized loss on hedge of net investment in foreign operations; net of tax recovery of $0 for the nine months ended September 30,2019 (September 30, 2018 - $67)		**-**	170	**-**	(436)
Total comprehensive earnings (loss)		**$ 7,577**	$ 219,148	**$ (517)**	$ 223,518
Weighted average shares outstanding (000)	13	**27,130**	27,334	**27,234**	27,342
Earnings per share from continuing operations		**$ 0.27**	$ 0.32	**$ 0.00**	$ 0.21
Earnings per share from discontinued operations	3	**$ -**	$ 7.74	**$ -**	$ 7.84
Earnings per share - basic and diluted	13	**$ 0.27**	$ 8.06	**$ 0.00**	$ 8.05

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

TWC ENTERPRISES LIMITED
Interim Condensed Consolidated Statements of Changes in Shareholders' Equity (Unaudited)

(thousands of Canadian dollars except common shares)	Note	Common Shares	Share Capital	Retained Earnings	Accumulated Other Comprehensive Earnings (Loss)	Total Shareholders' Equity
Balance, January 1, 2018		**27,345,540**	**$ 111,987**	**$ 97,801**	**$ 23,370**	**$ 233,158**
Comprehensive earnings		-	-	220,204	3,314	223,518
Cash dividend	13B	-	-	(1,640)	-	(1,640)
Other		(1)	-	-	-	-
Realized foreign exchange upon divestiture of White Pass		-	-	-	(21,663)	(21,663)
Shares cancelled subject to normal course issuer bid	13C	(29,800)	(122)	(242)	-	(364)
Balance, September 30, 2018		**27,315,739**	**111,865**	**316,123**	**5,021**	**433,009**
Comprehensive earnings		-	-	3,090	508	3,598
Cash dividend	13B	-	-	(546)	-	(546)
Prior period adjustment	3	-	-	2,895	-	2,895
Shares cancelled subject to normal course issuer bid	13C	(29,687)	(121)	(254)	-	(375)
Balance, December 31, 2018 (restated-note 3)		**27,286,052**	**111,744**	**321,308**	**5,529**	**438,581**
Adoption of IFRS 16	2	-	-	3,298	-	3,298
Comprehensive earnings (loss)		-	-	45	(562)	(517)
Cash dividend	13B	-	-	(1,638)	-	(1,638)
Shares cancelled subject to normal course issuer bid	13C	(531,332)	(2,176)	(4,706)	-	(6,882)
Balance, September 30, 2019		**26,754,720**	**$ 109,568**	**$ 318,307**	**$ 4,967**	**$ 432,842**

TWC ENTERPRISES LIMITED
Interim Condensed Consolidated Statements of Cash Flow (Unaudited)

(thousands of Canadian dollars)	Notes	For the three months ended **September 30, 2019**	September 30, 2018	For the nine months ended **September 30, 2019**	September 30, 2018
OPERATING ACTIVITIES					
Net income		**$ 7,322**	$ 220,433	**$ 45**	$ 220,204
Items not affecting cash:					
Amortization of membership fees	11	**(1,480)**	(1,807)	**(4,033)**	(5,145)
Depreciation of property, plant and equipment	6	**3,431**	3,769	**10,494**	15,150
Depreciation of right-of-use assets	5	**1,294**	-	**3,880**	-
Amortization of intangible assets	7	**268**	271	**803**	802
Land lease rent expense		**-**	1,125	**-**	3,441
Interest, net	14	**1,317**	2,892	**4,126**	11,134
Unrealized foreign exchange loss		**(400)**	1,398	**2,206**	1,398
Unrealized loss (gain) on shares held for trading		**943**	(2,491)	**3,685**	(2,491)
Gain on divestiture of White Pass		**-**	(262,311)	**-**	(262,311)
Gain on sale of capital assets	6	**(167)**	(125)	**(462)**	(407)
Income tax provision		**3,381**	64,595	**1,192**	65,053
Collection of membership fee instalments	11	**1,897**	2,052	**2,610**	3,229
Interest paid		**(1,287)**	(3,002)	**(4,049)**	(11,090)
Income taxes paid		**(693)**	(59,636)	**(5,982)**	(61,149)
Accounts receivable		**5,226**	(405)	**22,667**	(20,578)
Inventories and prepaid expenses		**3,762**	4,943	**(3,808)**	(3,533)
Accounts payable and accrued liabilities		**(772)**	1,209	**16,216**	18,933
Prepaid annual dues and deposits		**(18,866)**	(18,707)	**6,946**	7,165
Cash and cash equivalents provided by (used in) operating activities		**5,176**	(45,797)	**56,536**	(20,195)
INVESTING ACTIVITIES					
Operating property, plant and equipment expenditures	6	**(1,626)**	(2,266)	**(5,027)**	(8,248)
Expansion property, plant and equipment expenditures	6	**(282)**	(1,390)	**(1,197)**	(8,155)
Proceeds on divestiture of White Pass		**-**	351,236	**-**	351,236
Proceeds on sale of capital assets	6	**203**	-	**624**	307
Joint venture acquisition	4	**(9,301)**	-	**(9,301)**	-
Marketable securities		**(6,393)**	-	**(6,393)**	-
Other long-term assets		**(80)**	(53)	**(191)**	3,867
Cash provided by (used in) investing activities		**(17,479)**	347,527	**(21,485)**	339,007
FINANCING ACTIVITIES					
Deferred financing costs		**(9)**	(79)	**(9)**	(86)
Revolving borrowings		**-**	(110,828)	**(20,689)**	(112,869)
Non-revolving borrowings - amortization payments		**(4,692)**	(4,571)	**(13,839)**	(14,254)
Term debt - maturities		**-**	(24,935)	**-**	(24,935)
Lease liabilities		**(1,258)**	(1,530)	**(3,826)**	(4,761)
Mortgages and loans receivable		**(8,542)**	(8,740)	**(2,015)**	(8,737)
Shares repurchased for cancellation	13	**(6,882)**	(358)	**(6,882)**	(364)
Dividends paid	13	**(546)**	(546)	**(1,638)**	(1,640)
Cash used in financing activities		**(21,929)**	(151,587)	**(48,898)**	(167,646)
Net effect of currency translation adjustment on cash and cash equivalents		**1**	977	**265**	762
Net increase in cash and cash equivalents during the period		**(34,231)**	151,120	**(13,582)**	151,928
Cash and cash equivalents, beginning of period		**157,856**	1,656	**137,207**	848
Cash and cash equivalents, end of period		**$ 123,625**	$ 152,776	**$ 123,625**	$ 152,776

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

TWC ENTERPRISES LIMITED
Notes to Interim Condensed Consolidated Financial Statements (Unaudited)
September 30, 2019

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." TWC is Canada's largest owner, operator and manager of golf clubs with 53½, 18-hole equivalent championship and 3½, 18-hole equivalent academy courses at 41 locations in Ontario, Quebec and Florida (including one managed property).

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

The interim condensed consolidated financial statements (the "financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS").

This interim financial quarterly report has been prepared in compliance with IAS 34.

These financial statements were authorized for issuance by the Board of Directors on November 5, 2019.

These financial statements have been prepared on a basis consistent with the Company's annual audited consolidated financial statements for the year ended December 31, 2018 with the exception of the new accounting policies that were adopted on January 1, 2019 as described later on in this note. Accordingly, certain information and disclosures normally required to be included in notes to annual financial statements have been condensed or omitted. Accordingly, these financial statements should be read in conjunction with the annual consolidated financial statements and the notes thereto for the year ended December 31, 2018. These financial statements were prepared on a going concern basis, under the historical cost model.

Due to the seasonal nature of the golf club operations in which the Company currently operates, the second and third quarters of the fiscal year account for, and are expected to account for, a greater portion of revenue and earnings than do the first and fourth quarters of each fiscal year. This seasonal pattern may cause the Company's operating revenue and net operating income to vary significantly from quarter to quarter with consequential impacts on related working capital balances. Due to this seasonality, a consolidated balance sheet as at September 30, 2018 has been presented for comparative purposes.

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. This is the only component in this category. 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.

Effective January 1, 2016, TWC declared its 8.00% USD mortgage facility as a hedge against its net investment in White Pass up until the time of the divestiture of White Pass (July 31, 2018). In this type of hedging relationship, the change in value of the "effective" portion of the derivative instrument is recognized in other comprehensive income and the change in value of the "ineffective" portion is recognized in profit or loss. Accordingly, the foreign exchange translation gain or loss on this mortgage was reflected in accumulated other comprehensive income effective January 1, 2016 until July 31, 2018. The amounts recognized in other comprehensive income were reclassified to the consolidated statement of earnings as part of the divestiture of White Pass.

2. BASIS OF PRESENTATION (continued)

New Accounting Pronouncements

The Company has adopted the following new accounting standards effective January 1, 2019.

IFRS 16, Leases

IFRS 16, Leases ("IFRS 16") was issued by the IASB on January 13, 2016, and replaces IAS 17, Leases. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted if IFRS 15 has also been applied. The Company applied this standard effective January 1, 2019 using the modified retrospective approach whereby any transitional impact is recorded in equity as at January 1, 2019 and comparative periods are not restated.

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. The standard includes two recognition exemptions for leases; leases of 'low-value' assets and short-term leases. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events (i.e. a change in lease term, a change in future lease payments resulting from a change in an index or rate used to determine payments).

The Company has reviewed all lease contracts in which it is a lessee, and has accounted for all contracts outside of exceptions detailed below. The Company has elected to use the exemptions proposed by the standard on lease contracts for which the lease term ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. As the Company applied IFRS 16 for the first time for the year ending December 31, 2019, total assets as of January 1, 2019 increased by $21,903,000 along with a corresponding increase to total liabilities of $21,903,000. Retained earnings as of January 1, 2019 increased by $3,298,000 due to the reversal of accrued land lease rent ($4,487,000 net of deferred tax of $1,189,000) which represents additional straight line rent previously expensed compared to cash payments. Right-of-use assets are depreciated on a straight-line basis over the term of the lease.

IFRIC Interpretation 23, Uncertainty over Income Tax Treatment ("IFRIC 23")

IFRIC 23 addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments collectively

- The assumptions an entity makes about the examination of tax treatments by taxation authorities

- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates

- How an entity considers the effect of changes in facts and circumstances

An entity applies IFRIC 23 for annual reporting periods beginning on or after January 1, 2019. The requirements are applied by recognizing the cumulative effect of initially applying them in retained earnings, or in other appropriate components of equity, at the start of the reporting period in which an entity first applies them, without adjusting comparative information. Full retrospective application is permitted, if an entity can do so without using hindsight.

The IFRIC Interpretation did not have an impact on the Company's consolidated financial statements.

3. DIVESTITURE AND DISCONTINUED OPERATIONS

TWC was previously engaged in rail and port operations based in Skagway, Alaska which operate under the trade name White Pass & Yukon Route ("White Pass"). The railway stretches approximately 110 kilometres (67.5 miles) from Skagway, Alaska to Carcross, Yukon. In addition, White Pass operates three docks, primarily for cruise ships. White Pass was divested on July 31, 2018.

On June 6, 2018, TWC announced that it entered into a purchase and sale agreement to sell the White Pass rail and port operations to a joint venture for proceeds of US$290,000,000. Closing on July 31, 2018, the transaction represented a sale of the complete operations of White Pass. Consequently, this segment is being presented as discontinued operations in the financial statements.

The results of the discontinued operations consist of the following:

(thousands of Canadian dollars, except per share amounts)	Notes	For the three months ended September 30, 2019	For the three months ended September 30, 2018	For the nine months ended September 30, 2019	For the nine months ended September 30, 2018
REVENUE					
Operating revenue		$ -	$ 15,005	$ -	$ 36,555
EXPENSES					
Direct operating expenses and other items		-	3,373	-	16,885
Depreciation of property, plant and equipment	7	-	-	-	3,799
Land lease rent		-	28	-	149
Interest, net		-	370	-	1,104
Subtotal			11,234		14,618
Gain on divestiture of White Pass			262,311		262,311
Earnings before income taxes		-	273,545	-	276,929
Income tax expense		-	61,958	-	62,495
Net earnings		$ -	$ 211,587	$ -	214,434
Weighted average shares outstanding (000)		-	27,334	-	27,342
Earnings per share basic and diluted		$ -	$ 7.74	$ -	$ 7.84

The net cash flows used in the discontinued operations are as follows:

(thousands of Canadian dollars)	For the three months ended September 30, 2019	For the three months ended September 30, 2018	For the nine months ended September 30, 2019	For the nine months ended September 30, 2018
Cash and cash equivalents used in operating activities	$ -	$ (56,045)	$ -	$ (54,683)
Cash and cash equivalents provided by investing activities	-	378,334	-	370,110
Cash and cash equivalents used in financing activities	-	(63,013)	-	(52,322)
Net cash flows	$ -	$ 259,276	$ -	$ 263,105

As part of the process of filing the Company's 2018 income tax returns, management determined the amount of income tax liability in relation to this transaction should be reduced by $2,895,000 from amounts previously recorded. This prior period error relates to the tax on the gain on the sale of White Pass that took place in the third quarter of 2018, and it reduces the tax expense on the gain as originally reported. It has been corrected through the retrospective restatement of the results and reflected on the balance sheet as at December 31, 2018.

4. OTHER ASSETS

Other assets consist of the following:

(thousands of Canadian dollars)	September 30, 2019	December 31, 2018
Investment in joint ventures	$ 22,496	$ 7,834
Common shares in Carnival plc (349,958 shares denominated in GBP)	19,463	23,147
Investment in marketable securities	6,393	-
Other	762	683
	49,114	31,664
Less: current portion	25,856	23,147
Other assets	$ 23,258	$ 8,517

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

(thousands of Canadian dollars)	September 30, 2019	December 31, 2018
Balance, beginning of period	$ 7,834	$ 11,955
Acquisition	14,501	-
Equity income	161	-
Net spending on investments	-	(4,121)
Balance, end of period	$ 22,496	$ 7,834

On August 16, 2019, TWC purchased a 50% interest in a real estate management company and various real estate housing investments with ownership percentage ranging from 11.67% to 23.33% for $14,501,000. This purchase price was broken down into a cash outlay of $9,301,000 and promissory notes in the amount of $5,200,000. Included in this acquisition was an 11.67% interest in the Highland Gate project, bringing TWC's total interest to be 61.67%. Notwithstanding this fact, TWC does not control this project due to the fact that the Company can only nominate one of the two directors for this asset. Therefore, Highland Gate is jointly controlled and is accounted for as a joint venture.

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.

4. 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:

(thousands of Canadian dollars)	Highland Gate	Real Estate Management Company	Real Estate Housing Investments	September 30, 2019 **Total**	December 31, 2018 Total
Current assets	$ 447	$ 4,752	$ 1,402	**$ 6,601**	$ 2,173
Land and other long-term assets	54,221	13,137	36,078	**103,436**	37,796
Secured project debt	(26,273)	-	(22,519)	**(48,792)**	(17,078)
Loan from TWC	-	(1,528)	-	**(1,528)**	-
Liabilities	(4,730)	(2,414)	(4,004)	**(11,148)**	(5,829)
Net assets at 100%	23,665	13,947	10,957	**48,569**	17,062
Net assets at Company's share	14,594	6,974	1,625	**23,193**	8,531
Deferred profit	(697)	-	-	**(697)**	(697)
Net assets	$ 13,897	$ 6,974	$ 1,625	**$ 22,496**	$ 7,834
Attributable to TWC	$ 13,897	$ 6,974	$ 1,625	**$ 22,496**	$ 7,834
Attributable to partners	$ 9,768	$ 6,973	$ 9,332	**$ 26,073**	$ 7,834
Equity income (loss)	$ 205	$ (44)	$ -	**$ 161**	$ -
Acquisition amount	$ 5,858	$ 7,018	$ 1,625	**$ 14,501**	$ -

The Company is still in the process of identifying and assigning the net fair value of the investee's identifiable assets and liabilities from the August 16, 2019 transaction. The above has been presented on a preliminary basis and will be revised, if necessary, in the December 31, 2019 financial statements.

5. RIGHT-OF-USE ASSETS

Right-of-use assets consists of the following:

(thousands of Canadian dollars)	Land and Buildings	Equipment	**Total**
At December 31, 2018	$ -	$ -	**$ -**
Adoption of IFRS 16 (note 2)	21,372	531	**21,903**
Depreciation	(3,757)	(123)	**(3,880)**
Foreign exchange	-	(7)	**(7)**
At September 30, 2019	$ 17,615	$ 401	**$ 18,016**

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

(thousands of Canadian dollars)	Land	Buildings and Land Improvements	Docks	Bunkers, Cart Paths and Irrigation	Rolling Stock and Equipment	Total
Cost						
At January 1, 2018	$ 309,316	$ 210,978	$ 80,359	$ 108,126	$ 168,197	**$ 876,976**
Additions	2,186	1,237	3,309	2,149	10,095	**18,976**
Divestiture	(17,459)	(51,150)	(86,695)	-	(86,071)	**(241,375)**
Impairment	(2,981)	(2,514)	-	(3,716)	(2,105)	**(11,316)**
Disposals	(663)	(2,220)	-	(3,137)	(4,485)	**(10,505)**
Foreign exchange difference	1,800	2,846	3,027	975	3,916	**12,564**
At December 31, 2018	292,199	159,177	-	104,397	89,547	**645,320**
Additions	1,300	339	-	1,176	3,409	**6,224**
Disposals	(6)	-	-	-	(2,523)	**(2,529)**
Other	(317)	-	-	-	-	**(317)**
Foreign exchange difference	(336)	(298)	-	(251)	(258)	**(1,143)**
At September 30, 2019	$ 292,840	$ 159,218	$ -	$ 105,322	$ 90,175	**$ 647,555**
Accumulated Depreciation						
At January 1, 2018	$ -	$ 87,459	$ 33,702	$ 73,679	$ 104,295	**$ 299,135**
Depreciation	-	5,456	1,840	5,332	6,260	**18,888**
Divestiture	-	(16,351)	(36,847)	-	(36,402)	**(89,600)**
Impairment	-	(461)	-	(1,413)	(1,577)	**(3,451)**
Disposals	-	(1,174)	-	(2,593)	(4,079)	**(7,846)**
Foreign exchange difference	-	834	1,305	392	1,900	**4,431**
At December 31, 2018	-	75,763	-	75,397	70,397	**221,557**
Depreciation	-	3,495	-	3,584	3,415	**10,494**
Disposals	-	-	-	-	(2,367)	**(2,367)**
Foreign exchange difference	-	(86)	-	(112)	(180)	**(378)**
At September 30, 2019	$ -	$ 79,172	$ -	$ 78,869	$ 71,265	**$ 229,306**
Net book value at December 31, 2018	$ 292,199	$ 83,414	$ -	$ 29,000	$ 19,150	**$ 423,763**
Net book value at September 30, 2019	$ 292,840	$ 80,046	$ -	$ 26,453	$ 18,910	**$ 418,249**

Certain property, plant and equipment have been assigned as collateral for borrowings (Note 10).

On October 13, 2017, the Company sustained a significant fire event which impacted the clubhouse at Le Maître de Mont-Tremblant. The Company has opened an insurance claim and is arranging for the reconstruction of the clubhouse. An insurance draw in the amount of $2,400,000 was received during 2018 and was recorded as part of other expenses.

Due to deteriorating operating performance, an impairment review was conducted on the Company's Fort Lauderdale golf courses for the year ended December 31, 2018. Using management's best estimate and assumptions, the Company concluded that an impairment adjustment was warranted for Eagle Trace and Heron Bay. Reasons for impairment relate to declining operating performance. A total impairment in the amount of $7,865,000 (US$5,765,000) was recorded to property, plant and equipment in 2018.

On December 14, 2018, the Company sold Club de Golf Le Fontainebleau to the shareholders of Club de Golf Rosemère for net proceeds of $8,589,000. Clublink retains a management fee arrangement of Fontainebleau and recorded a gain of $6,268,000 on the sale.

6. PROPERTY, PLANT AND EQUIPMENT (continued)

The Company sold White Pass on July 31, 2018. As a result, this segment is being presented as discontinued operations on the Consolidated Statement of Earnings. The breakdown of depreciation expense is as follows:

(thousands of Canadian dollars)	**September 30, 2019**	December 31, 2018	September 30 2018
Depreciation - continuing operations	**$ 10,494**	$ 15,089	$ 11,351
Depreciation - discontinued operations	**-**	3,799	3,799
	$ 10,494	$ 18,888	$ 15,150

7. INTANGIBLE ASSETS

Intangible assets consist of the following:

(thousands of Canadian dollars)	Membership base	Brand	Other	**Total Intangible Assets**
Cost				
At January 1, 2018	$ 12,316	$ 13,477	$ 2,430	**$ 28,223**
Disposals	(252)	-	-	**(252)**
Foreign exchange difference	170	-	17	**187**
At December 31, 2018	12,234	13,477	2,447	**28,158**
Foreign exchange difference	(62)	-	(6)	**(68)**
At September 30, 2019	$ 12,172	$ 13,477	$ 2,441	**$ 28,090**
Accumulated amortization				
At January 1, 2018	$ 4,265	$ 4,138	$ 1,881	**$ 10,284**
Amortization	455	452	154	**1,061**
Disposals	(142)	-	-	**(142)**
Foreign exchange difference	73	-	17	**90**
At December 31, 2018	4,651	4,590	2,052	**11,293**
Amortization	340	347	116	**803**
Foreign exchange difference	(28)	-	(6)	**(34)**
At September 30, 2019	$ 4,963	$ 4,937	$ 2,162	**$ 12,062**
Net book value at December 31, 2018	$ 7,583	$ 8,887	$ 395	**$ 16,865**
Net book value at September 30, 2019	$ 7,209	$ 8,540	$ 279	**$ 16,028**

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

(thousands of Canadian dollars)	**September 30, 2019**	December 31, 2018	September 30, 2018
Trade payables	**$ 7,499**	$ 3,433	$ 8,570
Accrued payroll costs	**7,342**	4,104	6,355
Accrued land lease rent	**-**	4,487	4,704
Accrued interest	**778**	889	908
Income taxes payable	**1,540**	3,298	6,359
Accrued liabilities and other	**15,644**	10,640	15,996
	$ 32,803	$ 26,851	$ 42,892

9. 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, 2018	$ -	$ 1,840	**$ 1,840**
Interest expense	-	11	**11**
Lease payments	-	(989)	**(989)**
Foreign exchange	-	4	**4**
At December 31, 2018	-	866	**866**
Adoption of IFRS 16 (note 2)	21,372	531	**21,903**
Interest expense	784	48	**832**
Lease payments	(4,106)	(552)	**(4,658)**
Foreign exchange	-	(7)	**(7)**
At September 30, 2019	18,050	886	**18,936**
Less: current portion	4,614	469	**5,083**
Lease liabilities	$ 13,436	$ 417	**$ 13,853**

Future minimum payments of finance lease liabilities are as follows:

(thousands of Canadian dollars)	Finance Lease Liabilities	Interest	**Total Minimum Lease Payments**
Balance of 2019	$ 1,280	$ 273	**$ 1,553**
2020	5,093	911	**6,004**
2021	5,358	594	**5,952**
2022	4,523	289	**4,812**
2023	1,197	124	**1,321**
2024 and thereafter	1,485	73	**1,558**
	$ 18,936	$ 2,264	**$ 21,200**

The above finance lease liabilities have a weighted average interest rate of 6.2% (2018 - 4.0%). The change in interest rate is a result of the adoption of IFRS 16 and incorporating the leases contemplated by this section.

TWC ENTERPRISES LIMITED
Notes to Interim Condensed Consolidated Financial Statements (Unaudited)
September 30, 2019

10. BORROWINGS

Borrowings consist of the following:

(thousands of Canadian dollars)	**September 30, 2019**	December 31, 2018	September 30, 2018
Secured revolving operating line of credit to a maximum of $50,000,000 due September 30, 2020	**$ -**	$ 20,689	$ 1,585
Mortgages with blended monthly payments of principal and interest			
8.345% Mortgages due July 1, 2022	**6,993**	8,585	9,094
7.550% Mortgage due July 1, 2022	**835**	1,028	1,089
7.416% Mortgages due September 1, 2023	**12,600**	14,576	15,210
7.268% Mortgage due July 1, 2024	**5,792**	6,522	6,757
8.060% Mortgage due July 1, 2024	**31,180**	35,092	36,349
6.194% Mortgage due March 1, 2026	**30,307**	33,083	33,981
6.315% Mortgage due December 1, 2027	**28,856**	30,810	31,440
8.000% Mortgage due October 1, 2029 (US$11,282,000; December 31, 2018 - US$11,812,000; September 30, 2018 - US$11,982,000)	**14,941**	16,114	15,511
Other	**5,200**	-	-
	136,704	145,810	149,431
Gross borrowings	**136,704**	166,499	151,016
Less: deferred financing costs	**561**	740	798
Borrowings	**136,143**	165,759	150,218
Less: current portion	**20,837**	18,643	18,264
	$ 115,306	$ 147,116	$ 131,954

Borrowings are collateralized by certain property, plant and equipment assets (note 6).

Minimum principal debt repayments over the next five years and thereafter as at September 30, 2019 are as follows:

(thousands of Canadian dollars)	Revolving Maturities	Mortgage Payments	Other	**Total Borrowings**
Balance of 2019	$ -	$ 4,779	$ (65)	**$ 4,714**
2020	-	19,991	950	**20,941**
2021	-	21,471	999	**22,470**
2022	-	21,748	1,051	**22,799**
2023	-	20,512	1,104	**21,616**
2024 and thereafter	-	43,003	1,161	**44,164**
	$ -	$ 131,504	$ 5,200	**$ 136,704**

11. DEFERRED MEMBERSHIP FEES

Deferred membership fees consist of the following:

(thousands of Canadian dollars)	**September 30, 2019**	December 31, 2018	September 30, 2018
Unamortized membership fees (note 11A)	**$ 31,427**	$ 32,597	$ 35,243
Future membership fee instalments (note 11B)	**(23,180)**	(22,915)	(24,183)
Deferred membership fees	**$ 8,247**	$ 9,682	$ 11,060

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)	**For the nine months ended September 30, 2019**	For the year ended December 31, 2018	For the nine months ended September 30, 2018
Balance, beginning of period	**$ 32,597**	$ 37,808	$ 37,808
Sales to new members	**4,433**	5,122	4,326
Transfer and reinstatement fees	**502**	759	594
Resignations and terminations	**(2,031)**	(3,810)	(2,386)
Amortization of membership fees to revenue	**(4,033)**	(6,697)	(5,145)
Sale of Club de Golf Le Fontainebleau	**-**	(699)	-
Exchange difference	**(41)**	114	46
Balance, end of period	**$ 31,427**	$ 32,597	$ 35,243

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

(thousands of Canadian dollars)	**For the nine months ended September 30, 2019**	For the year ended December 31, 2018	For the nine months ended September 30, 2018
Balance, beginning of period	**$ 22,915**	$ 24,851	$ 24,851
Sales to new members	**4,433**	5,122	4,326
Transfer and reinstatement fees	**502**	759	594
Resignations and terminations	**(2,031)**	(3,810)	(2,386)
Instalments received in cash	**(2,610)**	(3,590)	(3,229)
Sale of Club de Golf Le Fontainebleau	**-**	(487)	-
Exchange difference	**(29)**	70	27
Balance, end of period	**$ 23,180**	$ 22,915	$ 24,183

12. REVENUE

Revenue consists of the following:

For the three months ended

(thousands of Canadian dollars)	September 30, 2019 Canadian Golf Club Operations	September 30, 2019 US Golf Club Operations	September 30, 2019 **Total**	September 30, 2018 Canadian Golf Club Operations	September 30, 2018 US Golf Club Operations	September 30, 2018 Total
Annual dues	$ 12,440	$ 1,629	**$ 14,069**	$ 13,041	$ 1,728	$ 14,769
Golf	14,108	1,054	**15,162**	12,992	1,014	14,006
Corporate events	6,260	50	**6,310**	6,901	58	6,959
Amortization of membership fees	1,393	87	**1,480**	1,726	81	1,807
Food and beverage	21,073	434	**21,507**	21,315	423	21,738
Merchandise	5,964	144	**6,108**	5,735	154	5,889
Rooms and other	2,074	30	**2,104**	1,943	47	1,990
	$ 63,312	$ 3,428	**$ 66,740**	$ 63,653	$ 3,505	$ 67,158

For the nine months ended

(thousands of Canadian dollars)	September 30, 2019 Canadian Golf Club Operations	September 30, 2019 US Golf Club Operations	September 30, 2019 **Total**	September 30, 2018 Canadian Golf Club Operations	September 30, 2018 US Golf Club Operations	September 30, 2018 Total
Annual dues	$ 36,879	$ 4,981	**$ 41,860**	$ 38,792	$ 4,949	$ 43,741
Golf	21,213	9,323	**30,536**	20,656	8,091	28,747
Corporate events	10,800	302	**11,102**	11,733	409	12,142
Amortization of membership fees	3,770	263	**4,033**	4,906	239	5,145
Food and beverage	34,652	2,173	**36,825**	35,987	2,199	38,186
Merchandise	10,253	778	**11,031**	10,110	792	10,902
Rooms and other	3,118	24	**3,142**	3,112	76	3,188
	$ 120,685	$ 17,844	**$ 138,529**	$ 125,296	$ 16,755	$ 142,051

13. SHARE CAPITAL

(A) Authorized and issued share capital

The authorized share capital is an unlimited number of common shares and preferred shares. As at September 30, 2019 there are 26,754,720 common shares outstanding (December 31, 2018 - 27,286,052). As at September 30, 2019, no preferred shares have been issued. Please refer to the consolidated statements of changes in shareholders' equity for details.

(B) Dividends

During 2018, ClubLink declared and paid four quarterly cash dividends of 2 cents per common share for a total of 8 cents per common share or $2,186,000 for the year.

During the first, second and third quarters of 2019, TWC declared and issued three quarterly cash dividends of 2 cents per common share paid on March 29, 2019, June 14, 2019 and September 13, 2019 in the amount of $1,638,000.

(C) Shares repurchased and cancelled

The Company was approved by the Toronto Stock Exchange for a normal course issuer bid to purchase up to 1,367,000 of its common shares which expired on September 19, 2018. From January 1, 2018 to September 19, 2018, the Company repurchased for cancellation 28,400 common shares for a total purchase price of $346,928 or $12.22 per common share, including commissions.

13. SHARE CAPITAL (continued)

(C) Shares repurchased and cancelled (continued)

The Company was approved by the Toronto Stock Exchange for a normal course issuer bid to purchase up to 1,366,000 of its common shares which expired on September 19, 2019. From September 20, 2018 to December 31, 2018, the Company repurchased for cancellation 31,087 common shares for a total purchase price of $392,380 or $12.62 per common share, including commissions. From January 1, 2019 to September 19, 2019, the Company repurchased for cancellation 530,332 common shares for a total purchase price of $6,867,799 or $12.95 per common share, including commissions.

The Company was approved by the Toronto Stock Exchange for a normal course issuer bid to purchase up to 1,364,000 of its common shares which will expire on September 19, 2020. From September 20, 2019 to September 30, 2019, the Company repurchased for cancellation 1,000 common shares for a total purchase price of $13,860 or $13.86 per share, including commissions.

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.

14. INTEREST, NET AND INVESTMENT INCOME

Interest, net and investment income consists of the following:

	For the three months ended		For the nine months ended	
(thousands of Canadian dollars)	**September 30, 2019**	September 30, 2018	**September 30, 2019**	September 30, 2018
Revolving lines of credit	**$ 49**	$ 437	**$ 122**	$ 1,678
Non-revolving mortgages	**2,417**	2,737	**7,508**	8,423
Lease liabilities	**294**	12	**832**	38
Line of credit from/to related party	**(386)**	13	**(1,186)**	543
Amortization of deferred financing costs	**58**	98	**188**	284
Other	**25**	(51)	**34**	(40)
Interest revenue and investment income	**(1,140)**	(724)	**(3,372)**	(896)
	$ 1,317	$ 2,522	**$ 4,126**	$ 10,030

15. OTHER ITEMS

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

	For the three months ended		For the nine months ended	
(thousands of Canadian dollars)	**September 30, 2019**	September 30, 2018	**September 30, 2019**	September 30, 2018
Gain on property, plant and equipment	**$ (167)**	$ (125)	**$ (462)**	$ (407)
Insurance proceeds	**(394)**	(2,043)	**(860)**	(1,488)
Foreign exchange loss (gain)	**(1,027)**	1,398	**4,952**	1,398
Unrealized loss (gain) on shares held for trading	**943**	(2,492)	**3,685**	(2,492)
Other	**288**	93	**279**	(116)
	$ (357)	$ (3,169)	**$ 7,594**	$ (3,105)

15. OTHER ITEMS (continued)

As part of the White Pass transaction, sale proceeds were received in US funds. On the date of the sale, July 31, 2018, the exchange rate was 1.3017. On March 8, 2019, $90,000,000 US of the proceeds were converted to Canadian at a rate of 1.3430, resulting in a realized foreign exchange gain of $3,717,000. On April 24, 2019, a further $20,000,000 US of the proceeds were converted to Canadian at a rate of 1.3430, resulting in a realized foreign exchange gain of $826,000, for a total of $4,543,000.

16. 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 (June 30, 2018 - $30,000,000), 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. These facilities bear interest on a basis consistent with the entity's borrowing costs.

Summarized information regarding these facilities is as follows:

(thousands of Canadian dollars)	For the three months ended September 30, 2019	September 30, 2018	For the nine months ended September 30, 2019	September 30, 2018	For the year ended December 31, 2018
Loan receivable from Morguard	**45,780**	8,272	**45,780**	8,272	47,809
Net interest receivable (payable)	**386**	(13)	**386**	(13)	365
Net interest earned (incurred)	**386**	(13)	**1,186**	(543)	269

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 2019 and 2018, there were no advances or repayments under this facility.

The purpose of these above 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 September 30, 2019, the amount receivable on this facility was $1,528,000 (September 30, 2018 - nil). Interest receivable at September 30, 2019 was $9,000 (September 30, 2018 - nil), and interest earned amounted to $9,000 for the three and nine months ended September 30, 2019 (September 30, 2018 - nil).

The Company receives managerial and consulting services from Morguard. The Company paid a management fee of $521,000 for the nine month period ended September 30, 2019 (September 30, 2018 - $255,000), under a contractual agreement, which is included in operating expenses. For the three months ended September 30, 2019, the Company paid a management fee of $173,000 (three months ended September 30, 2018 – $135,000). Morguard also provides back-office services to ClubLink US Corporation. The Company paid a management fee of US$345,000 (CDN$459,000) for the nine month period ended September 30, 2019 (September 30, 2018 - US$345,000; CDN$444,000) under a contractual agreement, which is included in direct operating expenses. For the three months ended September 30, 2019, the Company paid US$115,000 (CDN$152,000) in management fees (three months ended September 30, 2018 – US$115,000; CDN$151,000).

A total of US$39,000 of rental revenue was earned by TWC for the nine month period ended September 30, 2019 (September 30, 2018 - US$39,000) from Morguard relating to a shared office facility in Florida. For the three months ended September 30, 2019, rental revenue earned was US$13,000 (for the three months ended September 30, 2018 – US$13,000).

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.

17. 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 53½, 18-hole equivalent championship and 3½, 18-hole equivalent academy courses (including one managed property), at 41 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.

TWC was also engaged in rail and port operations based in Skagway, Alaska which operate under the trade name of "White Pass & Yukon Route". This includes a tourist railway stretching approximately 110 kilometres (67.5 miles) from Skagway, Alaska to Carcross, Yukon. On June 6, 2018, TWC announced that it entered into a purchase and sale agreement to sell the White Pass rail and port operations to a joint venture for proceeds of US$290,000,000. Closed on July 31, 2018, the transaction represented a sale of the complete rail, port and merchandise operations of White Pass. This segment is being presented as discontinued operations in the financial statements.

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.

	Three Months Ended September 30, 2019			
(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations	**Total**
Operating revenue	$ 61,919	$ 3,341	$ -	**$ 65,260**
Direct operating expenses	(44,573)	(4,572)	(939)	**(50,084)**
Net operating income (loss)	17,346	(1,231)	(939)	**15,176**
Amortization of membership fees	1,393	87	-	**1,480**
Depreciation and amortization	(4,540)	(453)	-	**(4,993)**
Other items	888	(74)	(457)	**357**
Segment earnings (loss) before interest and income taxes	$ 15,087	$ (1,671)	$ (1,396)	**12,020**
Interest, net (unallocated)				**(1,317)**
Provision for income taxes (unallocated)				**(3,381)**
Net earnings (continuing operations)				**$ 7,322**
Capital expenditures	$ 1,868	$ 40	$ -	**$ 1,908**

17. SEGMENTED INFORMATION (continued)

Three Months Ended September 30, 2018				
(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations	**Total**
Operating revenue	$ 61,927	$ 3,424	$ -	**$ 65,351**
Direct operating expenses	(45,014)	(4,634)	(940)	**(50,588)**
Net operating income (loss)	16,913	(1,210)	(940)	**14,763**
Amortization of membership fees	1,726	81	-	**1,807**
Depreciation and amortization	(3,445)	(595)	-	**(4,040)**
Land lease rent	(1,097)	-	-	**(1,097)**
Other items	2,278	(91)	982	**3,169**
Segment earnings (loss) before interest and income taxes	$ 16,375	$ (1,815)	$ 42	**14,602**
Interest, net (unallocated)				**(2,522)**
Provision for income taxes (unallocated)				**(3,234)**
Net earnings (continuing operations)				**$ 8,846**
Capital expenditures	$ 1,833	$ 291	$ -	**$ 2,124**

Nine months ended September 30, 2019				
(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations	**Total**
Operating revenue	$ 116,915	$ 17,581	$ -	**$ 134,496**
Direct operating expenses	(91,247)	(16,475)	(2,673)	**(110,395)**
Net operating income (loss)	25,668	1,106	(2,673)	**24,101**
Amortization of membership fees	3,770	263	-	**4,033**
Depreciation and amortization	(13,788)	(1,389)	-	**(15,177)**
Other items	1,078	54	(8,726)	**(7,594)**
Segment earnings (loss) before interest and income taxes	$ 16,728	$ 34	$ (11,399)	**5,363**
Interest, net (unallocated)				**(4,126)**
Provision for income taxes (unallocated)				**(1,192)**
Net earnings (continuing operations)				**$ 45**
Capital expenditures	$ 6,134	$ 90	$ -	**$ 6,224**

17. SEGMENTED INFORMATION (continued)

	Nine months ended September 30, 2018			
(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations	**Total**
Operating revenue	$ 120,390	$ 16,516	$ -	**$ 136,906**
Direct operating expenses	92,512	(16,369)	(2,472)	**(111,353)**
Net operating income (loss)	27,878	147	(2,472)	**25,553**
Amortization of membership fees	4,906	239	-	**5,145**
Depreciation and amortization	(10,373)	(1,780)	-	**(12,153)**
Land lease rent	(3,292)	-	-	**(3,292)**
Other items	2,045	78	982	**3,105**
Segment earnings (loss) before interest and income taxes	$ 21,164	$ (1,316)	$ (1,490)	**18,358**
Interest, net (unallocated)				**(10,030)**
Provision for income taxes (unallocated)				**(2,558)**
Net earnings (continuing operations)				**$ 5,770**
Capital expenditures	$ 6,081	$ 604	$ -	**$ 6,685**

18. COMMITMENTS AND CONTINGENCIES

As at December 31, 2018 and September 30, 2019, TWC has $1,018,000 outstanding in letters of credit against its corporate credit facility.

As at September 30, 2019, 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.

19. SUBSEQUENT EVENT

On November 4, 2019, the Company declared a 2 cents per common share cash dividend, payable December 13, 2019 to shareholders of record on November 29, 2019.

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	18	–	–	–	–
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. Eagle Ridge Golf Club, Georgetown, Ontario	18	–	–	–	–
23. Glendale Golf and Country Club, Hamilton, Ontario	18	–	–	–	–
24. Greenhills Golf Club, London, Ontario (a)	18	–	–	–	–
25. GreyHawk Golf Club, Ottawa, Ontario	36	–	–	–	–
26. National Pines Golf Club, Innisfil, Ontario (a)	18	–	–	–	–
27. Station Creek Golf Club, Whitchurch-Stouffville, Ontario	36	–	–	–	–
28. The Country Club, Woodbridge, Ontario (a)	36	9	–	–	–
Hybrid – Gold					
29. Cherry Downs Golf & Country Club, Pickering, Ontario	18	9	18	–	–
30. Club de Golf Val des Lacs, Ste. Sophie, Quebec	18	–	–	–	–
31. The Club at Bond Head, Bond Head, Ontario (a)	36	–	–	–	–
Hybrid – Silver					
32. Bethesda Grange, Whitchurch-Stouffville, Ontario	18	–	–	–	–
33. Hidden Lake Golf Club, Burlington, Ontario	36	–	–	–	–
Daily Fee					
34. Grandview Inn Course, Huntsville, Ontario	–	9	–	–	–
35. Rolling Hills Golf Club, Whitchurch-Stouffville, Ontario	36	–	–	–	–
Muskoka, Ontario Resorts					
36. The Lake Joseph Club, Port Carling, Ontario	–	–	–	25	–
37. Rocky Crest Resort/Lakeside at Rocky Crest, Mactier, Ontario (c)	–	–	–	84	–
38. 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 – Gold					
4. Woodlands Country Club, Tamarac, Florida	36	–	–	–	–
Hybrid – Silver					
5. Sandpiper Golf Club, Sun City Center, Florida	27	–	–	–	–
Daily Fee					
6. Heron Bay Golf Club, Coral Springs, Florida	18	–	–	–	–
7. Palm Aire Country Club (Oaks, Cypress), Pompano Beach, Florida	36	–	–	–	–
8. Palm Aire Country Club (Palms), Pompano Beach, Florida	18	–	–	–	–
OTHER					
Kings Point Golf Club, Sun City Center, Florida (d)	–	–	–	–	51
Caloosa Greens Golf Club, Sun City Center, Florida (d)	–	–	–	–	70
Highland Gate, Aurora, Ontario (50%)	–	–	–	–	101
Falcon Watch Golf Club, Sun City Center, Florida (d)	–	–	–	–	116
North Lakes Golf Club, Sun City Center, Florida (d)	–	–	–	–	170
King Haven, The Township of King, Ontario	–	–	–	–	278
Harwood, Montreal, Quebec	–	–	–	–	400
Total 18-hole Equivalent Courses, Rooms, Acres	53.5	3.5	3.0	158	1,186

Notes: (a) Operated by ClubLink under long-term leases.
(b) Property managed by ClubLink (formerly known as Club de Golf Le Fontainebleau)
(c) Rocky Crest Resort consists of 65 units and Lakeside at Rocky Crest consists of 19 units.
(d) North Lakes, Falcon Watch, Caloosa Greens and Kings Point Golf Clubs are closed.

TWC ENTERPRISES LIMITED

CLUBLINK
one membership. more golf.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

FRASER BERRILL (c)
PATRICK S. BRIGHAM (b, c)
PAUL CAMPBELL (b, c)
JOHN LOKKER (a)
SAMUEL J.B. POLLOCK (a, b)
ANGELA SAHI (a)
K. (RAI) SAHI
DONALD TURPLE (a)
JACK D. WINBERG (b, c)

(a) Audit Committee
(b) Corporate Governance and Compensation Committee
(c) Environmental, Health and Safety Committee

OFFICERS

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

ANDREW TAMLIN
Chief Financial Officer

ROBERT VISENTIN
Senior Vice President, Investments

ROBERT WRIGHT
Vice President

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

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BANKERS
HSBC Bank Canada
HSBC Bank USA

AUDITORS
Deloitte LLP

STOCK EXCHANGE LISTING
Common shares: TSX: TWC

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