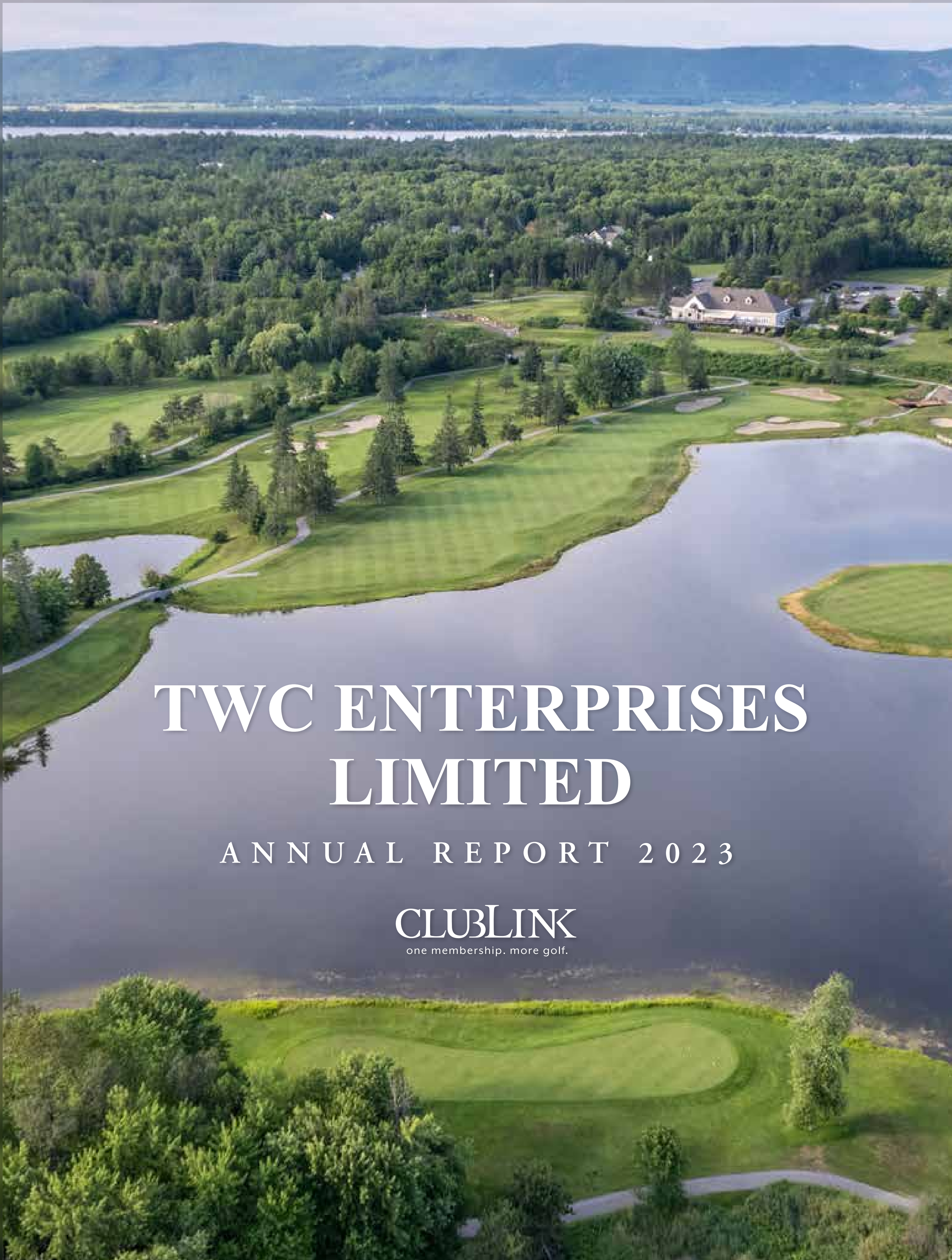

TWC ENTERPRISES LIMITED

ANNUAL REPORT 2023

CLUBLINK
one membership. more golf.

TWC ENTERPRISES LIMITED

TWC is engaged in golf club operations under the trade-mark "ClubLink One Membership More Golf". ClubLink is Canada's largest owner, operator and manager of golf clubs with 44, 18-hole equivalent championship and 2, 18-hole equivalent academy courses (including two managed properties) at 34 locations, primarily in Ontario, Quebec and Florida.

TABLE OF CONTENTS

ABOVE, FRONT AND BACK COVER PHOTOS: ALBATROSS IMAGES
RIGHT PAGE PHOTO: MARC LAFLEUR

FINANCIAL HIGHLIGHTS

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

For the Years Ended December 31	**2023**	2022	2021	2020	2019
OPERATIONS					
Operating revenue ($000)	**225,865**	186,512	174,013	127,216	163,641
Net operating income ($000)(1)	**40,061**	48,576	52,412	43,911	28,986
Net earnings ($000)	**22,042**	18,666	89,647	971	4,904
OPERATING GOLF DATA					
Canadian full privilege golf members	**15,256**	15,417	15,545	14,861	14,193
Championship rounds - Canada(2)	**1,087,000**	1,177,000	1,191,000	1,223,000	1,069,000
18-hole equivalent championship golf courses - Canada(2,3)	**35.5**	37.5	39.5	39.5	41.5
18-hole equivalent managed golf courses - Canada	**2.0**	2.0	2.0	1.0	1.0
Championship rounds - US(2)	**254,000**	269,000	261,000	249,000	331,000
18-hole equivalent championship golf courses - US(2,3)	**6.5**	8.0	8.0	8.0	11.0
COMMON SHARE DATA (000)					
Shares outstanding at year end	**24,501**	24,609	24,548	25,017	26,736
Weighted average shares outstanding	**24,582**	24,535	24,645	25,981	27,111
PER COMMON SHARE DATA ($)					
Basic and diluted earnings	**0.90**	0.76	3.64	0.04	0.18
Eligible dividend	**0.20**	0.14	0.08	0.08	0.08
FINANCIAL POSITION					
Total assets ($000)	**702,076**	727,343	746,806	632,382	675,606
Gross borrowings ($000)	**64,806**	86,793	119,878	130,968	148,947
Shareholders' equity ($000)	**537,587**	524,049	503,388	414,369	436,530
Net book value per share(1)	**21.94**	21.30	20.51	16.56	16.33

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

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GOLF CLUB AND RESORT PROPERTY LISTING

	Championship Golf Holes	Academy Golf Holes	Future Golf Holes	Current Rooms	Surplus Land in Acres
ONTARIO/QUEBEC REGION					
Prestige					
1. Greystone Golf Club, Milton, Ontario	18	–	–	–	–
2. King Valley Golf Club, The Township of King, Ontario	18	–	–	–	–
3. RattleSnake Point Golf Club, Milton, Ontario	36	9	–	–	–
Hybrid – Prestige					
4. Glen Abbey Golf Club, Oakville, Ontario	18	–	–	–	–
Platinum					
5. Blue Springs Golf Club, Acton, Ontario	18	9	–	–	–
6. Club de Golf Islesmere, Laval, Quebec (a)	27	–	–	–	–
7. Club de Golf Rosemère, Blainville, Quebec (b)	18	–	–	–	–
8. DiamondBack Golf Club, Richmond Hill, Ontario	18	–	–	–	–
9. Eagle Creek Golf Club, Dunrobin, Ontario	18	–	–	–	–
10. Emerald Hills Golf Club, Whitchurch-Stouffville, Ontario	27	–	–	–	–
11. Glencairn Golf Club, Milton, Ontario	27	–	–	–	–
12. Grandview Golf Club, Huntsville, Ontario	18	–	18	–	–
13. Heron Point Golf Links, Ancaster, Ontario	18	–	–	–	–
14. Kanata Golf & Country Club, Kanata, Ontario	18	–	–	–	–
15. King's Riding Golf Club, The Township of King, Ontario	18	–	–	–	–
16. Le Maître de Mont-Tremblant, Mont-Tremblant, Quebec (c)	36	–	–	–	–
17. Rocky Crest Golf Club, Mactier, Ontario	18	–	18	–	–
18. The Lake Joseph Club, Port Carling, Ontario	18	9	–	–	–
19. Wyndance Golf Club, Uxbridge, Ontario	18	9	–	–	–
Gold					
20. Caledon Woods Golf Club, Bolton, Ontario	18	–	–	–	–
21. Club de Golf Hautes Plaines, Gatineau, Quebec	18	–	–	–	–
22. Georgetown Golf Club, Georgetown, Ontario	18	–	–	–	–
23. Glendale Golf and Country Club, Hamilton, Ontario	18	–	–	–	–
24. GreyHawk Golf Club, Ottawa, Ontario	36	–	–	–	–
25. National Pines Golf Club, Innisfil, Ontario (a)	18	–	–	–	–
26. Station Creek Golf Club, Whitchurch-Stouffville, Ontario	36	–	–	–	–
Hybrid – Gold					
27. Cherry Downs Golf & Country Club, Pickering, Ontario	18	–	18	–	–
Hybrid – Silver					
28. Bethesda Grange, Whitchurch-Stouffville, Ontario	18	–	–	–	–
29. Hidden Lake Golf Club, Burlington, Ontario	36	–	–	–	–
Daily Fee					
30. Rolling Hills Golf Club, Whitchurch-Stouffville, Ontario	36	–	–	–	–
Muskoka, Ontario Resorts					
31. The Lake Joseph Club, Port Carling, Ontario	–	–	–	–	–
32. Rocky Crest Resort/Lakeside at Rocky Crest, Mactier, Ontario (d)	–	–	–	84	–
33. 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	–	–	–	–
Daily Fee					
4. Palm Aire Country Club (Oaks, Cypress), Pompano Beach, Florida	36	–	–	–	–
5. Palm Aire Country Club (Palms), Pompano Beach, Florida	18	–	–	–	–
OTHER					
King Haven, The Township of King, Ontario	–	–	–	–	278
Kings Point Golf Club, Sun City Center, Florida (e)	–	–	–	–	51
Caloosa Greens Golf Club, Sun City Center, Florida (e)	–	–	–	–	70
Falcon Watch Golf Club, Sun City Center, Florida (e)	–	–	–	–	116
North Lakes Golf Club, Sun City Center, Florida (e)	–	–	–	–	170
Sandpiper Golf Club, Sun City Center, Florida (e)	–	–	–	–	250
Woodlands Country Club, Tamarac, Florida (e)	–	–	–	–	279
Total 18-hole Equivalent Courses, Rooms, Acres	44.0	2.0	3.0	133	1,214

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

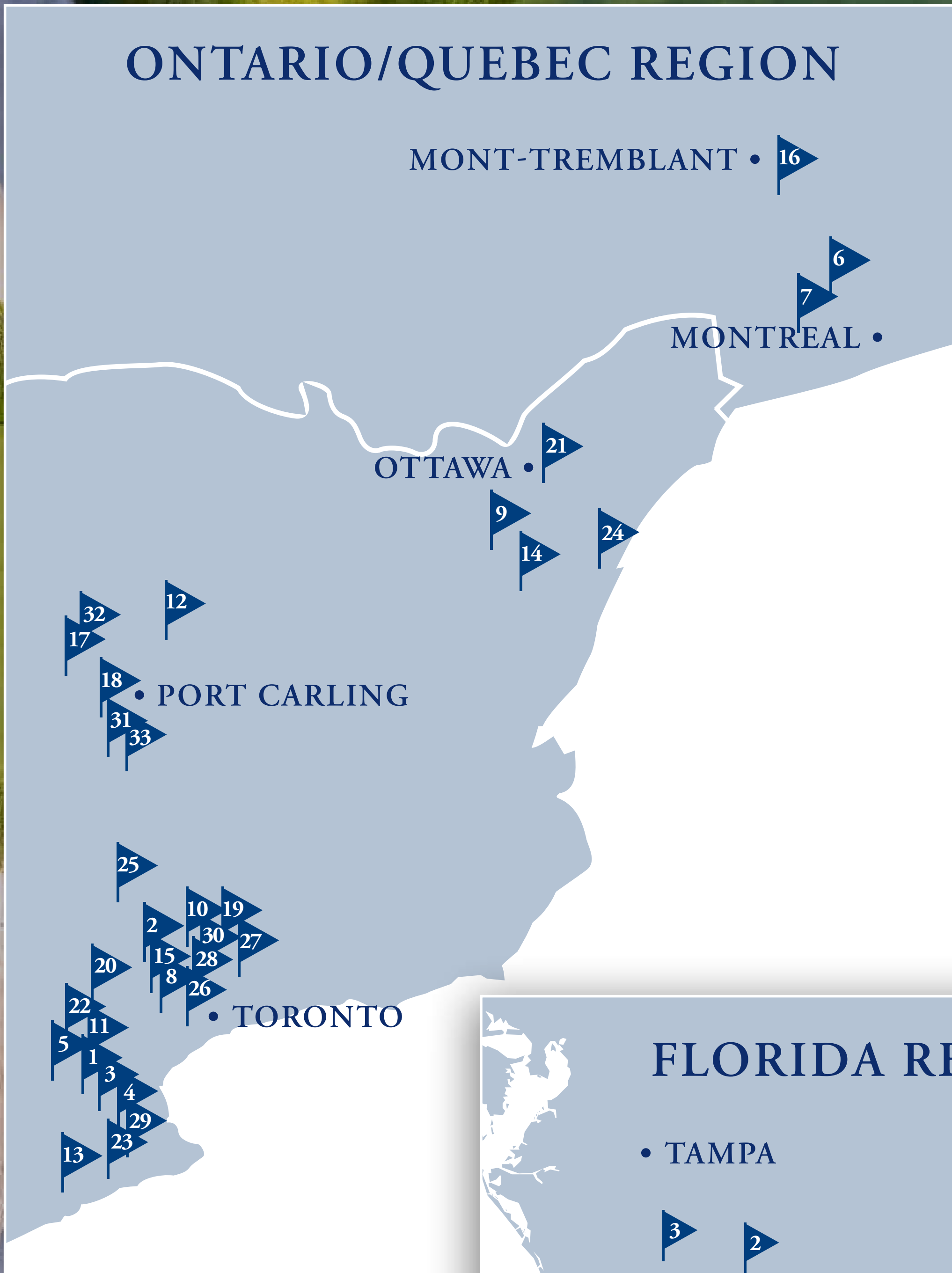

PHOTO: ALBATROSS IMAGES

CHAIRMAN’S MESSAGE

Fellow Shareholder:

TWC is pleased to be reporting another strong year of results and cash flow as part of our 2023 results. Based on these results – and coupled with a much stronger balance sheet – the board of directors have concluded it was appropriate to reward our shareholders with a 50% dividend increase. This marks the second time in the last eighteen months that TWC has increased the dividend.

The core Canadian and US golf business had a combined net operating income of $48M in 2023 as compared to $52M in 2022. This decline was due to the absence of The Country Club in 2023. Net of lease payments, we were approximately flat on a year over year basis. Our golf results remain materially better than from the years before COVID.

Our Canadian golf member counts have been resilient. We ended the 2023 year at 15,256 members which was down slightly from 2022 but is still more than a thousand members higher than our member counts from 2019.

We believe that the ClubLink golf model continues to provide exceptional value to our Canadian members and provides a strong stable of golf course properties across the Greater Toronto Area, Ottawa and Montreal. Our model enjoys a competitive advantage due to this variety when a prospective member is looking at golf options.

We remain focused on providing good value to our members and are looking forward to continuing to deliver on this priority in 2024.

Labour continues to exhibit its challenges – especially with above normal increases in minimum wage. Conversely, the labour market has become much more stabilized as compared to 2021 and 2022.

Our Highland Gate development project has under performed to expectations due to the cost challenges and delays that the entire housing construction market has faced in the last few years. This also appears to have stabilized and we are looking forward to seeing better returns in 2025 and beyond.

Our earnings continue to be impacted by the mark-to market accounting requirement of the Automotive Properties REIT, but still remain strong and resilient based on improved golf results and the investment earnings from our excess cash and the REIT.

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

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

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

LEFT PAGE AND ABOVE PHOTOS: SCOTT TURNBULL
RIGHT PHOTO: ALBATROSS IMAGES

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") audited consolidated financial statements and accompanying notes for the year ended December 31, 2023. This MD&A has been prepared as at March 4, 2024 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 as issued by the International Accounting Standards Board ("IFRS").

FORWARD-LOOKING STATEMENTS

Statements contained herein that are not based on historical or current fact, including without limitation, statements containing the words "anticipate", "believe", "may", "continue", "estimate", "expects", "will" and words of similar expression, constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions, both nationally and in the regions in which the Company operates; inflation risk; foreign currency risk; financing risk; risks and uncertainties relating to public health crises, natural disaster and climate change risks; renewal rate risk relating to maturing borrowings; risk associated with information systems; competition; risk related to the Company's dependence on key management; risk related to significant ownership interests in the Company; risk related to potential conflicts of interest with directors and executive officers of the Company; risk related to the Company's reliance on Morguard Corporation for management services; employment laws; environmental exposures and environment regulations; risks relating to the broader regulatory environment; reputational risks; risks intrinsic to the hospitality industry; real estate risk; insurance-related risk; the Company's ability to integrate and align Company processes; the maintenance of certain land leases; certain liabilities and potential claims asserted against the Company; and other factors referred to in the Company's filings with Canadian securities regulators. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not assume the obligation to update or revise any forward-looking statements.

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

SPECIFIED FINANCIAL MEASURES

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

NON-GAAP MEASURES

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

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

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

Net operating income = operating revenue - direct operating expenses

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

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

NON-GAAP MEASURES (continued)

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

BUSINESS STRATEGY AND CORPORATE OVERVIEW

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

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

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 44, 18-hole equivalent championship and 2, 18-hole equivalent academy courses, at 34 locations in two separate geographical Regions: (a) Ontario/Quebec (including two managed properties) 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 supplemented by corporate golf events, business meetings and social events that utilize golf capacity and related facilities at times that are not in high demand by ClubLink's members. Due to challenges in hiring and a focus on fulfilling golf obligations, ClubLink has put less emphasis on social events without any golf aspect.

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

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

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

(a) Ontario/Quebec

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

In 2024, ClubLink will be operating 24 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, Georgetown, Glendale, GreyHawk, Hautes Plaines, National Pines, Station Creek

ClubLink's lease of the Country Club property in Woodbridge, Ontario (36 holes) concluded as of December 31, 2022.

OVERVIEW OF BUSINESS SEGMENTS (continued)

Golf Club Operations Segment (continued)

(a) Ontario/Quebec (continued)

In 2024, ClubLink will be managing two golf clubs on behalf of other owners as follows:

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

In 2024, ClubLink will be operating four Ontario/Quebec Region Hybrid Golf Clubs in three categories as follows:

Hybrid – Prestige: Glen Abbey

Hybrid – Gold: Cherry Downs

Hybrid – Silver: Bethesda Grange, Hidden Lake

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 2024, ClubLink will be operating one Ontario/Quebec Region Daily Fee Golf Club as follows:

Daily Fee: Rolling Hills

ClubLink has approximately 280 Players Card memberships. Players Card annual memberships allow golfers unlimited access to Rolling Hills during spring and fall shoulder seasons in addition to twilight golf during the summer season. A fixed number of rounds certificates are also included with each Players Card.

ClubLink has approximately 1,200 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 2024, ClubLink will be operating The Lake Joseph Club, Rocky Crest Resort and Sherwood Inn, all located in Muskoka.

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

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

(b) United States

ClubLink's Florida Region includes 6½ 18-hole equivalent championship golf courses.

In 2024, ClubLink will be operating five Florida Region Golf Clubs as follows:

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

In May 2023, due to years of sustained operational and financial challenges, Sandpiper Golf Club was closed.

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.

SUMMARY OF CANADIAN/US EXCHANGE RATES USED FOR TRANSLATION PURPOSES

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

	2023	2022	2021
Balance Sheet, at December 31	**1.3226**	1.3544	1.2678
Statement of Earnings, average for the year	**1.3619**	1.3017	1.2537

SELECTED FINANCIAL INFORMATION

The table below sets forth selected financial data relating to the Company's fiscal years ended December 31, 2023, December 31, 2022 and December 31, 2021. This financial data is derived from the Company's audited consolidated financial statements, which are prepared in accordance with IFRS.

(thousands of Canadian dollars, except per share amounts)	**2023**	2022	2021	**% Change 2023/2022**	% Change 2022/2021
OPERATING REVENUE	**$ 225,865**	$ 186,512	$ 174,013	**21.1%**	7.2%
DIRECT OPERATING EXPENSES	**185,804**	137,936	121,601	**34.7%**	13.4%
NET OPERATING INCOME	**40,061**	48,576	52,412	**(17.5%)**	(7.3%)
Amortization of membership fees	**4,604**	4,294	4,404	**7.2%**	(2.5%)
Depreciation and amortization	**(14,192)**	(17,856)	(19,440)	**(20.5%)**	(8.1%)
Interest, net and investment income	**8,973**	806	(1,204)	**1,013.3%**	N/A
Other items	**(7,896)**	(7,998)	74,763	**(1.3%)**	N/A
Income taxes	**(9,508)**	(9,156)	(21,288)	**3.8%**	(57.0%)
NET EARNINGS	**$ 22,042**	$ 18,666	$ 89,647	**18.1%**	(79.2%)
BASIC AND DILUTED EARNINGS PER SHARE	**$ 0.90**	$ 0.76	$ 3.64	**18.4%**	(79.1%)
TOTAL ASSETS	**$ 702,076**	$ 727,343	$ 746,806	**(3.5%)**	(2.6%)
GROSS BORROWINGS	**$ 64,806**	$ 86,793	$ 119,878	**(25.3%)**	(27.6%)
SHAREHOLDERS' EQUITY	**$ 537,587**	$ 524,049	$ 503,388	**2.6%**	4.1%

SELECTED FINANCIAL INFORMATION (continued)

The breakdown of operating revenue is as follows:

(thousands of Canadian dollars)	**2023**	2022	2021	**% Change 2023/2022**	% Change 2022/2021
Annual dues	**$ 69,399**	$ 68,105	$ 62,460	**1.9%**	9.0%
Golf	**44,817**	44,594	45,599	**0.5%**	(2.2%)
Corporate events	**7,595**	7,850	3,542	**(3.2%)**	121.6%
Food and beverage	**30,859**	31,057	19,400	**(0.6%)**	60.1%
Merchandise	**14,083**	13,547	11,647	**4.0%**	16.3%
Real estate sales	**54,594**	15,811	26,572	**245.3%**	(40.5%)
Rooms and other	**4,518**	5,548	4,793	**(18.6%)**	15.8%
Total operating revenue	**$225,865**	$ 186,512	$ 174,013	**21.1%**	7.2%

The breakdown of direct operating expenses is as follows:

(thousands of Canadian dollars)	**2023**	2022	2021	**% Change 2023/2022**	% Change 2022/2021
Operating cost of sales	**$ 19,890**	$ 18,686	$ 14,543	**6.4%**	28.5%
Real estate cost of sales	**59,895**	16,394	28,338	**265.3%**	(42.1%)
Labour and employee benefits	**63,579**	60,927	44,387	**4.4%**	37.3%
Utilities	**7,445**	7,707	5,908	**(3.4%)**	30.5%
Selling, general and administrative	**5,124**	5,616	4,574	**(8.8%)**	22.8%
Property taxes	**3,136**	3,116	2,251	**0.6%**	38.4%
Insurance	**4,415**	3,650	3,103	**21.0%**	17.6%
Repairs and maintenance	**5,482**	5,150	4,051	**6.4%**	27.1%
Turf operating expenses	**4,230**	4,312	3,953	**(1.9%)**	9.1%
Fuel and oil	**1,513**	1,746	1,233	**(13.3%)**	41.6%
Other operating expenses	**11,095**	10,632	9,260	**4.4%**	14.8%
Total direct operating expenses	**$ 185,804**	$ 137,936	$ 121,601	**34.7%**	13.4%

2023 CONSOLIDATED OPERATING HIGHLIGHTS

Operating revenue increased 21.1% to $225,865,000 in 2023 from $186,512,000 in 2022 due to the revenue from 31 Highland Gate home sales in 2023 (2022 - 10).

Direct operating expenses increased 34.7% to $185,804,000 in 2023 from $137,936,000 in 2022 due to the cost of sales from the 31 Highland Gate home sales in 2023 (2022 - 10), as well as above normal increases in labour and certain operating expenses. It continues to be a challenging environment in being able to manage labour costs due to the above normal minimum wage increases and a competitive environment for hiring staff.

Net operating income for the Canadian golf club operations segment decreased 11.0% to $42,730,000 in 2023 from $48,521,000 in 2022 due to the conclusion of ClubLink's lease of The Country Club which expired as of December 31, 2022, as well as above normal increases in labour and certain operating expenses. There has also been a noticeable decline in traffic in the Muskoka, Ontario tourist region this summer which has affected the results of the Company's resorts which operate in this area.

Depreciation and amortization decreased 20.0% to $14,192,000 in 2023 from $17,856,000 in 2022 due to the conclusion of The Country Club lease which has also resulted in a decline in depreciation of right-of-use assets.

Interest, net and investment income increased to income of $8,973,000 in 2023 from $806,000 in 2022 due to a decrease in borrowings and an increase in distributions from the Company's investment in Automotive Properties REIT. On September 1, 2022, the Company paid off several non-revolving mortgages in advance of their due dates resulting in an expense of $2,604,000 which includes prepayment penalties and other costs.

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

(thousands of Canadian dollars)	**2023**	2022	2021
Foreign exchange loss (gain)	**$ (659)**	$ (247)	$ 207
Unrealized loss (gain) on investment in marketable securities	**20,763**	15,754	(30,360)
Contingent contractual obligation	**(6,620)**	-	-
Gain on sale of investments in joint ventures	**(6,437)**	-	-
Gain on property, plant and equipment	**(1,182)**	(376)	(40,304)
Equity loss (income) from investments in joint ventures	**123**	(457)	(1,270)
Loss (gain) on real estate fund investments	**510**	(6,356)	(9,311)
Allowance on loans receivable	**150**	-	-
Demolition of Woodlands clubhouse	**262**	-	-
Insurance proceeds	**(187)**	(580)	(3,812)
Glen Abbey redevelopment charge	**-**	-	9,785
Other items	**1,173**	260	302
	$ 7,896	$ 7,998	$ (74,763)

At December 31, 2023, the Company recorded unrealized losses of $20,763,000 on its investment in marketable securities (December 31, 2022 - loss of $15,754,000). This loss is attributable to the fair market value adjustments of the Company's investment in Automotive Properties REIT. The Company also recorded losses of $510,000 (December 31, 2022 - gain of $6,356,000) on fair market value adjustments of its real estate fund investments in relation to Florida and southeastern US real estate.

The contingent contractual obligation of US$5,000,000 (CDN$6,620,000) originating from the sale of White Pass in 2018 expired in July 2023 and as such has been reversed since it had not been expended.

On September 20, 2023, the Company completed the divestiture of its investment in the Geranium real estate management company along with other non-Highland Gate joint ventures in which it was a co-investor with the Geranium Group. These assets were purchased by the Company's co-investors with Geranium. Total proceeds for the transaction were $12,500,000 including deferred proceeds of $5,300,000. A gain of $6,437,000 was recorded as a result of the transaction.

Net earnings increased to $22,042,000 in 2023 from $18,666,000 in 2022 due to the increase in interest, net and investment income as described above. Basic and diluted earnings per share increased to 90 cents per share in 2023, compared to 76 cents in 2022.

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 24 of the audited consolidated financial statements for the year ended December 31, 2023.

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

(thousands of Canadian dollars)	**2023**	2022	2021
Operating revenue by segment			
Canadian golf club operations	**$ 147,058**	$ 148,515	$ 128,791
US golf club operations	**24,213**	22,171	18,650
Other (Highland Gate)	**54,594**	15,826	26,572
Operating revenue	**$ 225,865**	$ 186,512	$ 174,013
Net operating income (loss) by segment			
Canadian golf club operations	**$ 42,730**	$ 48,521	$ 54,660
US golf club operations	**5,463**	3,742	2,354
Corporate and other	**(8,132)**	(3,687)	(4,602)
Net operating income	**$ 40,061**	$ 48,576	$ 52,412

Review of Canadian Golf Club Operations for the Year Ended December 31, 2023

Summary of Canadian Golf Club Operations

(statistics)	**2023**	2022	% Change
18-hole equivalent championship golf courses	**35.5**	37.5	(5.3%)
18-hole equivalent managed golf courses	**2.0**	2.0	-
Championship rounds	**1,087,000**	1,177,000	(7.6%)

(thousands of Canadian dollars)	**2023**	2022	% Change
Operating revenue	**$ 147,058**	$ 148,515	(1.0%)
Direct operating expenses	**(104,328)**	(99,994)	4.3%
Net operating income	**42,730**	48,521	(11.9%)
Amortization of membership fees	**4,409**	4,081	8.0%
Depreciation and amortization	**(12,622)**	(16,441)	(23.2%)
Other items	**1,626**	393	313.7%
Segment earnings before interest and income taxes	**$ 36,143**	$ 36,554	(1.1%)

The decrease in Championship golf rounds, net operating income and depreciation and amortization are all a result of the conclusion of ClubLink's lease of The Country Club which expired as of December 31, 2022. There has also been above normal increases in labour and certain operating expenses. It continues to be a challenging environment in being able to manage labour costs due to the above normal minimum wage increases and a competitive environment for hiring staff. There has also been a noticeable decline in traffic in the Muskoka, Ontario tourist region this summer which has affected the results of the Company's resorts which operate in this area.

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of Canadian Golf Club Operations for the Year Ended December 31, 2023 (continued)

Canadian Golf Club Operating Revenue

Canadian golf club operating revenue is recorded as follows:

(thousands of Canadian dollars)	2023	2022	% Change
Annual dues	**$ 62,183**	$ 61,521	1.1%
Corporate events	**7,226**	7,549	(4.3%)
Golf	**31,665**	32,354	(2.1%)
Food and beverage	**28,024**	28,608	(2.0%)
Merchandise, rooms and other	**17,960**	18,483	(2.8%)
Total operating revenue	**$ 147,058**	$ 148,515	(1.0%)

Canadian Golf Club Direct Operating Expenses

Canadian golf club direct operating expenses are recorded as follows:

(thousands of Canadian dollars)	2023	2022	% Change
Cost of sales	**$ 18,117**	$ 17,156	5.6%
Labour and employee benefits	**54,717**	51,806	5.6%
Utilities	**5,976**	6,342	(5.8%)
Selling, general and administrative	**3,231**	3,472	(6.9%)
Property taxes	**2,004**	1,990	0.7%
Insurance	**3,165**	2,506	26.3%
Repairs and maintenance	**4,256**	4,291	(0.8%)
Turf operating expenses	**3,674**	3,476	5.7%
Fuel and oil	**1,219**	1,352	(9.8%)
Other operating expenses	**7,969**	7,603	4.8%
Total direct operating expenses	**$ 104,328**	$ 99,994	4.3%

Gross margin on food and beverage sales decreased to 70.5% in 2023 compared to 72.3% in 2022 due to challenges from a staff continuity perspective at certain properties.

Gross margin on merchandise sales decreased to 25.0% in 2023 compared to 27.6% in 2022, due to a change in mix of merchandise sales in 2023.

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of Canadian Golf Club Operations for the Year Ended December 31, 2023 (continued)

Canadian Membership Fees and Members

Full privilege golf members decreased 1.0% to 15,256 on December 31, 2023 from 15,417 on December 31, 2022 due to higher resignations in 2023 resulting from an expected decrease in demand for golf memberships outside of the pandemic. The 1,694 resignations in 2023 is comparable to the 1,631 recorded in 2019.

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

	2023		2022	
(thousands of Canadian dollars)	**Golf Members**	**Future Membership Fee Instalments**	Golf Members	Future Membership Fee Instalments
Balance, beginning of year	**15,417**	**$ 33,907**	15,545	$ 32,306
Sales to new members	**1,267**	**7,888**	1,197	6,861
Reinstated members	**278**	**532**	201	397
Category changes	**(12)**	**-**	12	-
Transfer and upgrade fees from existing members	**-**	**2,524**	-	2,136
Resignations and terminations	**(1,694)**	**(5,002)**	(1,265)	(3,742)
Country Club resignations and terminations	**-**	**-**	(273)	(603)
Instalments received in cash	**-**	**(4,121)**	-	(3,448)
Balance, end of year (Full Privilege)	**15,256**	**$ 35,728**	15,417	$ 33,907

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

	2023	2022	% Change
Corporate/Principal/Spousal	**780**	913	(14.6%)
Intermediate	**291**	142	104.9%
Senior	**6**	10	(40.0%)
Junior	**67**	11	509.1%
Social and other	**123**	121	1.7%
Total	**1,267**	1,197	5.8%

Full privilege members are broken down into categories as follows:

	2023	2022	% Change
Corporate/Principal/Spousal	**7,732**	7,955	(2.8%)
Intermediate	**1,415**	1,649	(14.2%)
Senior	**1,864**	1,760	5.9%
Junior	**172**	155	11.0%
Social and other	**4,073**	3,898	4.5%
Total	**15,256**	15,417	(1.0%)

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of Canadian Golf Club Operations for the Year Ended December 31, 2023 (continued)

Canadian Membership Fees (continued)

Membership fees are amortized over the estimated weighted average remaining membership by year joined. This is determined by subtracting the average age of members that joined in that year from 70 and dividing the result by 2. The amortization period is reviewed annually and any adjustments are made prospectively. Membership fee revenue recognized in 2023 increased 8.0% to $4,409,000 from $4,081,000 in 2022. These details are outlined in the table below. Subsequent to this amortization period, membership fees are recorded as revenue upon receipt. An allowance for future resignations is considered as part of this model.

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

Member Join Year	**Amortization Period (yrs) 2023**	Amortization Period (yrs) 2022	**Amortization of Membership Fees ($000) 2023**	Amortization of Membership Fees ($000) 2022	**Members at year end 2023**	Members at year end 2022	% Change
1994-2010	**Cash**	Cash	**$ 397**	$ 579	**7,109**	7,505	(5.3%)
2011	**1**	2	**524**	519	**354**	369	(4.1%)
2012	**3**	4	**216**	218	**216**	225	(4.0%)
2013	**3**	4	**233**	242	**203**	221	(8.1%)
2014	**4**	5	**268**	266	**302**	328	(7.9%)
2015	**5**	6	**144**	152	**237**	255	(7.1%)
2016	**6**	7	**161**	169	**397**	433	(8.3%)
2017	**7**	8	**129**	140	**468**	530	(11.7%)
2018	**9**	10	**142**	152	**668**	745	(10.3%)
2019	**10**	11	**117**	129	**503**	587	(14.3%)
2020	**11**	12	**289**	326	**1,260**	1,536	(18.0%)
2021	**9**	10	**498**	550	**1,259**	1,486	(15.3%)
2022	**10**	11	**592**	639	**1,013**	1,197	(15.4%)
2023	**12**	-	**699**	-	**1,267**	-	N/A
Totals			**$ 4,409**	$ 4,081	**15,256**	15,417	(1.0%)

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

	2023	2022	% Change
Under 30 years	**1,399**	1,557	(10.1%)
31 - 40 years	**1,241**	1,228	1.1%
41 - 50 years	**1,556**	1,630	(4.5%)
51 - 60 years	**3,798**	4,078	(6.9%)
61 - 70 years	**4,345**	4,177	4.0%
71 and over	**2,449**	2,284	7.2%
Not available	**468**	463	1.1%
	15,256	15,417	(1.0%)

The average age of a Canadian full privilege golf member as at December 31, 2023 is 56.3 years as compared to 55.6 at December 31, 2022.

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of US Golf Club Operations for the Year Ended December 31, 2023

(statistics)	**2023**	2022	% Change
18-hole equivalent championship golf courses	**6.5**	8.0	(18.8%)
Championship golf rounds	**254,000**	269,000	(5.6%)

(thousands of dollars)	**2023**	2022	% Change
Operating revenue	**$ 17,929**	$ 17,103	4.8%
Direct operating expenses	**(13,886)**	(14,163)	(2.0%)
Net operating income	**4,043**	2,940	37.5%
Amortization of membership fees	**144**	164	(12.2%)
Depreciation and amortization	**(1,162)**	(1,087)	6.9%
Other items	**(692)**	(1)	N/A
Segment earnings before interest and income taxes (US dollars)	**2,333**	2,016	15.7%
Exchange	**815**	494	65.0%
Segment earnings before interest and income taxes (Cdn dollars)	**$ 3,148**	$ 2,510	25.4%

Review of Corporate Items for the Year Ended December 31, 2023

Highland Gate

The Company's investment in Highland Gate is managed by Geranium Homes. Highland Gate is the development of a former golf course in Aurora, Ontario and includes 157 single family detached homes and a seven story multi-unit residential building with 114 units.

The cost of goods sold (amortization) represents the non-cash amortization of the purchase price of both the 2019 and 2021 tranches purchased by ClubLink in this project in addition to the amortization of the recorded minority interest. This is being expensed at the rate of $141,000 per closing. At December 31, 2023 there was $14,103,000 (December 31, 2022 - $18,474,000) in the unamortized balance.

The following is a breakdown of earnings recorded on this project:

(thousands of dollars)	**2023**	2022	% Change
Phase 1 units closed	**8**	10	(20.0%)
Phase 2 units closed	**23**	-	N/A
Operating revenue	**$ 54,594**	$ 15,826	245.0%
Operating cost of goods sold	**(55,524)**	(14,984)	270.6%
Subtotal - project earnings	**(930)**	842	N/A
Amortization of cost of goods sold	**(4,371)**	(1,410)	210.0%
Total	**$ (5,301)**	$ (568)	833.3%

Higher than expected commodity and material costs as well as significantly higher labour rates and construction delays have impacted the results to date of Highland Gate closings. Specifically, Phase 2 units were sold during COVID and were especially impacted by trade shortages and material escalations such as lumber which caused both delays in closing these units and profitability of these units.

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of Corporate Items for the Year Ended December 31, 2023 (continued)

Real Estate Investments

The Company has the following real estate fund investments:

(thousands of dollars)	2023	2022
Investment in Mount Auburn	**$ 1,234**	$ 2,243
Investment in Real Estate Investment Fund IV (13th Floor)	**8,822**	8,642
Investment in Real Estate Investment Fund V (13th Floor)	**1,156**	-
	$ 11,212	$ 10,885

The investment in Mount Auburn represented an approximate 2% ownership interest in a portfolio of 34 residential garden-style assets consisting of approximately 8,400 units located primarily in Texas and Southeast United States. This investment was purchased for $5,952,000 (US$4,500,000) on March 1, 2021. Mount Auburn was purchased by a third party real estate company and the investment was substantially liquidated in 2022. The majority of the return of capital/liquidation payments have been made. A payment was received in January 2024 for US$373,000, and there is one remaining payment that is still expected to be received. The Company recognized a valuation decrease of $789,000 (US$587,000) on its remaining investment in Mount Auburn which represented a decline in the value of its two remaining residential assets (2022 - $4,864,000; US$3,591,000).

The Company has invested $9,920,000 (US$7,500,000) in capital calls (US$10,000,000 total commitment) in a US-based real estate investment fund managed by 13th Floor (Fund IV) (2022 - $4,864,000; US$3,591,000). TWC has an approximate 9% interest in this fund. This fund primarily invests in Florida real estate projects. The Company recognized a valuation gain of $438,000 (US$331,000) on its investment in Fund IV (2022 - $1,734,000; US$1,280,000).

Investments included in Fund IV include:

Investment	Location	Asset Type
Mt. Auburn	Various	Multi-family
1817 Industrial	Olive Branch, MS	Industrial
Marina Landings	Fort Lauderdale, FL	Home building
The Davis	Davie, FL	Multi-family
Cold Storage Deals	Various	Industrial
WPB Fern	Palm Beach, FL	Multi-family
On The Trail	Greenville, SC	Land
36 Collins	Miami Beach, FL	Condominium
Build-For-Rent Portfolio	Sarasota, FL	Home building

The Company has invested $1,323,000 (US$1,000,000) in capital calls (US$10,000,000 total commitment) in a US-based real estate investment fund managed by 13th Floor (Fund V). TWC has an approximate 5% interest in this fund. Fund V's pipeline of deals is expected to consist of mainly multi-family and mixed use opportunities in Florida and South Carolina. The Company recognized a valuation decrease of $167,0000 (US$126,000) on its investment in Fund V (2022 - nil).

Change in the real estate fund investments is as follows:

	Year ended December 31, 2023			Year ended December 31, 2022	
(thousands of dollars)	**Investment in Mount Auburn**	**Investment in Real Estate Investment Fund IV**	**Investment in Real Estate Investment Fund V**	Investment in Mount Auburn	Investment in Real Estate Investment Fund IV
Balance, beginning of year (US dollars)	**$ 1,656**	**$ 6,381**	**$ -**	$ 10,362	$ 4,841
Cash calls	**-**	**-**	**1,000**	-	4,075
Valuation adjustment	**(587)**	**331**	**(126)**	3,591	1,280
Distribution in kind	**(136)**	**(42)**	**-**	-	-
Return of capital/liquidation	**-**	**-**	**-**	(12,297)	(3,815)
Balance, end of year (US dollars)	**933**	**6,670**	**874**	1,656	6,381
Exchange	**301**	**2,152**	**282**	587	2,261
Balance, end of year (Cdn dollars)	**$ 1,234**	**$ 8,822**	**$ 1,156**	$ 2,243	$ 8,642

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of Corporate Items for the Year Ended December 31, 2023 (continued)

Interest, Net and Investment Income

Interest, net and investment income increased to income of $8,973,000 for the year ended December 31, 2023 from $806,000 in 2022 due a decrease in borrowings and an increase in distributions from the Company's investment in Automotive Properties REIT. On September 1, 2022, the Company paid off certain non-revolving mortgages in advance of their due dates resulting in an expense of $2,604,000 which includes prepayment penalties and other costs.

Other Items

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

(thousands of Canadian dollars)	**2023**	2022
Foreign exchange gain	**$ (659)**	$ (247)
Unrealized loss on investment in marketable securities	**20,763**	15,754
Contingent contractual obligation	**(6,620)**	-
Gain on sale of investments in joint ventures	**(6,437)**	-
Gain on property, plant and equipment	**(1,182)**	(376)
Equity loss (income) from investments in joint ventures	**123**	(457)
Loss (gain) on real estate fund investments	**510**	(6,356)
Allowance on loans receivable	**150**	-
Demolition of Woodlands clubhouse	**262**	-
Insurance proceeds	**(187)**	(580)
Other items	**1,173**	260
	$ 7,896	$ 7,998

At December 31, 2023, the Company recorded unrealized losses of $20,763,000 on its investment in marketable securities (December 31, 2022 - loss of $15,754,000). This loss is attributable to the fair market value adjustments of the Company's investment in Automotive Properties REIT. The Company also recorded losses of $510,000 (December 31, 2022 - gain of $6,356,000) on fair market value adjustments of its real estate fund investments in relation to Florida and southeastern US real estate.

The contingent contractual obligation of US$5,000,000 (CDN$6,620,000) originating from the sale of White Pass in 2018 expired in July 2023 and as such has been reversed since it had not been expended.

On September 20, 2023, the Company completed the divestiture of its investment in the Geranium real estate management company along with other non-Highland Gate joint ventures in which it was a co-investor with the Geranium Group. These assets were purchased by the Company's co-investors with Geranium. Total proceeds for the transaction were $12,500,000 including deferred proceeds of $5,300,000. A gain of $6,437,000 was recorded as a result of the transaction.

CRITICAL ACCOUNTING ESTIMATES

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

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

FINANCIAL CONDITION

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

(thousands of Canadian dollars)	2023	2022	Net Change	Ref
Assets				
Cash and cash equivalents	**$ 59,632**	$ 46,388	13,244	1
Accounts and loans receivable	**9,503**	20,481	(10,978)	2
Inventories and prepaid expenses	**6,325**	5,153	1,172	
Residential inventory	**98,893**	101,193	(2,300)	
Other assets	**113,860**	139,868	(26,008)	3
Right-of-use assets	**1,306**	2,102	(796)	
Property, plant and equipment and intangibles	**412,557**	412,158	399	
	$ 702,076	$ 727,343	(25,267)	
Liabilities				
Accounts payable and accrued liabilities	**$ 18,805**	$ 28,969	(10,164)	
Borrowings	**64,714**	86,603	(21,889)	4
Prepaid annual dues and deposits	**30,873**	34,747	(3,874)	
Deferred membership fees	**3,043**	3,326	(283)	
Deferred income tax liabilities	**47,054**	49,649	(2,595)	
	164,489	203,294	(38,805)	
Shareholders' Equity				
Share capital	**102,090**	102,320	(230)	
Retained earnings	**420,290**	403,922	16,368	
Non-controlling interest	**7,704**	8,588	(884)	
Accumulated other comprehensive income	**7,503**	9,219	(1,716)	
	537,587	524,049	13,538	
	$ 702,076	$ 727,343	(25,267)	

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

1. Cash has increased by $13,244,000 due to the proceeds from the sale of the investments in joint ventures and cash from operations.
2. Accounts and loans receivable have decreased by $10,978,000 due in part to a related party loan receivable repayment of $5,000,000.
3. Other assets have decreased by $26,008,000 as a result of $20,763,000 in unrealized losses on the Company's investment in marketable securities.
4. Borrowings have decreased $21,889,000 due to the changes as follows:

(thousands of dollars)	2023	2022	Change
Gross borrowings, beginning of year	**$ 84,341**	$ 112,851	(28,510)
Non-revolving borrowings payments	**(8,336)**	(17,158)	8,822
Non-revolving mortgages prepayment	**-**	(46,303)	46,303
Highland Gate borrowings	**8,663**	15,376	(6,713)
Assumption of debt on disposition	**(2,342)**	-	(2,342)
Revolving borrowings	**(18,804)**	18,804	(37,608)
Unrealized foreign exchange	**(245)**	771	(1,016)
Gross borrowings, end of year	**63,277**	84,341	(21,064)
Deferred financing costs	**(92)**	(190)	98
Lease liabilities	**1,529**	2,452	(923)
Totals	**$ 64,714**	$ 86,603	(21,889)

FINANCIAL CONDITION (continued)

Shareholders' Equity

Consolidated shareholders' equity at December 31, 2023 totalled $537,587,000 or $21.94 per share, compared to $524,049,000 or $21.30 per share at December 31, 2022.

The following is a summary of the common share activity:

(number of shares)	**2023**	2022
Balance, beginning of year	**24,609,280**	24,547,924
Shares issued pursuant to dividend reinvestment plan	**16,969**	118,656
Shares cancelled through NCIB	**(125,600)**	(57,300)
Balance, end of year	**24,500,649**	24,609,280

During 2023, the Company purchased 125,600 (2022 - 57,300) shares for cancellation at a total price in the amount of $2,162,000 (2022 - $1,058,000).

The following is a summary of dividends declared in 2022 and 2023:

Date of declaration	Record date	Distribution date	Amount per share
March 9, 2022	March 15, 2022	March 31, 2022	0.02
May 2, 2022	May 31, 2022	June 15, 2022	0.02
August 4, 2022	August 31, 2022	September 15, 2022	0.05
October 31, 2022	November 30, 2022	December 15, 2022	0.05
March 2, 2023	March 15, 2023	March 31, 2023	0.05
April 27, 2023	May 31, 2023	June 15, 2023	0.05
August 4, 2023	August 31, 2023	September 15, 2023	0.05
November 2, 2023	November 30, 2023	December 15, 2023	0.05

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)	**2023**	2022
Cash provided by operating activities	**$ 37,975**	$ 12,028
Proceeds on sale of investments in joint ventures	**4,800**	-
Operating property, plant and equipment expenditures	**(11,276)**	(9,561)
Expansion property, plant and equipment expenditures	**(3,439)**	(3,539)
Real estate fund investments, net	**(1,323)**	16,303
Mortgages and loans receivable	**7,937**	(4,469)
Revolving borrowings	**(10,141)**	34,180
Non-revolving borrowings – amortization payments	**(8,336)**	(17,158)
Non-revolving borrowings – prepayment	**-**	(46,303)
Lease liabilities	**(923)**	(4,575)
Dividends paid	**(4,625)**	(1,410)
Common shares repurchased for cancellation	**(2,163)**	(1,057)
Proceeds on sale of property, plant and equipment	**1,786**	483
Investment in Automotive Properties REIT and marketable securities	**-**	(25,628)
Other	**(676)**	3,460
Net change in cash during the year	**9,596**	(47,246)
Cash, beginning of year	**44,149**	91,395
Cash, end of year	**$ 53,745**	$ 44,149

The analysis of TWC's liquidity is as follows:

	Availability on December 31, 2023		Availability on December 31, 2022	
(thousands of Canadian dollars)	**Maximum**	**Available**	Maximum	Available
Cash and cash equivalents (CDN)	**$ 9,793**	**$ 9,793**	$ 5,189	$ 5,189
Cash and cash equivalents (US)	**43,952**	**43,952**	38,960	38,960
Revolving line of credit (corporate)	**50,000**	**49,196**	50,000	33,238
Related party revolving line of credit	**50,000**	**50,000**	50,000	50,000
Subtotal	**153,745**	**152,941**	144,149	127,387
Highland Gate	**108,000**	**59,151**	108,000	67,814
Total	**$ 261,745**	**$ 212,092**	$ 252,149	$ 195,201

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

Based on TWC's financial position at December 31, 2023, and projected future earnings, management expects to be able to fund its working capital requirements, and meet its other obligations including debt repayments.

LIQUIDITY AND CAPITAL RESOURCES (continued)

The following is an analysis of the Company's net borrowings and their characteristics on December 31, 2023 compared to December 31, 2022:

(thousands of Canadian dollars)	**Interest Rate 2023**	Interest Rate 2022	**Total Indebtedness 2023**	Total Indebtedness 2022	**Average Term to Maturity (Yrs) 2023**	Average Term to Maturity (Yrs) 2022
Non-revolving	**8.0%**	8.0%	**$ 7,595**	$ 8,578	**5.75**	6.75
Revolving (a)	**9.5%**	8.5%	**-**	2,123	**0.75**	1.75
Exchange	**-**	-	**2,450**	3,783	**-**	-
Subtotal US borrowings	**8.0%**	8.1%	**10,045**	14,484		
Revolving (corporate) (a)	**7.7%**	6.7%	**-**	15,938	**0.75**	1.75
Non-revolving	**8.1%**	8.1%	**4,383**	11,468	**0.50**	2.92
Other	**5.0%**	5.0%	**-**	2,265	**-**	0.67
Subtotal CDN borrowings	**8.1%**	7.1%	**4,383**	29,671		
Gross borrowings	**8.0%**	7.4%	**14,428**	44,155		
Lease liabilities	**6.5%**	6.0%	**1,529**	2,452	**1.77**	0.83
Highland Gate borrowings (a)	**8.0%**	7.4%	**48,849**	40,186	**1.83**	2.31
Total			**$ 64,806**	$ 86,793		

(a) These borrowings are variable interest rate debt

TWC operates the National Pines Golf Club which is subject to a land lease that expires on November 15, 2024.

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

TWC's consolidated borrowings include revolving lines of credit and non-revolving mortgages. The following table illustrates future maturities and amortization payments of consolidated borrowings for the next five years and thereafter as at December 31, 2023:

(thousands of Canadian dollars)	Highland Gate	Corporate Borrowings	Lease Liabilities	**Total**
2024	$ -	$ 5,791	$ 1,279	**$ 7,070**
2025	48,849	1,525	59	**50,433**
2026	-	1,651	65	**1,716**
2027	-	1,788	71	**1,859**
2028	-	1,936	42	**1,978**
2029 and thereafter	-	1,737	13	**1,750**
	$ 48,849	$ 14,428	$ 1,529	**$ 64,806**

Operating Activities

Cash provided by operating activities increased to $37,975,000 in 2023 compared to $12,028,000 in 2022 due to timing differences in relation to payments and receipts of working capital amounts.

LIQUIDITY AND CAPITAL RESOURCES (continued)

Investing Activities

Cash used in investing activities was $9,358,000 in 2023 compared to $22,139,000 in 2022 due to proceeds from the sale of investments in joint ventures.

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

(thousands of Canadian dollars)	**2023**	2022
Canadian golf club operations		
Golf carts	**$ 2,504**	$ 2,451
Turf improvements	**3,512**	2,186
Turf equipment	**681**	1,262
Facilities, administrative and other	**3,072**	2,152
US golf club operations		
Golf carts	**207**	135
Turf improvements	**879**	874
Turf equipment	**237**	188
Other	**184**	313
	$ 11,276	$ 9,561

Financing Activities

Financing activities repayments were $18,358,000 in 2023 compared to $40,936,000 in 2022.

The Company paid off certain non-revolving mortgages on September 1, 2022. The payoff amounts totaled $46,303,000 (US$35,169,000) and resulted in prepayment penalties totaling $2,604,000.

The Company was approved by the Toronto Stock Exchange for a normal course issuer bid to purchase up to 1,225,000 of its common shares which expired on September 19, 2023. From September 20, 2022 to December 31, 2022, the Company repurchased for cancellation 5,100 common shares for a total purchase price of $89,000 or $17.48 per share, including commissions. From January 1, 2023 to September 19, 2023, the Company repurchased for cancellation 57,200 common shares for a total purchase price of $1,028,000 or $17.97 per share, including commissions.

The Company was approved by the Toronto Stock Exchange for a normal course issuer bid to purchase up to 1,228,000 of its common shares which expires on September 19, 2024. From September 20, 2023 to December 31, 2023, the Company repurchased for cancellation 68,400 common shares for a total purchase price of $1,134,000 or $16.58 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.

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

During 2023, TWC declared and paid four quarterly dividends of 5 cents per common share for a total of 20 cents annually per common share or $4,918,000 (2022 - $3,434,000).

Dividends consist of the following:

Date of declaration	Record date	Distribution date	Amount per share	Payment amount	Share amount	**Total amount**
March 9, 2022	March 15, 2022	March 31, 2022	0.02	$ 491,000	$ -	**$ 491,000**
May 2, 2022	May 31, 2022	June 15, 2022	0.02	491,000	-	**491,000**
August 4, 2022	August 31, 2022	September 15, 2022	0.05	212,000	1,013,000	**1,225,000**
October 31, 2022	November 30, 2022	December 15, 2022	0.05	216,000	1,011,000	**1,227,000**
				$ 1,410,000	$ 2,024,000	**$ 3,434,000**
February 24, 2023	March 15, 2023	March 31, 2023	0.05	$ 1,148,000	$ 82,000	**$ 1,230,000**
April 27, 2023	May 31, 2023	June 15, 2023	0.05	1,155,000	75,000	**1,230,000**
August 2, 2023	August 31, 2023	September 15, 2023	0.05	1,161,000	68,000	**1,229,000**
November 2, 2023	November 30, 2023	December 15, 2023	0.05	1,161,000	68,000	**1,229,000**
				$ 4,625,000	$ 293,000	**$ 4,918,000**

OFF-BALANCE SHEET FINANCING AND GUARANTEES

From time to time, TWC enters into agreements to provide financial or performance assurances to third parties of which letters of credit of $804,000 (2022 - $1,018,000) and unsecured surety bonds of $1,602,000 (2022 - $1,602,000) were outstanding as at December 31, 2023.

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

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

RELATED PARTY TRANSACTIONS

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

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

The Company has provided an unsecured revolving demand credit facility to Morguard in the amount of $50,000,000 with no fixed maturity date. During 2023 there was a maximum amount outstanding of CDN$5,000,000 and US$20,000,000 under this facility. Morguard has provided an unsecured revolving demand credit facility to TWC in the amount of $50,000,000 with no fixed maturity date. This facility was not utilized during 2023. These facilities bear interest on a basis which is consistent with the entity's borrowing costs.

Summarized information regarding these facilities is as follows:

(thousands of Canadian dollars)	For the year ended December 31, 2023	December 31, 2022
Loan receivable from Morguard outstanding	-	5,000
Net interest receivable outstanding	-	51
Net interest earned	**712**	112

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 2023 and 2022, there were no advances or repayments under these facilities.

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

The Company has provided an unsecured revolving demand credit facility to an investment in joint venture in the amount of $3,000,000, which has now expired. This facility bore interest at prime plus 1.25%. As at December 31, 2023, the amount receivable on this facility was nil (December 31, 2022 - $600,000). Interest receivable at December 31, 2023 was nil (December 31, 2022 - $2,000), and interest earned was $3,000 for the year ended December 31, 2023 (December 31, 2022 - $2,000).

The Company receives managerial and consulting services from Morguard. The Company paid a management fee of $695,000 for the year ended December 31, 2023 (December 31, 2022 - $695,000), under a contractual agreement, which is included in operating expenses. Morguard also provides back-office services to ClubLink US LLC. The Company paid a management fee of US$460,000 (CDN$620,000) for the year ended December 31, 2023 (December 31, 2022 - US$460,000; CDN$599,000) under a contractual agreement, which is included in direct operating expenses.

The Highland Gate project receives managerial services from Geranium management companies. The project paid management fees of $1,941,000 for the year ended December 31, 2023 (December 31, 2022 - $1,707,000) under a contractual agreement, which is capitalized to residential inventory.

The Company provides landscaping services for certain Morguard assets. The Company received fees of $175,000 for the year ended December 31, 2023 (December 31, 2022 - $156,000) under a contractual agreement.

A total of US$53,000 of rental revenue was earned by TWC for the year ended December 31, 2023 (December 31, 2022 - US$53,000) from Morguard relating to a shared office facility in Florida.

RELATED PARTY TRANSACTIONS (continued)

During 2023, the Company earned $798,000 (2022 - $730,000) in operating revenue (primarily food and beverage and corporate events) from related parties controlled by the Chairman, President and Chief Executive Officer of the Company.

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

ENVIRONMENTAL AND HEALTH AND SAFETY OBLIGATIONS

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

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

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

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

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

FINANCIAL INSTRUMENTS

TWC has a number of financial instruments which are described in Note 26 to the audited consolidated financial statements for the year ended December 31, 2023.

Risks associated with these financial instruments and information on their fair values are also disclosed in Note 26.

SUMMARY OF FINANCIAL RESULTS BY QUARTER

The table below sets forth selected financial data for the most recent eight quarters ending December 31, 2023. 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,	**2023**				2022			
except per share amounts)	**Dec. 31**	**Sep. 30**	**Jun. 30**	**Mar. 31**	Dec. 31	Sep. 30	Jun. 30	Mar. 31
Total assets	**$702,076**	**$750,009**	**$753,438**	**$ 754,001**	$727,343	$721,283	$ 766,134	$ 772,485
Operating revenue	**67,067**	**67,635**	**64,653**	**26,510**	30,835	65,009	52,736	37,932
Net operating income (loss)	**3,500**	**20,371**	**10,819**	**5,371**	8,109	22,322	13,167	4,978
Net earnings (loss)	**4,289**	**17,690**	**8,114**	**(8,051)**	4,245	11,920	3,594	(1,093)
Basic earnings (loss) per share	**0.18**	**0.72**	**0.33**	**(0.33)**	0.17	0.49	0.15	(0.04)
Eligible dividends per share	**0.05**	**0.05**	**0.05**	**0.05**	0.05	0.05	0.02	0.02

FOURTH QUARTER RESULTS

For the Fourth Quarter ended December 31, (thousands of Canadian dollars, except per share amounts)	**2023**	2022
Operating revenue	**$ 67,067**	$ 30,835
Cost of sales and operating expenses	**(63,567)**	(22,726)
Net operating income	**3,500**	8,109
Amortization of membership fees	**1,022**	945
Depreciation and amortization	**(3,631)**	(4,481)
Interest, net and investment income	**2,365**	1,618
Other items	**3,066**	(329)
Income tax provision	**(2,033)**	(1,617)
Net earnings	**$ 4,289**	$ 4,245
Weighted average shares outstanding (000)	**24,549**	24,566
Basic and diluted earnings per share	**$ 0.18**	$ 0.17

For the Fourth Quarter ended December 31, (thousands of Canadian dollars)	**2023**	2022
Net operating income (loss) by segment		
Canadian golf club operations	**$ 8,416**	$ 8,312
US golf club operations	**878**	622
Corporate and other	**(5,794)**	(825)
Net operating income	**$ 3,500**	$ 8,109

The following exchange rates translate one US dollar into the Canadian dollar equivalent:		
Statement of earnings, average for the fourth quarter	**1.3619**	1.3580

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

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

For the Fourth Quarter ended December 31, (thousands of Canadian dollars)	**2023**	2022
Foreign exchange gain	**$ (293)**	$ (289)
Unrealized loss (gain) on investment in marketable securities	**(3,128)**	2,654
Gain on property, plant and equipment	**(293)**	(49)
Equity loss from investments in joint ventures	**-**	301
Loss (gain) on real estate fund investments	**(169)**	(1,986)
Demolition of Woodlands clubhouse	**187**	-
Insurance proceeds	**1**	(360)
Other items	**629**	58
	$ (3,066)	$ 329

SEASONALITY

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

RISKS AND UNCERTAINTIES

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

Economic & Business Conditions

A decline in the economic environment and its impact on disposable income in areas where TWC operates may have an adverse effect on operating revenue. The Company's business segments are dependent upon discretionary spending by consumers and corporations which in turn is impacted by general economic conditions. An extended recession, or a deterioration in disposable income in connection with inflation and recent increases in interest rates, could materially affect revenue and financial performance as discretionary spending declines.

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

Accordingly, a decline in the economic environment and its impact on disposable income in areas where TWC's clusters are located may have an adverse effect on the Company's golf club operations revenue. The current rise in inflation and recent increases in interest rates may adversely affect consumer discretionary spending as well, and, as a result, the Company's financial performance.

The Company believes this is mitigated and that revenue from member clubs would remain relatively constant since a member is committed to pay annual dues to maintain their membership. While the sale of new memberships may decline in such circumstances, almost all Member Golf Clubs have a membership base that generates sufficient operating revenue to sustain profitable operations at that property.

Inflation Risk

The disruption of global supply chains and labour markets and increases in government spending resulting from the COVID-19 pandemic, together with the impacts on energy prices and supply chains in connection with the Russian invasion of Ukraine, has led to a material increase in inflation which has only somewhat abated. Trade protectionism, international disputes, and other incidences of international conflict could also impact international and domestic supply chains, further contributing to inflation. Inflation could also result from other factors outside of the control of the Company. Inflation, and any further increases in the rate of inflation, could have an impact on economic activity and employment in the markets in which the Company operates and in turn have an adverse effect on disposable income and the financial performance of the Company. In addition, the Company's operating costs could increase due to inflationary pressures on the cost of labour, supplies, materials, general and administrative expenses, equipment limitations or other input cost escalations. The Company's inability to control for these costs and inputs could have an adverse effect on the Company's operating cash flows.

The inability of the Company to recover, in whole or in part, the increase in costs from inflationary pressures may have a material adverse impact on the Company's business, financial condition and results in operations.

Foreign Currency Risk

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

Financing and Availability of Credit

No assurance can be given that borrowings will be available to the Company or its subsidiaries to replace existing credit facilities on terms as favourable as the terms of existing credit facilities, on terms acceptable to the Company, or at all. Also, disruptions in the credit markets and uncertainty in the economy could adversely affect the banks that currently provide the Company's existing credit facilities, which could result in such banks or a bank to elect not to participate in any new credit facilities sought, or could cause other banks that are not currently lenders to the Company to be unwilling or unable to participate in any new credit facilities with the Company. Failure to renew or replace credit facilities as they mature would require TWC to obtain alternative sources of capital, which may include the sale of assets or the issuance of equity at prices that may be dilutive to current shareholders.

RISKS AND UNCERTAINTIES (continued)

Public Health Crises

Public health crises relating to virus, flu, epidemic, pandemic or any other similar disease or illness (each a "Health Crisis") could adversely impact the Company, including through: a general or acute decline in economic activity, business closures, government restrictions on travel, economic activity and gatherings, increased unemployment, supply shortages, mobility restrictions, the quarantine or contamination of one or more of the Company's properties and other quarantine measures. Such Health Crises could have a material adverse effect on debt and capital markets, the ability to provide certain services to golf members if social distancing regulations are implemented and, as result of any economic declines and/or increases in unemployment related to any such Health Crisis, consumer discretionary spending available for the Company's products and services. Specifically, such enhanced risks associated with Health Crises include, but are not limited to:

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

The foregoing is not an exhaustive list of all risk factors. The pace of recovery following such Health Crises cannot be accurately predicted, nor can the impact on the Company's asset valuations, cash flows, results of operations and the Company's ability to obtain additional financing or re-financing and ability to make dividend payments to shareholders.

Natural Disaster & Climate Change Risk

Extraordinary weather conditions brought about by climate change involving extended dry or wet periods or exceptional hot or cold temperatures could impact the condition of golf courses and the demand for golf. Severe weather conditions include hurricanes, micro-bursts, flooding, droughts and other climate-related events. Depending on their severity, these events could cause threats to the safety of the Company's customers, significant damage to the Company's properties and interruptions to the Company's normal operations. Management believes that its geographically diverse operations may serve to reduce the impact of severe weather conditions.

There may be adverse impacts to the Company's business if there is instability, disruption or destruction in a significant geographic region, regardless of cause, including floods, hurricanes, fires, earthquakes, storms or disease. In addition, climate change, to the extent it causes changes in weather patterns, could have effects on the Company's business, in addition to impacts on the condition of golf courses and the demand for golf, by increasing the cost of property insurance. In addition, climate change related changes, together with government regulations relating to climate change, may increase the cost of energy and materials used in the operations of the Company. The Company may be required to incur significant unanticipated costs to manage the impact of these events.

While the Company has insurance to cover a substantial portion of damages to properties caused by natural disasters, the insurance includes deductible amounts, and certain items may not covered by insurance. The Company's operations and properties may be significantly affected by future natural disasters which may expose the Company to loss of rent and incur additional storm and other natural disaster cleanup costs.

Renewal and Variable Interest Rate Risk

TWC is exposed to renewal risk on its maturing borrowings and is accordingly exposed to market risk related to interest rate fluctuations. This is mitigated by the low amount of overall debt that the Company currently has outstanding.

RISKS AND UNCERTAINTIES (continued)

Risks Associated with Information Systems

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

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

Competition

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

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

Key Management

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

Reliance on Morguard Corporation for Management Services

The Company receives managerial and consulting services from Morguard Corporation pursuant to a management services agreement (the "Management Services Agreement"), for which the Company paid a management fee of $696,000 for the year ended December 31, 2023. Morguard Corporation also provides back-office services to the Company's subsidiary, Clublink US LLC, for which the Company paid a management fee of US$460,000 (CDN$599,000) for the year ended December 31, 2023. The Company relies on the managerial services provided pursuant to the Management Services Agreement, including the services of certain officers of Morguard Corporation, to, among other things, create and implement the Company's business and strategic plan, negotiate material agreements, prepare financial budgets, and fulfill other business, operational, legal, and administrative functions. As a result, the Company's ability to achieve its business objectives depends somewhat on the managers, consultants and officers provided by Morguard Corporation pursuant to the Management Services Agreement, and their ability to effectively manage, direct, administer and advise the Company. If the Company were to lose the services provided by Morguard Corporation, or its key personnel, the Company's operations may be adversely impacted and its growth prospects may decline. The Company may be unable to duplicate the quality and depth of management available to it through the Management Services Agreement by hiring other managers.

Litigation

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

Laws Concerning Employees

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

Environment and Environment Regulations

As an owner and manager of real property, the Company is subject to various laws relating to environmental matters. These laws impose liability for the cost of removal and remediation of certain hazardous materials released or deposited on properties owned or managed by the Company or on adjacent properties. The failure to remove or remediate such substances or locations, if any, could adversely affect the Company's ability to sell such properties or to borrow using such properties as collateral and could potentially also result in claims against the Company.

RISKS AND UNCERTAINTIES (continued)

Environment

Although there can be no assurances, the Company does not believe that costs relating to environmental matters will have a material adverse effect on the Company's business, financial condition or results of operation. TWC's golf courses are managed with a high level of environmental awareness. Phase 1 environmental assessments are completed prior to the acquisition of any property. Once the property is acquired, environment assessment programs ensure continued compliance with all laws and regulations governing environment and related matters. In addition,

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

The Company believes that it has adopted appropriate practices and procedures and maintains adequate insurance to address environmental contingencies. As part of our environmental policies, TWC monitors, controls and manages environmental issues by way of measures for waste prevention, minimization and recycling of any waste products. A committee of the Board of Directors has been established to ensure appropriate policies and standards are maintained for environmental stewardship. The Company's management is also responsible for ensuring compliance with environmental legislation and is required to report on a regular basis to the Board of Directors. The Company is not aware of any material non- compliance with environmental laws at any of the properties. The Company is also not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with any of the properties or any pending or threatened claims relating to environmental conditions at the properties.

However, environmental laws and regulations may change and the Company may become subject to more stringent environmental laws and regulations in the future. Compliance with more stringent environmental laws and regulations could have an adverse effect on the Company's business, financial condition or results of operation. For more details on the Company's environment policies, please see the information provided under the heading "Environmental Policies."

Regulatory Environment

TWC and its subsidiaries are subject to regulation by numerous agencies involving minimum wage, the serving of alcohol and adherence to environmental constraints. Changes in these regulations, and their application, can impact the cost and efficiency of each business segment. If TWC or its advisors fail to monitor and become aware of changes in applicable laws and regulations or if TWC fails to comply with these changes in an appropriate and timely manner, it could result in fines and penalties, litigation, or other significant costs, as well as significant time and effort to remediate any violations. Additionally, such violations could result in reputational damage to TWC both from an operating and an investment perspective.

Loss of Reputation

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

Hospitality Industry

The Company is susceptible to a downturn in the hospitality industry due to the fact that it operates resorts and also hosts large corporate outings at the majority of its properties. The Company has cancellation policies to help mitigate lost revenue in this regard.

Real Estate

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

RISKS AND UNCERTAINTIES (continued)

Exchange of Confidential Information

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

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

Income and Commodity Tax Amounts

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

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

Risk of Loss Not Covered by Insurance

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

Integration of Company Policies and Processes

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

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

Land Leases

TWC operates the National Pines Golf Club which is subject to a land lease that expires on November 15, 2024. The Company is also subject to a small amount of long-term land leases at certain of its other properties.

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

RISKS AND UNCERTAINTIES (continued)

Data, Security and Privacy Breaches

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

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

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

DISCLOSURE CONTROLS AND PROCEDURES

TWC's Chairman, President and Chief Executive Officer ("CEO") and its Chief Financial Officer ("CFO") are responsible for establishing and maintaining the Company's disclosure controls and procedures. Our disclosure controls are designed to provide reasonable assurance that information required to be disclosed by TWC is recorded, processed, summarized and reported within the time periods specified under Canadian securities laws, and include controls and procedures that are designed to ensure that information is accumulated and communicated to management, including the CEO and CFO, to allow timely decisions regarding required disclosure. The CEO and CFO, after evaluating the effectiveness of the Company's disclosure controls and procedures as at December 31, 2023, have concluded that the Company's disclosure controls are adequate and effective to ensure that material information relating to the Company and its subsidiaries would have been known to them.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

Based on their evaluation, the CEO and CFO have concluded that, as at December 31, 2023, the Company's internal control over financial reporting is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes is in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

OUTLOOK

Highland Gate Development

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

The development plan contains 157 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.

The following is an analysis of Highland Gate homes available for sale and scheduled closings:

	Phase 1	Phase 2	Phase 3	Phase 4/5	**Total**
Total lots	44	53	25	35	**157**
Closings up to December 2022	(32)	-	-	-	**(32)**
Closings transpired in 2023	(8)	(23)	-	-	**(31)**
Closings expected in 2024	(1)	(28)	(12)	-	**(41)**
Closings expected in 2025	-	-	-	(3)	**(3)**
Unreleased/unsold lots	3	2	13	32	**50**

Kanata Development

ClubLink has been working with two local developers to explore potential development options at Kanata Golf and Country Club in Ottawa. Development applications were submitted to the City of Ottawa on October 8, 2019 and deemed complete on October 17, 2019. On October 25, 2019, the City of Ottawa filed a Superior Court application seeking a declaration that certain agreements assumed by ClubLink remain valid and enforceable, and requesting an order that ClubLink either withdraw its development applications or offer to convey the golf course lands to the City at no cost under the terms of an agreement known as the 40% Agreement. On February 19, 2021, ClubLink was notified that the Superior Court granted the City's application in part, but did not order ClubLink to withdraw its development applications. An expedited appeal by ClubLink was held on September 17, 2021 and on November 26, 2021, the Ontario Court of Appeal overturned the decision, concluding that certain provisions of the 40% Agreement were void and unenforceable. In summary, this meant that ClubLink would not be required to give the golf course to the City of Ottawa if it ceased to operate it. The extent to which the Court of Appeal's decision affects other provisions of the 40% Agreement and related agreements was remitted to the Superior Court and a hearing on this matter was conducted on September 13, 2022. On Friday, October 13, 2023, the September 2022 decision was released – the result of which removes the development restrictions included in the 40% agreement. This decision has been appealed by the city.

An Ontario Land Tribunal hearing for ClubLink's appeals of the development applications was conducted starting on January 17, 2022, concluding on February 14, 2022. On March 22, 2022, the Ontario Land Tribunal decision was rendered approving the Zoning Bylaw Amendments and Draft Plan Approval, together with the draft plan conditions. Approximately 1,480 residential units with associated parks, storm ponds and public greenspaces were approved.

On February 22, 2022, the Kanata Greenspace Protection Coalition filed a separate Superior Court application seeking orders that the 40% Agreement and another agreement constitute valid and enforceable restrictive covenants and that ClubLink's development applications contravene these instruments. In March 2023, ClubLink brought a motion to dismiss this application.

Kanata Golf Club remains open for play in 2024.

Woodlands Golf Club

The Company is working with 13th Floor (a local real estate developer based in south Florida) to explore development options at the former Woodlands Country Club in Tamarac, Florida. This process has been managed by Morguard as part of its management services arrangement. The development plan that has been submitted includes approximately 335 single family homes. Zoning, land use, development agreement and site plan have all been approved. 13th Floor has now conveyed to the Company that it has waived on due diligence and the Company is intending to proceed to closing – anticipated in summer 2024.

OUTLOOK (continued)

Sun City Center

The Company is considering strategic options for its underutilized land at Sun City. Sandpiper Golf Club has now been closed due to financial and operational reasons. Development options are being considered specifically for the Sandpiper Golf Club.

ADDITIONAL INFORMATION

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

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

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

K. (Rai) Sahi
Chairman, President and Chief Executive Officer
March 4, 2024

Andrew Tamlin
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the consolidated financial statements of TWC Enterprises Limited (the "Company"), which comprise the consolidated balance sheets as at December 31, 2023 and 2022, and the consolidated statements of earnings and comprehensive earnings, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the financial statements for the year ended December 31, 2023. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Property, Plant and Equipment – Assessment of Indicators of Impairment – Refer to Notes 2(C) and 10 to the financial statements

Key Audit Matter Description

The Company reviews property, plant and equipment for indicators of impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. As at December 31, 2023, management assessed internal and external factors, and concluded that there were no events or changes in circumstances that indicated a potential impairment.

Auditing the Company's assessment of whether an indicator of impairment existed as at December 31, 2023 required increased auditor attention due to the judgments made by management when determining whether events or changes in circumstances could indicate a potential impairment which resulted in an increased extent of audit effort.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the assessment of whether an indicator of impairment existed in property, plant and equipment included the following, among others:

- Evaluated management's indicator assessment of internal or external factors that could result in an impairment charge or impairment reversal, specifically the analysis around changes of the Company's projected operating performance by:
  - Evaluating the change in the Company's projected operating performance by comparing key assumptions to historical operating performance, taking into consideration known changes in operations or the industry in which it operates, and internal communications with management and the Board of Directors, as appropriate; and
  - Evaluated publicly available source information with respect to industry metrics as well as real estate valuations.
- Evaluated management's assessment to determine whether the Company omitted any significant internal or external factors.

Other Information

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

- Management's Discussion and Analysis of Financial Condition and Results of Operations; and
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

INDEPENDENT AUDITOR'S REPORT (continued)

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is David Craig Irwin.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario

March 4, 2024

(thousands of Canadian dollars)	Notes	**December 31, 2023**	December 31, 2022
ASSETS			
Current			
Cash and cash equivalents		**$ 53,745**	$ 44,149
Restricted cash		**5,887**	2,239
Accounts receivable	26	**5,136**	13,015
Mortgages and loans receivable	5, 26	**1,589**	7,024
Inventories and prepaid expenses	6	**6,325**	5,153
Other assets	7	**103,436**	125,208
Residential inventory	8	**98,893**	101,193
Assets held for sale	4	**3,250**	-
		278,261	297,981
Mortgages and loans receivable	5, 26	**2,778**	442
Other assets	7	**10,424**	14,660
Right-of-use assets	9	**1,306**	2,102
Property, plant and equipment	10	**398,537**	400,569
Intangible assets	11	**10,770**	11,589
Total assets		**$ 702,076**	$ 727,343
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	12	**$ 18,805**	$ 28,969
Lease liabilities	13, 26	**1,279**	1,129
Borrowings	14	**5,791**	17,433
Prepaid annual dues and deposits	15	**30,873**	34,747
		56,748	82,278
Lease liabilities	13, 26	**250**	1,323
Borrowings	14	**57,394**	66,718
Deferred membership fees	16	**3,043**	3,326
Deferred income tax liabilities	18	**47,054**	49,649
Total liabilities		**164,489**	203,294
Share capital		**102,090**	102,320
Retained earnings		**420,290**	403,922
Accumulated other comprehensive income		**7,503**	9,219
Non-controlling interest	20	**7,704**	8,588
Total shareholders' equity		**537,587**	524,049
Total liabilities and shareholders' equity		**$ 702,076**	$ 727,343

See Accompanying Notes

On behalf of the Board of Directors

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

Donald Turple
Director

TWC Enterprises Limited
Consolidated Statements of Earnings and Comprehensive Earnings

For the years ended December 31, 2023 and 2022

(thousands of Canadian dollars, except per share amounts)	Notes	**2023**	2022
REVENUE			
Operating revenue		**$ 225,865**	$186,512
Amortization of membership fees	16	**4,604**	4,294
	17	**230,469**	190,806
EXPENSES			
Cost of sales		**79,785**	35,080
Labour and employee benefits		**63,579**	60,927
Utilities		**7,445**	7,707
Selling, general and administrative		**5,124**	5,616
Property taxes		**3,136**	3,116
Repairs and maintenance		**5,482**	5,150
Insurance		**4,415**	3,650
Turf operating expenses		**4,230**	4,312
Fuel and oil		**1,513**	1,746
Other operating expenses		**11,095**	10,632
Depreciation of right-of-use assets	9	**1,050**	4,055
Depreciation of property, plant and equipment	10	**12,341**	12,406
Amortization of intangible assets	11	**801**	1,395
Interest, net and investment income	21	**(8,973)**	(806)
Other items	22	**7,896**	7,998
		198,919	162,984
Earnings before income taxes		**31,550**	27,822
Income tax expense (recovery)	18		
Current		**12,080**	10,254
Deferred		**(2,572)**	(1,098)
		9,508	9,156
Net earnings		**22,042**	18,666
Unrealized foreign exchange gain (loss) in respect of foreign operations		**(1,716)**	4,462
Total comprehensive earnings		**$ 20,326**	$ 23,128
Weighted average shares outstanding (000)		**24,582**	24,535
Earnings per share - basic and diluted		**$ 0.90**	$ 0.76

(thousands of Canadian dollars)	**2023**	2022
Net earnings (loss) attributable to:		
Shareholders	**$ 22,926**	$ 18,761
Non-controlling interest (Note 20)	**(884)**	(95)
	$ 22,042	$ 18,666

See Accompanying Notes

For the years ended December 31, 2023 and 2022

(thousands of Canadian dollars, except common shares)	Notes	Common Shares	Share Capital	Retained Earnings	Accumulated Other Comprehensive Income	Non-controlling Interest	Total Shareholders' Equity
Balance, January 1, 2022		**24,547,924**	**$ 100,530**	**$ 389,418**	**$ 4,757**	**$ 8,683**	**$503,388**
Activity during 2022							
Comprehensive earnings (loss)		-	-	18,761	4,462	(95)	23,128
Cash dividend	19B	-	-	(1,410)	-	-	(1,410)
Shares issued pursuant to dividend reinvestment plan		118,656	2,024	(2,024)	-	-	-
Shares cancelled subject to normal course issuer bid	19C	(57,300)	(234)	(823)	-	-	(1,057)
Balance, December 31, 2022		**24,609,280**	**102,320**	**403,922**	**9,219**	**8,588**	**524,049**
Activity during 2023							
Comprehensive earnings (loss)		-	-	22,926	(1,716)	(884)	20,326
Cash dividend	19B	-	-	(4,625)	-	-	(4,625)
Shares issued pursuant to dividend reinvestment plan		16,969	293	(293)	-	-	-
Shares cancelled subject to normal course issuer bid	19C	(125,600)	(523)	(1,640)	-	-	(2,163)
Balance, December 31, 2023		**24,500,649**	**$ 102,090**	**$ 420,290**	**$ 7,503**	**$ 7,704**	**$537,587**

See Accompanying Notes

TWC Enterprises Limited
Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(thousands of Canadian dollars)	Notes	**2023**	2022
OPERATING ACTIVITIES			
Net earnings		**$ 22,042**	$ 18,666
Items not affecting cash:			
Amortization of membership fees	16	**(4,604)**	(4,294)
Depreciation of right-of-use assets	9	**1,050**	4,055
Depreciation of property, plant and equipment	10	**12,341**	12,406
Amortization of intangible assets	11	**801**	1,395
Interest, net and investment income	21	**(8,973)**	(806)
Unrealized foreign exchange gain	22	**(659)**	(247)
Unrealized loss on investment in marketable securities	22	**20,763**	15,754
Loss (gain) on real estate fund investments	22	**510**	(6,356)
Gain on sale of investments in joint ventures	3, 22	**(6,437)**	-
Contingent contractual liability	22	**(6,620)**	-
Gain on sale of property, plant and equipment	22	**(1,182)**	(376)
Equity loss (income) from investments in joint ventures	7	**123**	(457)
Income tax provision	18	**9,508**	9,156
Collection of membership fee instalments	16	**4,319**	3,646
Interest received, net		**9,696**	709
Income taxes paid		**(11,723)**	(23,501)
Restricted cash	20	**(3,648)**	(1,295)
Accounts receivable		**7,879**	(7,944)
Inventories and prepaid expenses		**(1,166)**	(942)
Residential inventory, net		**2,300**	(15,099)
Accounts payable and accrued liabilities		**(4,471)**	5,830
Prepaid annual dues and deposits		**(3,874)**	1,728
Cash and cash equivalents provided by operating activities		**37,975**	12,028
INVESTING ACTIVITIES			
Operating property, plant and equipment expenditures	10	**(11,276)**	(9,561)
Expansion property, plant and equipment expenditures	10	**(3,439)**	(3,539)
Proceeds on sale of investments in joint ventures	3	**4,800**	-
Proceeds on sale of property, plant and equipment	10	**1,786**	483
Right-of-use assets	9	**(254)**	103
Net investment in marketable securities		**-**	(25,628)
Real estate fund investments, net		**(1,323)**	16,303
Other long-term assets		**348**	(300)
Cash used in investing activities		**(9,358)**	(22,139)
FINANCING ACTIVITIES			
Deferred financing costs		**(107)**	(144)
Revolving borrowings		**(10,141)**	34,180
Non-revolving borrowings - amortization payments		**(8,336)**	(63,461)
Lease liabilities		**(923)**	(4,575)
Mortgages and loans receivable		**7,937**	(4,469)
Shares repurchased for cancellation	19	**(2,163)**	(1,057)
Dividends paid	19	**(4,625)**	(1,410)
Cash used in financing activities		**(18,358)**	(40,936)
Net effect of currency translation adjustment on cash and cash equivalents		**(663)**	3,801
Net increase (decrease) in cash and cash equivalents during the year		**9,596**	(47,246)
Cash and cash equivalents, beginning of year		**44,149**	91,395
Cash and cash equivalents, end of year		**$ 53,745**	$ 44,149

See Accompanying Notes

1. NATURE OF OPERATIONS

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

TWC is engaged in golf club operations under the trademark "ClubLink One Membership More Golf" ("ClubLink"). ClubLink is Canada's largest owner, operator and manager of golf clubs with 44, 18-hole equivalent championship and 2, 18-hole equivalent academy courses, at 34 locations in Ontario, Quebec and Florida (including two managed properties) throughout 2023.

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

2. BASIS OF PRESENTATION

(A) Statement of compliance

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

These financial statements were authorized for issuance by the Board of Directors on March 4, 2024.

(B) Functional and presentation currency

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

(C) Material accounting judgments and estimates

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

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

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

The following are the significant accounting judgements that management has identified:

Amortization of membership fees

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

Property, plant and equipment

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

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

2. BASIS OF PRESENTATION (continued)

(C) Material accounting judgments and estimates (continued)

Intangible assets

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

Impairment

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

The impairment process begins with the identification of the appropriate asset or cash-generating unit for purposes of impairment testing. Identification and measurement of any impairments are based on the asset's recoverable amount, which is the higher of its fair value less costs to sell and its value in use. Value in use is generally based on an estimate of discounted future cash flows. Judgment is required in determining the appropriate discount rate. In determining fair value less costs to sell, recent market transactions are considered. If no such comparable transaction could be identified, an appropriate valuation model was used. Assumptions must also be made about development potential of the land, future sales and market conditions over the long-term life of the assets or cash-generating unit. At December 31, 2023, the Company performed an analysis and assessed whether an indicator of impairment existed, and concluded that there was none.

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

Income taxes

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

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

Contingencies

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

2. BASIS OF PRESENTATION (continued)

(D) Accounting policies

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

Scope of consolidation

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

Accounts receivable

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

Inventories

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

Residential inventory

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

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

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

Property, plant and equipment

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

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

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

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

2. BASIS OF PRESENTATION (continued)

(D) Accounting policies (continued)

Intangible assets

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

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

Business combinations and acquisition of property

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

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

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

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

Impairment of long-lived assets

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

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

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

Accounts payable, borrowings and other liabilities

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

2. BASIS OF PRESENTATION (continued)

(D) Accounting policies (continued)

Deferred income taxes

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

Foreign currency translation

(a) Functional currency and currency translation account

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

(b) Local currency transactions

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

(c) Cash flow statement

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

Financial instruments

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

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

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

2. BASIS OF PRESENTATION (continued)

(D) Accounting policies (continued)

Financial instruments (continued)

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

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

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

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

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

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

The Company had no hedges at either December 31, 2022 or December 31, 2023.

Share capital

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

Revenue recognition

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

Non-monetary transactions

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

The Company has recorded $904,000 (2022 – $987,000) of operating revenue relating to non-monetary transactions.

Lease payments

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

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

Earnings per share

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

2. BASIS OF PRESENTATION (continued)

(D) Accounting policies (continued)

Joint ventures

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

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

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

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

Subsidies

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

(E) Accounting changes

New Accounting Pronouncements

The Company has adopted the following new accounting standards effective January 1, 2023.

Amendments to IAS 1, Presentation of Financial Statements, IFRS Practice Statement 2, Making Materiality Judgements and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors

In February 2021, the IASB issued narrow-scope amendments to IAS 1, "Presentation of Financial Statements", IFRS Practice Statement 2, "Making Materiality Judgements" and IAS 8, "Accounting Polices, Changes in Accounting Estimates and Errors". The Company has adopted these amendments effective January 1, 2023. The amendments require the disclosure of material accounting policy information rather than disclosing significant accounting policies and clarify how to distinguish changes in accounting policies from changes in accounting estimates. The Company's financial disclosure is currently not materially affected by the application of the amendments.

Future Accounting Pronouncements

The following standards have been released by the IASB but not yet adopted.

Amendments to IAS 1, Presentation of Financial Statements

In January 2020, the IASB issued an amendment to IAS 1, "Presentation of Financial Statements" to clarify its requirements for the presentation of liabilities in the statement of financial position. The limited scope amendment affected only the presentation of liabilities in the statement of financial position and not the amount or timing of its recognition. The amendment clarified that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period and specified that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. It also introduced a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. On October 31, 2022, the IASB issued Non-Current Liabilities with Covenants (Amendments to IAS 1). These amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. The amendments are effective for January 1, 2024, with early adoption permitted and the amendments are to be applied retrospectively. The Company does not expect these amendments to IAS 1 to have a material impact on its financial disclosures.

3. DIVESTITURE

On September 20, 2023, the Company completed the divestiture of its investment in the Geranium real estate management company along with other non-Highland Gate joint ventures in which it was a co-investor with the Geranium Group. These assets were purchased by the Company's co-investors with Geranium. Total proceeds for the transaction were $12,500,000 including deferred proceeds of $5,300,000. The payment terms on this promissory note (which is interest-free until January 1, 2025 and prime plus 1% thereafter) are as follows:

- September 21, 2024: $2,400,000
- September 21, 2025: $2,400,000
- September 21, 2026: $500,000

The following is a calculation of the gain on this transaction:

(thousands of Canadian dollars)	December 31, 2023
Cash proceeds	$ 4,800
Assumption of debt	2,341
Promissory note (discounted)	4,893
Book value of assets sold (Note 7)	(5,331)
Transaction costs and other	(266)
Net gain on sale of investments in joint ventures	$ 6,437

4. ASSETS HELD FOR SALE

The Company is working with 13th Floor (a local real estate developer based in south Florida) to explore development options at Woodlands Country Club in Tamarac, Florida. 13th Floor has now conveyed to the Company that it has waived on due diligence and is intending to proceed to closing – anticipated in summer 2024. The Company has the option of participating in this project by way of a joint venture. As a result, the Company has classified the property, plant and equipment from Woodlands Country Club as held for sale on the Consolidated Balance Sheet as at December 31, 2023.

The assets held for sale are measured at the lower of book value and fair value less costs to sell. This has been assessed at December 31, 2023 and no adjustment is warranted to book value.

At December 31, 2023, the assets held for sale are comprised of the following:

(thousands of Canadian dollars)	Notes	December 31, 2023
Property, plant and equipment	10	$ 3,250

5. MORTGAGES AND LOANS RECEIVABLE

Mortgages and loans receivable consist of the following:

(thousands of Canadian dollars)	2023	2022
Vendor take-back mortgages	$ 292	$ 2,466
Promissory note receivable (Note 3)	4,075	-
Related party receivable (Note 23)	-	5,000
	4,367	7,466
Less: current portion	1,589	7,024
	$ 2,778	$ 442

The vendor take-back mortgages have maturity dates to November 2024 and have an average fixed interest rate of 7.57% (2022 – 6.60%).

The promissory note is a result of the Company's divestiture of its investment in the Geranium real estate management company along with other non-Highland Gate joint ventures in which it was a co-investor with the Geranium Group. It is interest-free until January 1, 2025 and prime plus 1% thereafter. The promissory note has maturity dates from September 2024 to September 2026. On November 17, 2023, there was a payment of $889,000 received in relation to this promissory note.

6. INVENTORIES AND PREPAID EXPENSES

Inventories and prepaid expenses consist of the following:

(thousands of Canadian dollars)	**2023**	2022
Merchandise and supplies	**$ 4,397**	$ 3,472
Food and beverage	**824**	782
Other	**1,104**	899
	$ 6,325	$ 5,153

7. OTHER ASSETS

Other assets consist of the following:

(thousands of Canadian dollars)	**2023**	2022
Investment in joint ventures	**$ -**	$ 5,454
Investment in Automotive Properties REIT (9,480,712 units; December 31, 2022 - 9,480,712 units)	**102,202**	122,965
Investment in Mount Auburn (US$933,000; December 31, 2022 - US$1,656,000)	**1,234**	2,243
Investment in Real Estate Investment Fund IV (US$6,670,000; December 31, 2022 - US$6,381,000)	**8,822**	8,642
Investment in Real Estate Investment Fund V (US$874,000; December 31, 2022 - nil)	**1,156**	-
Other	**446**	564
	113,860	139,868
Less: current portion	**103,436**	125,208
	$ 10,424	$ 14,660

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

(thousands of Canadian dollars)	**2023**	2022
Balance, beginning of year	**$ 5,454**	$ 5,422
Equity income (loss)	**(123)**	457
Dividend	**-**	(500)
Cash calls (return of capital)	**-**	75
Divestiture (Note 3)	**(5,331)**	-
Balance, end of year	**$ -**	$ 5,454

Summarized equity income (loss) for the real estate management company and the real estate housing investments prior to the divestiture is provided below:

			2023	2022
(thousands of Canadian dollars)	Real Estate Management Company	Real Estate Housing Investments	**Total**	Total
Equity income (loss)	$ 325	$ (448)	**$ (123)**	$ 457

7. OTHER ASSETS (continued)

TWC has committed US$10,000,000 towards a real estate fund based out of Florida (Fund IV). As at December 31, 2023, there has been US$7,500,000 (CDN$9,920,000) in capital calls paid towards this commitment. TWC has committed another US$10,000,000 towards a real estate fund based out of Florida (Fund V). As at December 31, 2023, there has been US$1,000,000 (CDN$1,323,000) in capital calls paid towards this commitment. Outside of the fund, the Company had also previously made an investment in Mount Auburn (comprising of garden style real estate in the southern United States). This investment has now been mostly liquidated.

Change in the real estate fund investments is as follows:

(thousands of dollars)	**Year ended December 31, 2023** Investment in Mount Auburn	Investment in Real Estate Investment Fund IV	Investment in Real Estate Investment Fund V	Year ended December 31, 2022 Investment in Mount Auburn	Investment in Real Estate Investment Fund IV
Balance, beginning of year (US dollars)	**$ 1,656**	**$ 6,381**	**$ -**	$ 10,362	$ 4,841
Cash calls	**-**	**-**	**1,000**	-	4,075
Valuation adjustment	**(587)**	**331**	**(126)**	3,591	1,280
Distribution in kind	**(136)**	**(42)**	**-**	-	-
Return of capital/liquidation	**-**	**-**	**-**	(12,297)	(3,815)
Balance, end of year (US dollars)	**933**	**6,670**	**874**	1,656	6,381
Exchange	**301**	**2,152**	**282**	587	2,261
Balance, end of year (Cdn dollars)	**$ 1,234**	**$ 8,822**	**$ 1,156**	$ 2,243	$ 8,642

8. RESIDENTIAL INVENTORY

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

(thousands of Canadian dollars)	**Total**
At January 1, 2022	**$ 86,094**
Additions	**31,493**
Operating cost of goods sold	**(14,984)**
Amortization of cost of goods sold	**(1,410)**
At December 31, 2022	**101,193**
Additions	**57,595**
Operating cost of goods sold	**(55,524)**
Amortization of cost of goods sold	**(4,371)**
At December 31, 2023	**$ 98,893**

The Company's investment in Highland Gate is managed by Geranium Homes. Highland Gate is the development of a former golf course in Aurora, Ontario and includes 157 single family detached homes and a seven story multi-unit residential building with 114 units. For the year ended December 31, 2023, there were 31 closings (year ended December 31, 2022 - ten closings).

The amortization of cost of goods sold represents the non-cash amortization of the purchase price of both the 2019 and 2021 tranches purchased by ClubLink in this project in addition to the recorded minority interest. This is being expensed at the rate of $141,000 per closing. At December 31, 2023 there was $14,103,000 (December 31, 2022 - $18,474,000) in the unamortized balance.

9. RIGHT-OF-USE ASSETS

Right-of-use assets consists of the following:

(thousands of Canadian dollars)	Land and Buildings	Equipment	**Total**
At January 1, 2022	$ 6,069	$ 193	**$ 6,262**
Disposals	-	(103)	**(103)**
Depreciation	(3,967)	(88)	**(4,055)**
Foreign exchange	-	(2)	**(2)**
At December 31, 2022	2,102	-	**2,102**
Additions	-	254	**254**
Depreciation	(1,015)	(35)	**(1,050)**
At December 31, 2023	$ 1,087	$ 219	**$ 1,306**

10. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

(thousands of Canadian dollars)	Land	Buildings and Land Improvements	Bunkers, Cart Paths and Irrigation	Equipment	**Total**
Cost					
At January 1, 2022	$ 282,907	$ 159,871	$ 107,214	$ 93,113	**$ 643,105**
Additions	1,949	2,613	3,110	5,428	**13,100**
Disposals	(55)	(373)	(68)	(2,066)	**(2,562)**
Foreign exchange difference	738	653	597	548	**2,536**
At December 31, 2022	285,539	162,764	110,853	97,023	**656,179**
Additions	188	4,681	4,289	5,557	**14,715**
Disposals	-	-	-	(4,058)	**(4,058)**
Transfer - asset held for sale (Note 4)	(1,960)	(2,680)	(1,701)	(1,084)	**(7,425)**
Foreign exchange difference	(271)	(245)	(249)	(208)	**(973)**
At December 31, 2023	$ 283,496	$ 164,520	$ 113,192	$ 97,230	**$ 658,438**
Accumulated Depreciation					
At January 1, 2022	$ -	$ 86,194	$ 86,037	$ 72,392	**$ 244,623**
Depreciation	-	4,524	3,404	4,478	**12,406**
Disposals	-	(373)	(68)	(2,014)	**(2,455)**
Foreign exchange difference	-	263	369	404	**1,036**
At December 31, 2022	-	90,608	89,742	75,260	**255,610**
Depreciation	-	4,533	3,237	4,571	**12,341**
Disposals	-	-	-	(3,454)	**(3,454)**
Transfer - asset held for sale (Note 4)	-	(2,280)	(812)	(1,083)	**(4,175)**
Foreign exchange difference	-	(105)	(154)	(162)	**(421)**
At December 31, 2023	$ -	$ 92,756	$ 92,013	$ 75,132	**$ 259,901**
Net book value at December 31, 2022	$ 285,539	$ 72,156	$ 21,111	$ 21,763	**$ 400,569**
Net book value at December 31, 2023	$ 283,496	$ 71,764	$ 21,179	$ 22,098	**$ 398,537**

10. PROPERTY, PLANT AND EQUIPMENT (continued)

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

Proceeds collected on the sale of various pieces of miscellaneous equipment amounted to $1,786,000 (2022 - $483,000).

The Company is working with 13th Floor (a local real estate developer based in south Florida) to explore development options at Woodlands Country Club in Tamarac, Florida. 13th Floor has now conveyed to the Company that it has waived on due diligence and is intending to proceed to closing – anticipated in summer 2024. The Company has the option of participating in this project by way of a joint venture. As a result, the Company has classified the property, plant and equipment from Woodlands Country Club as held for sale on the Consolidated Balance Sheet as at December 31, 2023.

11. INTANGIBLE ASSETS

Intangible assets consist of the following:

(thousands of Canadian dollars)	Membership base	Brand	Other	**Total Intangible Assets**
Cost				
At January 1, 2022	$ 12,122	$ 13,477	$ 2,432	**$ 28,031**
Foreign exchange difference	135	-	13	**148**
At December 31, 2022	12,257	13,477	2,445	**28,179**
Foreign exchange difference	(49)	-	(5)	**(54)**
At December 31, 2023	$ 12,208	$ 13,477	$ 2,440	**$ 28,125**
Accumulated amortization				
At January 1, 2022	$ 6,260	$ 6,408	$ 2,432	**$ 15,100**
Amortization	637	758	-	**1,395**
Foreign exchange difference	82	-	13	**95**
At December 31, 2022	6,979	7,166	2,445	**16,590**
Amortization	382	419	-	**801**
Foreign exchange difference	(31)	-	(5)	**(36)**
At December 31, 2023	$ 7,330	$ 7,585	$ 2,440	**$ 17,355**
Net book value at December 31, 2022	$ 5,278	$ 6,311	$ -	**$ 11,589**
Net book value at December 31, 2023	$ 4,878	$ 5,892	$ -	**$ 10,770**

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

(thousands of Canadian dollars)	**2023**	2022
Trade payables	**$ 10,904**	$ 9,907
Accrued payroll costs	**3,138**	3,094
Accrued interest	**94**	151
Income taxes payable	**243**	3,591
Contingent contractual obligation (a)	**-**	6,772
Accrued liabilities and other	**4,426**	5,454
	$ 18,805	$ 28,969

(a) The contingent contractual obligation originating from the sale of White Pass in 2018 expired in July 2023 unexpended and as such has been recorded in net earnings (Note 22).

13. LEASE LIABILITIES

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

(thousands of Canadian dollars)	Land and Buildings	Equipment	**Total**
At January 1, 2022	$ 6,817	$ 210	**$ 7,027**
Disposals	-	(105)	**(105)**
Interest expense	268	6	**274**
Lease payments	(4,633)	(111)	**(4,744)**
At December 31, 2022	2,452	-	**2,452**
Additions	-	254	**254**
Interest expense	112	15	**127**
Lease payments	(1,241)	(63)	**(1,304)**
At December 31, 2023	1,323	206	**1,529**
Less: current portion	(1,235)	(44)	**(1,279)**
	$ 88	$ 162	**$ 250**

Future minimum payments of lease liabilities are as follows:

(thousands of Canadian dollars)	Lease Liabilities	Interest	**Total Minimum Lease Payments**
2024	$ 1,279	$ 60	**$ 1,339**
2025	59	20	**79**
2026	65	14	**79**
2027	71	7	**78**
2028	42	3	**45**
2029 and thereafter	13	5	**18**
	$ 1,529	$ 109	**$ 1,638**

The above lease liabilities have a weighted average interest rate of 6.5% (2022 - 6.0%).

Land Lease Rent

TWC operates the National Pines Golf Club which is subject to a land lease that expires on November 15, 2024.

During 2023, the Company paid $315,000 (2022 - $338,000) in percentage rent.

14. BORROWINGS

Borrowings consist of the following:

(thousands of Canadian dollars)	2023	2022
Highland Gate credit facilities to a maximum of $108,000,000		
Servicing facility - due on demand - maturing October 31, 2025		
Prime rate loan (Prime + 1.00%)	**$ 5,271**	$ 773
BA loan (Stamping fees @ 2.50% or 7.96%)	**24,400**	31,500
Construction facility - due on demand - maturing October 31, 2025		
Prime rate loan (Prime + 1.00%)	**3,678**	13
BA loan (Stamping fees @2.50% or 7.96%)	**15,500**	7,900
	48,849	40,186
Mortgages with blended monthly payments of principal and interest		
8.060% Mortgage due July 1, 2024	**4,383**	11,468
8.000% Mortgage due October 1, 2029 (US$7,595,000; December 31, 2022 - US$8,578,000)	**10,045**	11,618
Other - matured September 20, 2023	**-**	2,265
	14,428	25,351
Secured revolving operating line of credit to a maximum of $50,000,000 due September 11, 2025 (a)	**-**	18,804
	-	18,804
Gross borrowings	**63,277**	84,341
Less: deferred financing costs	**92**	190
Borrowings	**63,185**	84,151
Less: current portion	**5,791**	17,433
	$ 57,394	$ 66,718

Note a: As at December 31, 2023, there are $804,000 (2022 – $1,018,000) in letters of credit issued, representing unavailable funds and there is availability of $49,196,000 (2022 – $30,178,000) under this facility. This is a revolving operating line of credit with a two-year term and provisions for annual one-year extensions. This facility bears interest at bankers' acceptance rates plus 1.60% or 7.08% (2022 – 6.41%).

On September 1, 2022, the Company paid off several non-revolving mortgages in advance of their due dates resulting in an expense of $2,604,000 which includes prepayment penalties and other costs.

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

14. BORROWINGS (continued)

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

(thousands of Canadian dollars)	Highland Gate	Corporate Borrowings	**Total Borrowings**
2024	$ -	$ 5,791	**$ 5,791**
2025	48,849	1,525	**50,374**
2026	-	1,651	**1,651**
2027	-	1,788	**1,788**
2028	-	1,936	**1,936**
2029 and thereafter	-	1,737	**1,737**
	$ 48,849	$ 14,428	**$ 63,277**

The components of changes in borrowings are summarized in the table below:

(thousands of Canadian dollars)	**2023**	2022
Borrowings, beginning of year	**$ 84,151**	$ 112,561
Revolving borrowings	**(10,141)**	34,180
Non-revolving borrowings - repayments	**(8,336)**	(63,461)
Non-revolving borrowings - foreign exchange	**(245)**	771
Assumption of debt	**(2,342)**	-
Deferred finance additions	**(107)**	(144)
Deferred finance amortization	**205**	244
Borrowings, end of year	**$ 63,185**	$ 84,151

15. PREPAID ANNUAL DUES AND DEPOSITS

Prepaid annual dues and deposits consist of the following:

(thousands of Canadian dollars)	**2023**	2022
Member deposits	**$ 9,907**	$ 10,781
Prepaid cart plan deposits	**624**	497
Highland Gate real estate deposits	**13,905**	18,414
Event deposits	**3,433**	3,239
Other	**3,004**	1,816
	$ 30,873	$ 34,747

16. DEFERRED MEMBERSHIP FEES

Deferred membership fees consist of the following:

(thousands of Canadian dollars)	**2023**	2022
Unamortized membership fees (Note 16A)	**$ 39,664**	$ 38,223
Future membership fee instalments (Note 16B)	**(36,621)**	(34,897)
Deferred membership fees	**$ 3,043**	$ 3,326

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)	**2023**	2022
Balance, beginning of year	**$ 38,223**	$ 37,258
Sales to new members	**8,068**	7,021
Transfer and reinstatement fees	**3,060**	2,519
Resignations and terminations	**(5,084)**	(3,742)
Country Club resignations and terminations	**-**	(603)
Amortization of membership fees to revenue	**(4,604)**	(4,294)
Foreign exchange difference	**1**	64
Balance, end of year	**$ 39,664**	$ 38,223

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

(thousands of Canadian dollars)	**2023**	2022
Balance, beginning of year	**$ 34,897**	$ 33,282
Sales to new members	**8,068**	7,021
Transfer and reinstatement fees	**3,060**	2,519
Resignations and terminations	**(5,084)**	(3,742)
Country Club resignations and terminations	**-**	(603)
Instalments received in cash	**(4,319)**	(3,646)
Foreign exchange difference	**(1)**	66
Balance, end of year	**$ 36,621**	$ 34,897

17. REVENUE

Revenue consists of the following:

	Year ended December 31, 2023				Year ended December 31, 2022			
(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Other (Highland Gate)	**Total**	Canadian Golf Club Operations	US Golf Club Operations	Other (Highland Gate)	**Total**
Annual dues	$ 62,183	$ 7,216	$ -	**$ 69,399**	$ 61,521	$ 6,584	$ -	**$ 68,105**
Golf	31,665	13,152	-	**44,817**	32,354	12,240	-	**44,594**
Corporate events	7,226	369	-	**7,595**	7,549	301	-	**7,850**
Membership fees	4,409	195	-	**4,604**	4,081	213	-	**4,294**
Food and beverage	28,024	2,835	-	**30,859**	28,608	2,449	-	**31,057**
Merchandise	13,133	950	-	**14,083**	12,767	780	-	**13,547**
Real estate	-	-	54,594	**54,594**	-	-	15,811	**15,811**
Rooms and other	4,827	(309)	-	**4,518**	5,716	(183)	15	**5,548**
	$ 151,467	$ 24,408	$ 54,594	**$ 230,469**	$ 152,596	$ 22,384	$ 15,826	**$190,806**

18. INCOME TAXES

(A) Income tax provision

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

(thousands of Canadian dollars)	**2023**	2022
Earnings before income taxes	**$ 31,550**	$ 27,822
Expected corporate tax rate	**26.50%**	26.50%
Calculated income tax provision	**8,361**	7,372
Difference in statutory tax rates	**101**	(108)
Capital items	**1,930**	1,603
Foreign exchange	**(68)**	75
Permanent differences	**1,044**	247
Previously unrecognized tax deductions	**(1,754)**	-
Other	**(106)**	(33)
Total tax expense	**$ 9,508**	$ 9,156

The tax rate used for the 2023 and 2022 reconciliations above is the corporate rate of 26.50% payable by corporate entities in Ontario, Canada.

(B) Deferred income tax liabilities

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

(thousands of Canadian dollars)	Capital/ Intangible Assets and Other	Investments	Foreign Exchange	**Total**
Balance, January 1, 2022	$ 44,005	$ 6,873	$ (371)	**$ 50,507**
Recognized in earnings	621	(1,154)	(565)	**(1,098)**
Recognized in equity through comprehensive earnings	240	-	-	**240**
As at December 31, 2022	44,866	5,719	(936)	**49,649**
Recognized in earnings	(556)	(2,332)	316	**(2,572)**
Recognized in equity through comprehensive earnings	(23)	-	-	**(23)**
As at December 31, 2023	$ 44,287	$ 3,387	$ (620)	**$ 47,054**

There are no unused tax losses on which the deferred tax assets have been recognized as at December 31, 2023 (2022 - nil).

19. SHARE CAPITAL

(A) Authorized and issued share capital

The authorized share capital is an unlimited number of common shares and preferred shares. As at December 31, 2023, there are 24,500,649 common shares outstanding (December 31, 2022 - 24,609,280). As at December 31, 2023 and 2022, no preferred shares have been issued. Please refer to the consolidated statements of changes in shareholders' equity for details.

(B) Dividends

Date of declaration	Record date	Distribution date	Amount per share	Payment amount	Share amount	**Total amount**
March 9, 2022	March 15, 2022	March 31, 2022	0.02	$ 491,000	$ -	**$ 491,000**
May 2, 2022	May 31, 2022	June 15, 2022	0.02	491,000	-	**491,000**
August 4, 2022	August 31, 2022	September 15, 2022	0.05	212,000	1,013,000	**1,225,000**
October 31, 2022	November 30, 2022	December 15, 2022	0.05	216,000	1,011,000	**1,227,000**
				$ 1,410,000	$ 2,024,000	**$ 3,434,000**
February 24, 2023	March 15, 2023	March 31, 2023	0.05	$ 1,148,000	$ 82,000	**$ 1,230,000**
April 27, 2023	May 31, 2023	June 15, 2023	0.05	1,155,000	75,000	**1,230,000**
August 2, 2023	August 31, 2023	September 15, 2023	0.05	1,161,000	68,000	**1,229,000**
November 2, 2023	November 30, 2023	December 15, 2023	0.05	1,161,000	68,000	**1,229,000**
				$ 4,625,000	$ 293,000	**$ 4,918,000**

(C) Shares repurchased and cancelled

The Company was approved by the Toronto Stock Exchange for a normal course issuer bid to purchase up to 1,225,000 of its common shares which expired on September 19, 2023. From September 20, 2022 to December 31, 2022, the Company repurchased for cancellation 5,100 common shares for a total purchase price of $89,000 or $17.48 per share, including commissions. From January 1, 2023 to September 19, 2023, the Company repurchased for cancellation 57,200 common shares for a total purchase price of $1,028,000 or $17.97 per share, including commissions.

The Company was approved by the Toronto Stock Exchange for a normal course issuer bid to purchase up to 1,228,000 of its common shares which expires on September 19, 2024. From September 20, 2023 to December 31, 2023, the Company repurchased for cancellation 68,400 common shares for a total purchase price of $1,134,000 or $16.58 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 as the Company has no dilutive instruments.

20. NON-CONTROLLING INTEREST

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

(thousands of Canadian dollars)	**2023**	2022
Cash and cash equivalents	**$ -**	$ 796
Restricted cash	**5,887**	2,239
Accounts receivable	**126**	695
Residential inventory (Note 8)	**98,893**	101,193
Inventories and prepaid expenses	**10**	5
Total assets	**$ 104,916**	$104,928
Accounts payable and accrued liabilities	**$ 9,467**	$ 8,332
Prepaid annual dues and deposits	**13,905**	18,414
Borrowings	**48,849**	40,186
Total liabilities	**72,221**	66,932
Partner capital	**31,352**	31,352
Retained earnings (deficit)	**(6,361)**	(1,944)
Non-controlling interest	**7,704**	8,588
Total shareholders' equity	**32,695**	37,996
Total liabilities and shareholders' equity	**$ 104,916**	$104,928

(thousands of Canadian dollars)	**2023**	2022
Revenue	**$ 54,594**	$ 15,826
Operating cost of goods sold	**(55,524)**	(14,984)
Cost of goods sold - amortization (Note 8)	**(4,371)**	(1,410)
Loss for the year	**$ (5,301)**	$ (568)
Loss attributable to shareholders	**$ (4,417)**	$ (473)
Loss attributable to non-controlling interests	**(884)**	(95)
Loss for the year	**$ (5,301)**	$ (568)

(thousands of Canadian dollars)	**2023**	2022
Non-controlling interest, beginning of year	**$ 8,588**	$ 8,683
Share of loss for the year	**(884)**	(95)
Non-controlling interest, end of year	**$ 7,704**	$ 8,588

21. INTEREST, NET AND INVESTMENT INCOME

Interest, net and investment income consists of the following:

(thousands of Canadian dollars)	2023	2022
Revolving line of credit	**$ 172**	$ 248
Non-revolving mortgages	**1,749**	4,295
Non-revolving mortgages (prepayment penalty)	**-**	2,604
Construction line of credit (Highland Gate)	**2,826**	1,471
Lease liabilities (Note 13)	**127**	274
Line of credit to related party	**(712)**	(112)
Amortization of deferred financing costs	**205**	243
Interest revenue and investment income	**(10,591)**	(8,578)
Capitalized interest (Highland Gate)	**(2,826)**	(1,471)
Other	**77**	220
	$ (8,973)	$ (806)

22. OTHER ITEMS

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

(thousands of Canadian dollars)	2023	2022
Foreign exchange gain	**$ (659)**	$ (247)
Unrealized loss on investment in marketable securities	**20,763**	15,754
Contingent contractual obligation	**(6,620)**	-
Gain on sale of investments in joint ventures	**(6,437)**	-
Gain on property, plant and equipment	**(1,182)**	(376)
Equity loss (income) from investments in joint ventures	**123**	(457)
Loss (gain) on real estate fund investments	**510**	(6,356)
Allowance on loans receivable	**150**	-
Demolition of Woodlands clubhouse	**262**	-
Insurance proceeds	**(187)**	(580)
Other items	**1,173**	260
	$ 7,896	$ 7,998

At December 31, 2023, the Company recorded unrealized losses of $20,763,000 on investment in marketable securities (December 31, 2022 - loss of $15,754,000). This loss is attributable to the Company's investment in Automotive Properties REIT. The Company also recorded realized losses of $510,000 (December 31, 2022 - gain of $6,356,000) on fair market value adjustments of its real estate fund investments in relation to Florida and southeastern US real estate.

The exchange rate used for translating US denominated assets has changed from 1.3544 at December 31, 2022 to 1.3226 at December 31, 2023. This has resulted in a foreign exchange gain of $659,000 for the year ended December 31, 2023 on the translation of the Company's US denominated financial instruments.

23. 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. During 2023 there was a maximum amount outstanding of CDN$5,000,000 and US$20,000,000 under this facility. Morguard has provided an unsecured revolving demand credit facility to TWC in the amount of $50,000,000 with no fixed maturity date. This facility was not utilized during 2023. These facilities bear interest on a basis which is consistent with the entity's borrowing costs.

Summarized information regarding these facilities is as follows:

	For the year ended	
(thousands of Canadian dollars)	**December 31, 2023**	December 31, 2022
Loan receivable from Morguard outstanding	**-**	5,000
Net interest receivable outstanding	**-**	51
Net interest earned	**712**	112

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 2023 and 2022, there were no advances or repayments under these facilities.

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

The Company has provided an unsecured revolving demand credit facility to an investment in joint venture in the amount of $3,000,000, which has now expired. This facility bore interest at prime plus 1.25%. As at December 31, 2023, the amount receivable on this facility was nil (December 31, 2022 - $600,000). Interest receivable at December 31, 2023 was nil (December 31, 2022 - $2,000), and interest earned was $3,000 for the year ended December 31, 2023 (December 31, 2022 - $2,000).

The Company receives managerial and consulting services from Morguard. The Company paid a management fee of $695,000 for the year ended December 31, 2023 (December 31, 2022 - $695,000), under a contractual agreement, which is included in operating expenses. Morguard also provides back-office services to ClubLink US LLC. The Company paid a management fee of US$460,000 (CDN$620,000) for the year ended December 31, 2023 (December 31, 2022 - US$460,000; CDN$599,000) under a contractual agreement, which is included in direct operating expenses.

The Highland Gate project receives managerial services from Geranium management companies. The project paid management fees of $1,941,000 for the year ended December 31, 2023 (December 31, 2022 - $1,707,000) under a contractual agreement, which is capitalized to residential inventory.

The Company provides landscaping services for certain Morguard assets. The Company received fees of $175,000 for the year ended December 31, 2023 (December 31, 2022 - $156,000) under a contractual agreement.

A total of US$53,000 of rental revenue was earned by TWC for the year ended December 31, 2023 (December 31, 2022 - US$53,000) from Morguard relating to a shared office facility in Florida.

24. 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 44, 18-hole equivalent championship and 2, 18-hole equivalent academy courses (including two managed properties), at 34 locations in two separate geographic Regions throughout 2023: (a) Canada and (b) United States.

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

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

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

	For the Year Ended December 31, 2023			
(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations and Other	**Total**
Operating revenue	$ 147,058	$ 24,213	$ 54,594	**$ 225,865**
Direct operating expenses	(104,328)	(18,750)	(62,726)	**(185,804)**
Net operating income (loss)	42,730	5,463	(8,132)	**40,061**
Amortization of membership fees	4,409	195	-	**4,604**
Depreciation and amortization	(12,622)	(1,570)	-	**(14,192)**
Other items	1,626	(940)	(8,582)	**(7,896)**
Segment earnings (loss) before interest and income taxes	$ 36,143	$ 3,148	$ (16,714)	**22,577**
Interest, net (unallocated)				**8,973**
Provision for income taxes (unallocated)				**(9,508)**
Net earnings				**$ 22,042**
Capital expenditures	$ 13,208	$ 1,507	$ -	**$ 14,715**

24. SEGMENTED INFORMATION (continued)

	For the Year Ended December 31, 2022			
(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations and Other	**Total**
Operating revenue	$ 148,515	$ 22,171	$ 15,826	**$ 186,512**
Direct operating expenses	(99,994)	(18,429)	(19,513)	**(137,936)**
Net operating income (loss)	48,521	3,742	(3,687)	**48,576**
Amortization of membership fees	4,081	213	-	**4,294**
Depreciation and amortization	(16,441)	(1,415)	-	**(17,856)**
Other items	393	(30)	(8,361)	**(7,998)**
Segment earnings (loss) before interest and income taxes	$ 36,554	$ 2,510	$ (12,048)	**27,016**
Interest, net (unallocated)				**806**
Provision for income taxes (unallocated)				**(9,156)**
Net earnings				**$ 18,666**
Capital expenditures	$ 11,590	$ 1,510	$ -	**$ 13,100**

				December 31, 2023
(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations and Other	**Total**
Segment assets	$ 435,782	$ 69,883	$ 196,411	**$ 702,076**
Segment liabilities	$ 54,972	$ 10,171	$ 99,346	**$ 164,489**

				December 31, 2022
(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations and Other	**Total**
Segment assets	$ 440,491	$ 73,140	$ 213,712	**$ 727,343**
Segment liabilities	$ 70,080	$ 6,051	$ 127,163	**$ 203,294**

25. CAPITAL MANAGEMENT

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

Certain secured debt obligations of the Company have restrictive covenants that require maintenance of certain financial ratios. These covenants include debt service ratios, borrowings to adjusted equity/asset ratios and a minimum total equity requirement. For all of 2023 and 2022, the Company was in compliance with these borrowings covenants.

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

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

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

26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of financial assets and liabilities

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

(thousands of Canadian dollars)	**2023**	2022
Assets - Amortized cost (1)	**$ 69,135**	$ 66,869
Assets - FVTPL - Automotive Properties REIT units and Florida real estate investments	**113,414**	133,850
Liabilities - Amortized cost (2)	**83,519**	115,572

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

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

26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Fair values

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

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

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

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

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

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

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

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

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

Risks arising from financial instruments and risk management

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

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

Foreign exchange risk

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

For the year ended December 31, 2023, if the Canadian dollar had weakened (strengthened) 10% against the US dollar, all other variables held constant, the after tax earnings would have increased (declined) by $319,000 (2022 - $728,000).

26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Interest rate risk

The following debt instruments have variable interest rates:

(thousands of Canadian dollars)	**2023**	2022
Revolving line of credit - corporate (December 31, 2023 - BA's plus 160 basis points or 7.68%; prime plus 47.5 basis points or 7.08%) December 31, 2022 - BA's plus 160 basis points or 6.41%; prime plus 47.5 basis points or 6.93%)	**$ -**	$ 18,804
Revolving facility - Highland Gate (December 31, 2023 - BA's plus 2.50% or 7.96%; prime plus 125 basis points or 8.20% December 31, 2022 - BA's plus 2.50% or 7.23%; prime plus 100 basis points or 7.45%)	**48,849**	40,186
	$ 48,849	$ 58,990

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

Credit risk

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

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

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

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

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

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

(thousands of Canadian dollars)	**2023**	2022
Balance, beginning of year	**$ 206**	$ 112
Increase in allowance through bad debt expense	**-**	104
Bad debt write-offs	**(41)**	(10)
Balance, end of year	**$ 165**	$ 206

26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Credit risk (continued)

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

(thousands of Canadian dollars)	**2023**	2022
Accounts receivable		
Current - including accruals	**$ 4,578**	$ 12,428
Past due for more than one day but not more than 60 days	**317**	300
Past due for more than 60 days	**406**	493
Less: allowance for doubtful accounts	**(165)**	(206)
Subtotal	**5,136**	13,015
Mortgages and loans receivable		
Current	**4,217**	7,166
Past due	**300**	300
Less: allowance for doubtful accounts	**(150)**	-
Subtotal	**4,367**	7,466
Total loans and receivables	**$ 9,503**	$ 20,481

Liquidity risk

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

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

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

The Company has financial liabilities with varying contractual maturity dates. Total financial liabilities at December 31, 2023, based on contractual undiscounted payments are as follows:

(thousands of Canadian dollars)	2024	2025	2026	2027	2028	2029 and beyond	**Total**
Accounts payable and accrued liabilities	$ 18,805	$ -	$ -	$ -	$ -	$ -	**$ 18,805**
Revolving lines of credit - Highland Gate	-	48,849	-	-	-	-	**48,849**
Non-revolving mortgages - principal	5,791	1,525	1,651	1,788	1,936	1,737	**14,428**
Non-revolving mortgages - interest	888	651	522	381	229	66	**2,737**
Lease liabilities - principal	1,279	59	65	71	42	13	**1,529**
Lease liabilities - interest	60	20	14	7	3	5	**109**
	$ 26,823	$ 51,104	$ 2,252	$ 2,247	$ 2,210	$ 1,821	**$ 86,457**

26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Liquidity risk (continued)

Total financial liabilities at December 31, 2022, based on contractual undiscounted payments are as follows:

(thousands of Canadian dollars)	2023	2024	2025	2026	2027	2028 and beyond	**Total**
Accounts payable and accrued liabilities	$ 28,969	$ -	$ -	$ -	$ -	$ -	**$ 28,969**
Revolving lines of credit	-	18,804	-	-	-	-	**18,804**
Revolving lines of credit - Highland Gate	7,913	-	32,273	-	-	-	**40,186**
Non-revolving mortgages - principal	9,520	6,985	1,562	1,692	1,831	3,761	**25,351**
Non-revolving mortgages - interest	1,538	888	651	522	381	295	**4,275**
Lease liabilities - principal	1,129	1,234	10	11	12	56	**2,452**
Lease liabilities - interest	112	41	5	4	4	8	**174**
	$ 49,181	$ 27,952	$ 34,501	$ 2,229	$ 2,228	$ 4,120	**$120,211**

27. CONTINGENCIES

TWC has committed US$10,000,000 towards a real estate investment fund based out of Florida (Fund IV). As at December 31, 2023, there has been US$7,500,000 (CDN$9,920,000) in capital calls towards this commitment. TWC has committed another US$10,000,000 towards a real estate fund based out of Florida (Fund V). As at December 31, 2023, there has been US$1,000,000 (CDN$1,323,000) in capital calls paid towards this commitment (see Note 7).

As at December 31, 2022 and December 31, 2023, TWC has $804,000 outstanding in letters of credit against its corporate credit facility.

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

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

28. SUBSEQUENT EVENT

On March 1, 2024, the Company declared a 7.5 cents per common share cash dividend, payable March 28, 2024 to shareholders of record on March 15, 2024.

TWC ENTERPRISES LIMITED

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CORPORATE DIRECTORY

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DONALD TURPLE (a, d)
JACK D. WINBERG (a, b, c)

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

OFFICERS

TWC ENTERPRISES LIMITED

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Chairman, President and Chief Executive Officer

ANDREW TAMLIN
Chief Financial Officer

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

JAMIE KING
Vice President, Sales and Marketing/Business Development

BRENT MILLER
Vice President, Business Development

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