CERVUS EQUIPMENT CORPORATION

Q1 FIRST QUARTER REPORT 2012

Unaudited Condensed Consolidated Financial Statements of

CERVUS EQUIPMENT CORPORATION

For the three month periods ended March 31, 2012 and 2011

CERVUS EQUIPMENT CORPORATION
Unaudited Condensed Consolidated Statement of Financial Position
As at March 31, 2012 and December 31, 2011

($ thousands)	Note	March 31, 2012	December 31, 2011
Assets			
Current assets			
Cash and cash equivalents		6,305	6,536
Deposit for business acquisition	11	-	2,000
Asset held for sale		1,447	1,447
Trade and other accounts receivable		35,382	50,189
Inventories	12	138,346	106,776
Total current assets		**181,480**	**166,948**
Non-current assets			
Long-term receivables		1,991	-
Investments in associates, at equity		5,137	5,146
Other long-term assets		120	112
Deposits with manufacturers		1,297	1,459
Property and equipment	14	75,180	29,185
Deferred tax asset		52,697	53,546
Intangible assets	13	28,780	19,905
Goodwill		5,154	5,154
Total non-current assets		**170,356**	**114,507**
Total assets		**$ 351,836**	**$ 281,455**

CERVUS EQUIPMENT CORPORATION
Unaudited Condensed Consolidated Statement of Financial Position (continued)
As at March 31, 2012 and December 31, 2011

(In $ thousands)	Note	March 31, 2012	December 31, 2011
Liabilities			
Current liabilities			
Trade and other accrued liabilities		$ 26,429	$ 22,514
Customer deposits		5,926	5,269
Floor plan payables		84,285	51,944
Dividends payable		2,686	2,647
Current portion of term debt		4,234	2,957
Current portion of notes payable		2,521	2,477
Total current liabilities		**126,081**	**87,808**
Non-current liabilities			
Term debt	15	40,036	7,276
Notes payable		2,697	2,652
Total non-current liabilities		**42,733**	**9,928**
Total liabilities		**168,814**	**97,736**
Equity			
Shareholders' capital	16	73,122	72,925
Deferred share plan		4,055	3,785
Other reserves		3,072	3,036
Accumulated other comprehensive income		227	150
Retained earnings		100,616	102,084
Total equity attributable to equity holders of the Company		181,092	181,980
Non-controlling interest		1,930	1,739
Total equity		**183,022**	**183,719**
Total liabilities and equity		**$ 351,836**	**$ 281,455**

Approved by the Board:

"Peter Lacey" Director "Gary Harris" Director

CERVUS EQUIPMENT CORPORATION
Unaudited Condensed Consolidated Statement of Comprehensive Income
For the three month periods ended March 31, 2012 and 2011

(In $ thousands)	Note	2012	2011
Revenue			
Equipment sales		$ 78,315	$ 57,287
Parts		17,329	14,629
Service		11,331	9,920
Rentals		2,807	2,437
Total revenue		109,782	84,273
Cost of sales	6	(86,727)	(66,179)
Gross profit		23,055	18,094
Other income	7	557	257
Selling, general and administrative	8	(21,289)	(18,340)
Results from operating activities		2,323	11
Finance income		359	49
Finance costs		(586)	(309)
Net Finance Costs	9	(227)	(260)
Share of profit of equity accounted investees, net of income tax		154	73
Profit (loss) before income tax recovery (expense)		2,250	(176)
Income tax recovery (expense)	10	(854)	21
Profit (loss) for the period		1,396	(155)
Other comprehensive income			
Foreign currency translation differences for foreign operations		90	(40)
Total comprehensive income for the period		$ 1,486	(195)

CERVUS EQUIPMENT CORPORATION
Unaudited Condensed Consolidated Statement of Comprehensive Income (continued)
For the three month periods ended March 31, 2012 and 2011

(In $ thousands, except per share amounts)	Note		2012		2011
Profit (loss) attributable to:					
Shareholders of the Company		$	1,218	$	(58)
Non-controlling interest			178		(97)
Profit (loss) for the period		$	1,396	$	(155)
Total comprehensive income (loss) attributable to:					
Shareholders of the Company		$	1,295	$	(249)
Non-controlling interest			191		54
Total comprehensive income (loss) for the period		$	1,486	$	(195)
Net income (loss) per share attributable to shareholders the Company:					
Basic	16	$	0.08	$	(0.01)
Diluted	16	$	0.08	$	(0.01)

CERVUS EQUIPMENT CORPORATION
Unaudited Condensed Consolidated Statement of Changes in Equity
For the three month periods ended March 31, 2012 and 2011

		Attributable to equity holders of the Company								
(In $ thousands)	Note	Share capital	Preferred shares	Deferred share plan	Other reserves	Cumulative translation account	Retained earnings	Total	Non-controlling interest	Total equity
Balance December 31, 2010		$ 66,280	$ 5,361	$ 2,823	$ 2,927	$ 157	$ 94,202	$ 171,750	$ 1,837	$ 173,587
Comprehensive income for the period										
Profit or loss		-	-	-	-	-	(58)	(58)	(97)	(155)
Other comprehensive income										
Foreign currency translation adjustments		-	-	-	-	(191)	-	(191)	151	(40)
Total comprehensive income (loss) for the period		-	-	-	-	(191)	(58)	(249)	54	(195)
Transactions with owners, recorded directly in equity										
Dividends to equity holders		-	-	-	-	-	(2,635)	(2,635)	-	(2,635)
Shares issued through DRIP	16	154	-	-	-	-	-	154	-	154
Shares issued through deferred share plan	16	25	-	(25)	-	-	-	-	-	-
Share-based payment transactions		-	-	147	16	-	-	163	-	163
Employee loans forgiven	16	32	-	-	-	-	-	32	-	32
Total transactions with owners		211	-	122	16	-	(2,635)	(2,286)	-	(2,286)
Balance March 31, 2011		$ 66,491	$ 5,361	$ 2,945	$ 2,943	$ (34)	$ 91,509	$ 169,215	$ 1,891	$ 171,106
Balance December 31, 2011		$ 72,925	$ -	$ 3,785	$ 3,036	$ 150	$ 102,084	$ 181,980	$ 1,739	$ 183,719
Comprehensive income for the period										
Profit		-	-	-	-	-	1,218	1,218	178	1,396
Other comprehensive income										
Foreign currency translation adjustments		-	-	-	-	77	-	77	13	90
Total comprehensive income for the period		-	-	-	-	77	1,218	1,295	191	1,486
Transactions with owners, recorded directly in equity										
Dividends to equity holders		-	-	-	-	-	(2,686)	(2,686)	-	(2,686)
Shares issued through DRIP	16	197	-	-	-	-	-	197	-	197
Share-based payment transactions		-	-	270	36	-	-	306	-	306
Total transactions with owners		197	-	270	36	-	(2,686)	(2,183)	-	(2,183)
Balance March 31, 2012		$ 73,122	$ -	$ 4,055	$ 3,072	$ 227	$ 100,616	$ 181,092	$ 1,930	$ 183,022

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

CERVUS EQUIPMENT CORPORATION
Unaudited Condensed Consolidated Statement of Cash Flows
For the three month periods ended March 31, 2012 and 2011

(In $ thousands)	Note	2012	2011
Cash flows from operating activities			
Profit (loss) for the period		$ 1,396	$ (155)
Depreciation		1,745	1,323
Amortization of intangibles	13	614	614
Forgiveness of employee purchase loans		-	33
Equity-settled share-based payment transactions		306	162
Net finance costs		322	260
Gain on sale of property and equipment		(34)	(78)
Share of profit of equity accounted investees, net of tax		(154)	(73)
Income tax expense	10	854	(21)
Change in non-cash working capital		11,450	(1,632)
		16,499	433
Interest paid		(681)	(248)
Net cash from operating activities		15,818	185
Cash flows from investing activities			
Interest received	9	359	49
Business acquisitions		(17,648)	-
Advances from related parties		15,930	24
Purchase of property and equipment		(19,537)	(1,497)
Proceeds from disposal of property and equipment		59	482
Proceeds from investments, at equity		163	400
Increase in other investments, at cost		(8)	(4)
Net cash used in investing activities		(20,682)	(546)
Cash flows from financing activities			
Advances from term debt, net of repayment		6,926	(2,479)
Dividends		(2,449)	(2,480)
Decrease in deposits with John Deere		156	528
Repayment of notes payable		-	(100)
Net cash used in financing activities		4,633	(4,531)
Net decrease in cash and cash equivalents		(231)	(4,892)
Cash and cash equivalents, beginning of period		6,536	19,605
Cash and cash equivalents, end of period		$ 6,305	$ 14,713

1. Reporting entity

Cervus Equipment Corporation ("Cervus" or the "Company") is an incorporated entity under the Canada Business Corporations Act and is domiciled in Canada. The registered office of the Company is situated at 5201 – 333, 96th Avenue N.E., Calgary, Alberta, Canada, T3K 0S3. The consolidated financial statements of the Company as at and for the period ended March 31, 2012 comprise of the Company and its subsidiaries ("the Group"). The Company is primarily involved in the sale, after-sale service and maintenance of agricultural, commercial and industrial equipment. The Company also provides equipment rental, primarily in the commercial and industrial equipment segment. The Company operates 35 John Deere agricultural equipment, Bobcat and JCB construction equipment, and Clark, Sellick, Nissan and Doosan material handling equipment and Peterbilt truck dealerships in 33 locations across Western Canada. Cervus also has a majority interest in Agriturf Limited ("Agriturf"), with six locations on the north island of New Zealand. The Company's shares are listed on the Toronto Stock Exchange ("TSX") and trade under the symbol "CVL".

2. Basis of preparation

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements prepared for the year ended December 31, 2011.

The Board of Directors authorized the issue of these consolidated financial statements on May 9, 2012.

(b) The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2011.

3. New and amended IFRSs

Certain new or amended standards or interpretations have been issued by the IASB or IFRIC that are not required to be adopted in the current period. None of these changes in standards or interpretations will have a material effect on the consolidated financial statements or note disclosures as currently presented.

4. Significant accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements prepared for the year ended December 31, 2011 and as described in note 4 in those financial statements.

5. Seasonality

The Canadian and New Zealand retailing of agricultural and commercial and industrial equipment are influenced by seasonality. Sales activity for the agricultural equipment segment is normally highest between April and September during growing seasons in Canada and July through December in New Zealand. Sales in the commercial and industrial equipment segment are not as heavily impacted by seasonality but do see slower sales activity in the winter months. As a result, earnings or losses may not accrue uniformly from quarter to quarter.

6. Cost of sales

The following amounts have been included in cost of sales for the periods ended March 31, 2012 and 2011:

	2012	2011
Depreciation of rental equipment	$ 757	$ 739
Interest paid on rental equipment financing	95	66
	$ 852	**$ 805**

7. Other income

Interest and other income for the periods ended March 31, 2012 and 2011 are comprised of the following:

	2012	2011
Net gain on sale of property and equipment	$ 34	$ 78
Other income, including net training support, consignment commissions, commissions on extended warranty products, finance fees and other sundry items	523	179
	$ 557	**$ 257**

8. Wages and benefits

		2012		2011
Included in cost of sales:				
Short-term wages and benefits	**$**	**3,083**	**$**	**2,731**
Included in selling, general and administrative expenses:				
Short-term wages and benefits	$	12,712	$	10,375
Share-based payments		306		170
		13,018		**10,545**
	$	**16,101**	**$**	**13,276**

9. Finance income and finance costs

Finance income and finance costs for the three month periods ended March 31, 2012 and 2011 are comprised of the following:

		2012		2011
Interest income on advances to related parties	$	119	$	22
Interest income on amounts due the Company		216		-
Interest income on held-to-maturity investments		3		27
Net foreign exchange income		21		-
Finance income		359		49
Interest expense on financial liabilities		(586)		(309)
Finance costs		(586)		(309)
Net finance costs recognized in profit	**$**	**(227)**	**$**	**(260)**

10. Income taxes

Income tax recognized in profit or loss for the three month periods ended March 31, 2012 and 2011 are:

(in $ thousands)		**2012**		**2011**
Profit (loss) before income tax expense	$	2,250	$	(176)
Expected income tax recovery (expense)	$	(576)	$	47
Non-deductible costs and other		(278)		(26)
Income tax recovery (expense) recognized in profit or loss	$	(854)	$	21

The expense for the year can be reconciled to the accounting profit based on using federal and provincial statutory rates of 25.6% (2011 – 27.1%). The primary reason for the reduction in the overall tax rate was due to a reduction in the federal income tax rate of 1.5% and the allocation of taxable income to provincial jurisdictions with different income tax rates.

11. Business combinations

On March 15, 2012, the Company completed a transaction whereby it has acquired the business assets and assumed the business liabilities of Frontier Peterbilt Sales Ltd. ("Frontier") and Frontier Developments Ltd. ("Developments"). The Company purchased Frontier and Developments for the purposes of expanding and diversifying its commercial and industrial equipment segment. The Company acquired the dealership agreements, trade name and customer lists from the former owner as the Company required these assets to continue operations in future years, of which $9,430 is tax deductible. Frontier operates 4 Peterbilt truck dealerships and 1 Autopro Collision center in 4 locations in Saskatchewan. Development's owns the 5 land and building locations directly related to the operations of Frontier. The purchase price paid for the net assets of Frontier and Developments is as follows:

Net assets purchased (in $ thousands):		
Trade and other accounts receivable	$	7,700
Inventories		16,985
Property and equipment		15,903
Intangible assets		9,489
Accounts payable and accrued liabilities		(2,494)
Customer deposits		(217)
Floor plan payable		(10,279)
Term debt		(2,060)
Purchase price	$	35,027
Financed by:		
Cash, net of cash received of $102 thousand	$	19,648
Vendor take back mortgage, due March 15, 2014, repayable in equal annual installments of $85,998 including interest at the rate of 4.75% per annum		13,360
Balance payable on May 15, 2012		2,019
Purchase price	$	35,027

The amounts in the above table have been determined on a provisional basis, and may be revised when new information identifies adjustments to the above amounts, or any additional provisions that existed at the acquisition date. Such revisions will only be made if the new information is obtained within one year of the acquisition date about the facts and circumstances that existed at the acquisition date.

Included in these condensed financial statements are revenues of $3,426 thousand and net profit of $380 thousand related to this acquisition, prior to allocation of corporate expenditures and income tax expense. Had the Company purchased this acquisition at the beginning of the reporting period, January 1, 2012, revenues would have been $23,983 thousand and the profit for the period would have been $913 thousand related to this acquisition, excluding allocation of corporate expenditures and income tax expense. The results of operations of this acquisition are part of the commercial and industrial equipment segment.

12. Inventories

(in $ thousands)		March 31, 2012		December 31, 2011
New equipment	$	68,302	$	44,297
Used equipment		47,681		46,550
Parts and accessories		20,785		15,246
Work-in-progress		1,578		683
	$	138,346	$	106,776

During the three month period ended March 31, 2012, inventories recognized in cost of sales amounted to $55,156 thousand (2011 - $54,304 thousand) and write-downs of $633 thousand (2011 - $nil) were recorded.

13. Intangible assets

Intangible assets are comprised of the following:

(In $ thousands)		Dealership distribution agreements		Trade Name		Customer lists		Non-competition agreements		Total
Cost										
Balance at December 31, 2011	$	17,145	$	3,100	$	7,390	$	1,891	$	29,526
Additions from business combination (note 11)		5,435		1,615		2,439		-		9,489
Balance at March 31, 2012	$	22,580	$	4,715	$	9,829	$	1,891	$	39,015
Accumulated amortization										
Balance at December 31, 2011	$	3,360	$	310	$	4,260	$	1,691	$	9,621
Amortization expense		226		42		305		41		614
Balance at March 31, 2012	$	3,586	$	352	$	4,565	$	1,732	$	10,235
Carrying amounts										
At December 31, 2011	$	13,785	$	2,790	$	3,130	$	200	$	19,905
At March 31, 2012	$	18,994	$	4,363	$	5,264	$	159	$	28,780

The amortization expense has been recorded in selling, general and administrative expense. No impairment losses have been recognized in the statement of comprehensive income.

14. Property and equipment

During the three month period ended March 31, 2012 and in addition to the business acquisition described in note 11, the Company purchased $26.3 million of land and buildings from a related party, Proventure Income Fund ("Proventure"). The purchase price was comprised of lands of $7.3 million and buildings and paving of $19 million.

Included in property and equipment is $6,467 thousand of land and building under construction. It is anticipated that total construction costs will be approximately $10 million for the project. It is expected that the building will be available for occupancy during the third quarter of 2012. Until the buildings are available for occupancy, no depreciation is recorded on the capitalized amounts.

Assets pledged as security

All of the Company's assets are pledged under a general security agreement with the Company's bank. Assets with a carrying amount of $5,052 thousand are pledged as security to a bank in New Zealand on behalf of our subsidiary, Agriturf.

15. Loans and borrowings

During the period, the Company assumed $11.5 million of mortgages related to the purchase of land and buildings from Proventure. The mortgages are with Farm Credit Canada and consist of $6.3 million with payments required of $59 thousand per month at a rate of 6.95% per annum and $5.2 million with payments required of $39 thousand per month at a rate of FCC prime plus 0.75%. Including the above assumption, the Company has entered into a credit agreement with FCC for a total of $41 million to fund the property purchase from Proventure, upgrades to existing facilities, future acquisition line for future capital purchases and construction of new facilities in Saskatoon, Saskatchewan and Calgary, Alberta.

As part of the acquisition of Frontier, the Company assumed $2,060 thousand of central lease loan liabilities with the HSBC Bank Canada ("HSBC"). The facility is for the purpose of financing new and used heavy trucks and trailers that are leased to third parties or are sold and financed under conditional sales contracts and allows the Company to borrow to a maximum of $5.5 million ($4.5 million for new and $1 million for used) and bears interest at the rate of HSBC prime rate plus 1.35% per annum. Repayments of the facility are dependent on the initial terms of the leases and sales contracts but range from 12 to 60 months with monthly repayments of principal amounts between 1.3% and 3.0% of the amounts borrowed. In addition, the Company has a $2.15 million used lease line of credit with HSBC for the purposes of financing used heavy trucks and trailers. The line of credit bears interest at the rate of HSBC prime rate plus 1.85% per annum and requires principal repayments between 12 and 48 months at monthly rates of 1.5% to 3.0% of the amount borrowed.

16. Capital and other components of equity

Share capital

(In thousands)	Number of preferred shares	Amount	Number of common shares	Amount	Share purchase loan	Total Carrying Amount
Balance December 31, 2010	**425**	**5,361**	**14,191**	**66,350**	**(70)**	**71,641**
Issued under the DRIP plan	-	-	11	154	-	154
Issued under the deferred share plan	-	-	2	25	-	25
Amortized to profit	-	-	-	-	32	32
Balance March 31, 2011	**425**	**5,361**	**14,204**	**66,529**	**(38)**	**71,852**
Conversion of shares and accrued dividends to share capital	(425)	(5,361)	433	5,439	-	78
Issued under the DRIP plan	-	-	35	520	-	520
Issued under the deferred share plan	-	-	5	55	-	55
Shares issued for land purchase	-	-	26	382	-	382
Amortized to profit	-	-	-	-	38	38
Balance December 31, 2011	**-**	**-**	**14,703**	**72,925**	**-**	**72,925**
Issued under the DRIP plan	-	-	14	197	-	197
Balance March 31, 2012	**-**	**$ -**	**14,717**	**$ 73,122**	**-**	**$ 73,122**

17. Earnings per share

Per share amounts

Both basic and diluted earnings per share have been calculated using the net earnings attributable to the shareholders of Cervus as the numerator. No adjustments to net earnings were necessary for the three month periods ended March 31, 2012 and 2011. The weighted average number of shares for the purposes of diluted earnings per share can be reconciled to the weighted average number of basic shares as follows:

(In thousands of shares)	**2012**	**2011**
Issued common shares January 1	14,703	14,191
Effect of shares issued under the DRIP plan	12	9
Effect of shares issued under the deferred share plan	-	1
Weighted average number of common shares at March 31	**14,715**	**14,201**

Diluted earnings per share

The calculation of diluted earnings per share at March 31, 2012 and 2011 was based on the profit attributable to common shareholders and the weighted average number of common shares outstanding after adjustment for the effects of dilutive potential common shares which consist of the following:

(In thousands of shares)	**March 31, 2012**	**March 31, 2011**
Weighted average number of common shares (basic)	14,715	14,201
Effect of dilutive securities:		
Deferred share plan	504	424
Share options	21	29
Weighted average number of shares - diluted	**15,240**	**14,654**

18. Segment information

The Company has two reportable segments which include the agricultural equipment segment which primarily distributes agricultural related equipment and services and the commercial and industrial equipment segment which includes primarily the sale of construction, material handling and transportation equipment and related services. The two business segments offer different products and services and are managed separately as they operate in different markets and require separate strategies. For each of the strategic business units, the Company's CEO reviews internal management reports on a monthly basis. The following is a summary of financial information for each of the reportable segments.

The Company allocates corporate expenditures to each individual segment based on a direct allocation method. Total corporate related expenditures, excluding income taxes, that have been allocated for the three month period ended March 31, 2012 are $1,610 thousand (2011 - $1,212 thousand).

March 31, 2012		Agricultural Equipment		Commercial and Industrial Equipment		Total
Revenue	$	71,429	$	38,353	$	109,782
Profit for the period		301		1,095		1,396
Share of profit of equity accounted investees		154		-		154
Investment in associates		5,137		-		5,137
Depreciation and amortization		1,061		1,298		2,359
Finance income		116		223		339
Finance expense		463		218		681
Capital expenditures		1,043		30,136		33,179
Reportable segment assets		200,163		151,673		351,836
Reportable segment liabilities		99,302		69,512		168,814
Other intangible assets		4,716		24,064		28,780
Goodwill		2,960		2,194		5,154

March 31, 2011		Agricultural Equipment		Commercial and Industrial Equipment		Total
Revenue	$	55,091	$	29,182	$	84,273
Profit (loss) for the period		(792)		637		(155)
Share of profit of equity accounted investees		73		-		73
Investment in associates		4,433		-		4,433
Depreciation and amortization		838		1,099		1,938
Finance income		26		23		49
Finance expense		121		236		357
Capital expenditures		619		838		1,456
Reportable segment assets		159,968		107,556		267,524
Reportable segment liabilities		65,017		31,401		96,418
Other intangible assets		5,484		16,254		21,738
Goodwill		2,907		2,194		5,101

The Company primarily operates in Western Canada but has a subsidiary, Agriturf, which operates in the agricultural equipment segment in New Zealand. Gross revenue and non-current assets for the geographic segment were $10,745 thousand (2011 - $5,420 thousand) and $4,216 thousand (2011 - $6,355 thousand) respectively.

19. Related party transactions

Key management personnel and director transactions

Key management and directors of the Company control approximately 32% of the common voting shares of the Company. In October 2011, the Company provided its Executive Chairman of the Board of Directors ("EC") and former Chief Executive Officer ("CEO") and an immediate family member with a $10,212 thousand short-term loan to assist them in transactions involving securities held in their Registered Retirement Savings Plans as a result of recent amendments to the Income Tax Act (Canada). The loan bears interest at the rate of bank prime plus 0.25%. The outstanding amount plus accrued interest was repaid during the three months ended March 31, 2012.

Other related party transactions

The EC of the Company is the CEO of Proventure Income Fund (the "Fund"). He is also the single largest equity holder of the Company and the Fund. It must be noted that the Company and the Fund share a common board of directors. In addition to transactions discussed elsewhere in these financial statements, the Company had the following transactions with the Fund which are in the normal course of business and are recorded at fair value which is the amount agreed to between the two parties:

	2012	2011
Expenses:		
Real estate leases	$ 74	$ 736
Guarantee fees	$ 14	$ 21
Revenue:		
Management fees for administration	$ 8	$ 8
Interest on advances	$ 11	$ 17

As described in note 14 and 15, the Company purchased land and buildings from Proventure and assumed certain mortgage liabilities related to those assets. The purchase price was at fair value and aggregated $26.3 million, of which $11.5 million was an assumption of mortgage debt and the balance of $14.8 million, was in the form of cash in the amount of $13.3 million and $1.5 million was applied as a reduction in the loan between the Company and the Fund. As at March 31, 2012, the balance of the loan between the Company and the Fund is $1.2 million.

The Company receives $2.5 thousand per month to carry out all administrative and management tasks related to the Fund's operations.

The Company pays a guarantee fee to the Fund equal to 3% per annum for the guaranteed amounts that the Fund has provided to John Deere. This guarantee is a result of guarantees provided to John Deere prior to the establishment of the Fund. During the three month period ended March 31, 2012, John Deere has released the Fund from this obligation and therefore, no further payments are required.

Certain officers and dealer managers of the Company have provided guarantees to John Deere aggregating $6,400 thousand. During the period ended March 31, 2012 and 2011, the Company paid those individuals $48 thousand for providing these guarantees. These transactions were recorded at the amount agreed to between the Company and the guarantors and are included in selling, general and administrative expense.

20. Events After the Reporting Period

The Company has agreed to purchase certain property for the purposes of constructing a new location for a John Deere Dealership in Calgary, Alberta. The purchase price of the land is approximately $8,524 thousand and is subject to a re-zoning condition. The Company has paid a $100 thousand deposit and expects to finance the balance of the purchase price through an approved mortgage already in place.