INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF CERVUS LP

For the six month period ended June 30, 2008

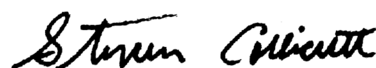
(These interim consolidated financial statements have not been reviewed by Cervus LP's auditors)

CERVUS LP
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		June 30, 2008		December 31, 2007
Assets				
Current assets:				
Cash and cash equivalents	$	11,287,157	$	1,800,629
Short-term loan (note 5)		158,246		4,942,816
Trade accounts receivable		16,647,974		13,071,126
Advances to related party (note 6)		1,856,355		-
Inventories (note 7)		91,073,572		64,277,726
Prepaid expenses and deposits		959,514		1,045,921
		121,982,818		85,138,218
Investments and other assets (note 8)		1,975,838		1,713,622
Deposits with John Deere		1,029,151		835,823
Other intangible assets		9,518,735		10,047,225
Buildings and equipment		11,921,403		12,357,408
Goodwill		3,199,681		3,199,681
	$	149,627,626	$	113,291,977
Liabilities and Partners' Equity				
Current liabilities:				
Bank indebtedness (note 9)	$	-	$	-
Accounts payable and accrued liabilities		9,974,128		7,180,845
Customer deposits		7,184,382		4,923,830
Floor plan payables (note 10)		62,693,677		38,935,728
Distribution payable		742,832		707,617
Current portion of notes payable		200,000		600,000
Current portion of term debt (note 11)		3,523,381		3,641,487
		84,318,400		55,989,507
Term debt (note 11)		6,818,563		8,027,088
Notes payable		625,000		725,000
Future income taxes		149,000		149,000
		91,910,963		64,890,595
Partners' equity (note 12):				
Partners' capital		41,814,603		36,942,040
Unit purchase financing		(537,664)		(628,254)
Deferred unit plan		245,066		112,219
Preferred partnership units		-		1,600,000
Contributed surplus		647,522		1,055,097
Accumulated earnings		15,547,136		9,320,280
		57,716,663		48,401,382
Subsequent events (note 20)				
Commitments and contingencies (note 14)				
	$	149,627,626	$	113,291,977

See accompanying notes to interim unaudited consolidated financial statements.

Approved by the Board of the General Partner:



Peter Lacey, Director

Steven Collicutt, Director

CERVUS LP
UNAUDITED CONSOLIDATED STATEMENT OF EARNINGS AND COMPREHENSIVE EARNINGS

	Three month period ended June 30, 2008	Three month period ended June 30, 2007	Six month period ended June 30, 2008	Six month period ended June 30, 2007
Revenue:				
Equipment sales	$ 94,309,652	$ 69,653,575	$ 139,884,936	$ 118,420,847
Parts	10,178,712	9,969,586	17,196,515	16,369,724
Service	6,375,891	5,390,805	11,216,923	9,391,618
Rentals	1,761,863	1,853,298	2,992,051	2,916,957
	112,626,118	86,867,264	171,290,425	147,099,146
Cost of sales (including depreciation and amortization of $468,631; $509,741; $955,886; and $992,902 and interest of $65,278; $75,786; $135,939 and $138,838)	92,685,015	71,304,165	140,203,153	122,414,18 7
Gross profit	19,941,103	15,563,099	31,087,272	24,684,959
Expenses:				
Selling, general and administrative	11,891,051	10,729,305	20,967,956	18,971,622
Interest	444,506	366,795	808,192	786,678
Depreciation and amortization	526,463	493,766	1,061,016	925,105
Earnings before other income	7,079,083	3,973,233	8,250,108	4,001,554
Other income:				
Gain on disposal of property and equipment	73,745	23,071	209,907	30,958
Gain on disposal of investments	-	-	2,044	-
Interest and other income	798,412	359,189	1,357,706	399,634
Equity earnings of significantly influenced companies	492,834	477,040	865,084	556,782
Net earnings and comprehensive earnings	$ 8,444,074	$ 4,832,533	$ 10,684,849	$ 4,988,928
Net earnings per unit (note 12):				
Basic	$ 1.03	$ 0.68	$ 1.31	$ 0.71
Diluted	$ 1.02	$ 0.64	$ 1.30	$ 0.67

See accompanying notes to interim unaudited consolidated financial statements.

CERVUS LP
UNAUDITED CONSOLIDATED STATEMENT OF ACCUMULATED EARNINGS

For the Six Month Period ended June 30, 2008 and Year ended December 31, 2007

	General Partner	Limited Partners	Preferred Partnership Units	Total
Balance, December 31, 2006	$ 52,167	$ 6,341,602	$ -	$ 6,393,769
Net earnings available to partners	113,846	10,941,724	329,063	11,384,633
Distributions declared	(124,714)	(8,004,345)	(329,063)	(8,458,122)
Balance, December 31, 2007	41,299	9,278,981	-	9,320,280
Net earnings available to partners	106,848	10,578,001	-	10,684,849
Distributions declared	(41,474)	(4,416,519)	-	(4,457,993)
Balance, June 30, 2008	$ 106,673	$ 15,440,463	$ -	$ 15,547,136

See accompanying notes to interim unaudited consolidated financial statements.

CERVUS LP
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	Three month period ended June 30, 2008	Three month period ended June 30, 2007	Six month period ended June 30, 2008	Six month period ended June 30, 2007
Cash flows from (used in):				
Operating activities:				
Net earnings for period	$ 8,444,074	$ 4,832,533	$ 10,684,849	$ 4,988,928
Add items not affecting cash:				
Gain on disposal of assets	(73,745)	(23,071)	(211,951)	(30,958)
Amortization of employee purchase loans	27,795	84,434	55,590	185,780
Deferred unit compensation	95,083	43,727	132,847	43,727
Depreciation and amortization	995,094	1,003,507	2,016,902	1,918,007
Equity earnings from significantly influenced companies	(492,834)	(477,040)	(865,084)	(556,782)
	8,995,467	5,464,090	11,813,153	6,548,702
Net change in non-cash working capital related to operations	2,614,495	705,424	(1,474,503)	2,587,608
	11,609,962	6,169,514	10,338,650	9,136,310
Financing activities:				
Issuance of limited partnership units	697,179	868,449	1,055,675	1,759,227
Issuance of limited partnership units from exercise of warrants	1,103,963	390,000	1,809,313	750,752
Proceeds on (repayment of) long-term debt, net of repayments	(503,305)	1,168,662	(1,326,631)	1,694,862
Distributions to the partners	(2,214,170)	(1,912,228)	(4,381,304)	(3,778,746)
Distributions to senior equity instruments	-	(101,250)	-	(202,500)
Distributions to general partner	(41,474)	(85,917)	(41,474)	(85,917)
Advances to related parties	(1,856,355)	106,009	(1,856,355)	109,680
Decrease (increase) in deposits with John Deere	(207,105)	18,233	(193,328)	141,666
Repayment of notes payable	(400,000)	-	(500,000)	(100,000)
	(3,421,267)	451,958	(5,434,104)	289,024
Investing activities:				
Repayment from investment in significantly influenced companies	435,831	129,404	608,791	159,904
Repayment of employee unit purchase loan	-	-	35,000	-
Purchase of investments and other assets	(7,024)	-	(3,879)	-
Repayment of short-term loan	8,141,754		4,784,570	
Business acquisitions	-	(3,618,898)	-	(3,618,898)
Purchase of buildings and equipment, net of proceeds	(868,255)	(1,706,930)	(842,500)	(2,886,876)
	7,702,306	(5,196,424)	4,581,982	(6,345,870)
Increase in cash	15,891,001	1,425,048	9,486,528	3,079,464
Cash and cash equivalents (bank indebtedness), beginning of period	(4,603,844)	(3,300,878)	1,800,629	(4,955,294)
Cash and cash equivalents (bank indebtedness), end of period	$ 11,287,157	$ (1,875,830)	$ 11,287,157	$ (1,875,830)
The following cash payments have been included in the determination of net earnings:				
Cash interest paid	$ 444,506	$ 366,795	$ 808,192	$ $786,678
Supplemental disclosure of non-cash financing and investing activities not included in the statement of cash flows:				
Issuance of partnership units for notes receivable from employees	90,000	205,000	90,000	205,000

See accompanying notes to interim unaudited consolidated financial statements.

1. DESCRIPTION OF BUSINESS:

Cervus LP (the "LP") was incorporated under the laws of Alberta as a limited partnership on June 14, 2003. The general partner is Cervus GP Ltd. The LP is a retailer of agricultural and construction equipment and parts and services.

The financial statements of Cervus LP have been prepared by management in accordance with accounting principles generally accepted in Canada. The unaudited financial statements have been prepared following the same accounting policies and methods of computation as the audited financial statements for the year ended December 31, 2007, except as disclosed in note 2. The financial statements should be read in conjunction with the financial statements and the notes thereto for the year ended December 31, 2007. These unaudited consolidated financial statements have not been reviewed by the Partnership's auditors.

2. NEW ACCOUNTING POLICIES:

Effective January 1, 2008, the LP adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1535, Capital Disclosures, CICA Handbook Section 3862, Financial Instruments—Disclosure, and CICA Handbook Section 3863, Financial Instruments – Presentation. The Sections relate to disclosure and presentation only and did not have an impact on the LP's financial results.

Also, effective January 1, 2008 the LP adopted CICA Handbook Section 3031, Inventories. This standard enhances guidance over the scope, measurement, and allocation of costs to inventories. Under this section, inventory is to be measured at the lower of cost and net realizable value. Net realizable value approximates the estimated selling price less all estimated costs of completion and necessary costs to complete the sale. Cost shall be assigned using the first-in, first-out (FIFO) or weighted average cost formula. Further, Section 3031 requires the reversal of previous write-downs of inventory when economic changes support an increased value. The adoption of this standard did not impact the LP's financial statements as the LP uses average cost.

Recent Accounting pronouncements issued but not yet adopted:

CICA Section 3064 - Goodwill and Intangible Assets

The AcSB issued CICA Handbook Section 3064 which replaces Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill remain unchanged from the standards included in the previous Section 3062. The section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008. Adoption of Section 3064 is not expected to have a significant impact on the LP's financial results.

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian generally accepted accounting principles with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own generally accepted accounting principles. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the LP for the year ended December 31, 2010. While the LP has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

3. COMPARATIVE INFORMATION:

Certain of the 2007 comparative figures have been reclassified to conform to the financial statement presentation adopted for the current period.

4. SEASONALITY:

The Canadian retailing of agricultural and construction equipment is influenced by seasonality. Sales activity for the agriculture segment is normally highest between April and September during growing seasons in Canada. The construction sector is not as volatile but does see slower sales activity in the winter months. As a result, earnings or losses may not accrue uniformly from quarter to quarter.

5. SHORT TERM LOAN:

In December 2007 and January 2008, the LP loaned $8,300,000 to an unrelated private company. The loan is due one year from the date of advancement and bears interest at the rate of 20% per annum. The loan is secured by a pledge of the shares of the company that holds a 50% beneficial interest in a joint venture that is selling commercial real estate. During the six month period ended June 30, 2008, $8,860,441 of the loan plus accrued interest has been repaid and the LP has recorded $718,686 (2007 - $nil) of interest income related to the loan.

6. ADVANCES TO RELATED PARTY:

The LP made advances to a related party, Proventure Operating Limited Partnership (“Proventure”) (see note 16). The advances were made for the purposes of facilitating the purchase of land and building acquisitions for which Proventure was awaiting mortgage financing. The advance is secured by a promissory note bearing interest at the rate of prime plus 0.25% per annum effective July 1, 2008. The advances have been subsequently repaid from the mortgage funds received by Proventure.

7. INVENTORIES:

		2008		2007
New equipment	$	48,699,515	$	34,830,089
Used equipment		32,470,526		21,553,041
Parts and accessories		9,102,148		7,400,356
Work-in-progress		801,383		494,240
	$	91,073,572	$	64,277,726

8. INVESTMENTS AND OTHER ASSETS:

Investments and other assets is comprised of the LP's investment in significantly influenced companies, a cash surrender value of a life insurance policy and an employee housing loan. During the six month period ended June 30, 2008, the LP recorded $865,084 of earnings from significantly influenced companies (June 30, 2007 - $556,782) and received $611,936 (June 30, 2007 - $159,904) as a return of capital on these investments. In addition, the LP disposed of its investment in a company for proceeds of $3,145 and recorded a gain of $2,044 on the disposal during the period and recorded an increase in the cash surrender value of the life insurance policy of $7,024 (June 30, 2007 - $nil). All other investments remain unchanged from the year ended December 31, 2007.

9. BANK INDEBTEDNESS:

At June 30, 2008 the LP has an operating bank line of credit to a maximum amount of $15 million (2007 - $12 million). The operating line of credit bears interest at rates ranging from bank prime plus 0.25% to bank prime plus 0.75% based on certain financial covenants and is secured by a general security agreement, a priority agreement, trade accounts receivable, unencumbered inventories, assignment of fire insurance and guarantees from the LP's subsidiaries and the general partner. At June 30, 2008 and December 31, 2007, the LP had not drawn on this operating line.

10. FLOOR PLAN PAYABLES:

The LP utilizes floor plan financing arrangements with various suppliers for inventory purchases. The terms of these arrangements may include a one to ten-month interest-free period followed by a term during which interest is charged ranging from prime plus 0.5% to prime plus 1%. Settlement of the floor plan liability occurs at the earlier of sale of the inventory or in accordance with terms of the financing arrangement. Floor plan payables are secured by specific new and used equipment inventories.

11. TERM DEBT:

The LP has various term debt facilities for the purchase of equipment and rental fleet inventories. These facilities bear interest at the rates ranging from prime plus 0.25% to prime plus 0.75% and also fixed rate facilities with interest up to 7.25% per annum. Principal repayments required on the term debt facilities are approximately $3.5 million per year. The term debt is secured by short-term rental equipment, other equipment and by the security described above under bank indebtedness.

12. PARTNERS' CAPITAL:

(A) AUTHORIZED:

Unlimited number of partnership units
Unlimited number of Series A preferred partnership units, none issued
803,969 fixed value units, non-voting, entitling the holder to an annual distribution of 5% of the face value; redeemable at the option of the LP at face value, none issued

(B) ISSUED:

	Number of units	General Partner	Limited Partner	Total
Balance December 31, 2007	7,862,409	$ 100	$ 36,941,940	$ 36,942,040
Issued on exercise of options through unit purchase loans	10,000	-	90,000	90,000
Contributed surplus adjustment unit options	-	-	14,668	14,668
Issued under DRIP plan	48,103	-	965,674	965,674
Warrants exercised	133,172		1,809,313	1,809,313
Contributed surplus adjustment for warrants exercised	-	-	392,908	392,908
Preferred partnership units converted	200,000	-	1,600,000	1,600,000
Balance June 30, 2008	8,253,684	$ 100	$ 41,814,503	$ 41,814,603

(C) UNIT OPTION PLAN:

The LP has a unit option plan available to officers, directors and employees with grants under the plan approved from time to time by the board of directors of the general partner. The exercise price of each option equals the market price of the partnership units at the date of grant. The plan provides for vesting, at the discretion of the board, and the options expire after five years from the date of grant. During the three month period ended June 30, 2008, 10,000 options were exercised in the amount of $90,000 through the issuance of a unit purchase financing loan and $14,668 was adjusted to partners' capital related to those options from contributed surplus. No options are outstanding at June 30, 2008 (December 31, 2007 – 10,000) and no compensation expense has been recorded during the six month period then ended (2007 - $nil).

(D) WARRANTS:

At June 30, 2008, the LP has 241,885 (December 31, 2007 – 375,057) of warrants outstanding. The warrants are exercisable into LP units on a one-for-one basis at between $13 and $14 each. During the six month period ended June 30, 2008, 133,172 warrants were exercised for total proceeds of $1,809,313 and $392,907 was adjusted to partners' capital related to those units from contributed surplus.

(E) PER UNIT AMOUNTS:

The earnings per unit have been calculated based on the basic weighted average number of units outstanding for the three month period ended June 30, 2008 and 2007 of 8,211,027 and 7,116,651, respectively and for the six month period ended June 30, 2008 and 2007 of 8,138,607 and 7,003,136 respectively. For the purposes of calculating the diluted number of units outstanding for the three and six month period ended June 30, 2008, 94,384 (2007 - 390,012) units are added to the basic weighted number of units outstanding. Diluted earnings per unit consists of units that were added to the weighted average number of units outstanding for the dilutive effect of private placement warrants and units issued under the deferred unit plan.

(F) DISTRIBUTION REINVESTMENT PLAN ("DRIP"):

During the six month period ended June 30, 2008, the LP issued 48,103 (2007 – 176,908) limited partner units under its DRIP at an average issue price of $20.07 per unit (June 30, 2007 – $9.94).

(G) EMPLOYEE UNIT PURCHASE PLAN:

The LP has an employee unit purchase plan available to all employees on a voluntary basis. Under the plan, employees are able to contribute 2% to 4% of their annual salaries, based on years of service. Cervus contributes at a minimum of 15% to 100% on a matching basis to a maximum of $5,000 per year, per employee. The partnership units are purchased on the open market through a trustee; therefore, there is no dilutive effect to existing Unitholders. Included in general, sales and administrative expenses are $130,901 (2007 – $94,569) of contributions made on behalf of the LP's employees.

(H) DEFERRED UNIT PLAN:

As at June 30, 2008, 19,934 (June 30, 2007 – 3,762) deferred units have been issued under the deferred unit plan and remain outstanding. During the six month period ended June 30, 2008, the LP issued 11,432 deferred units (June 30, 2007 – 3,716) for a value of $98,227 (June 30, 2007 – $43,727). The $98,227 consists of $60,000 of compensation bonus expense for which certain employees opted to participate in the plan and $38,227 of compensation expense (June 30, 2007 - $nil) related to the matching component granted to the employees and was calculated using the Black-Scholes option pricing model based on the date of grant of the matching component ($30,752) and the additional compensation earned through participation in the DRIP ($7,475).

(I) CONTRIBUTED SURPLUS:

Balance, December 31, 2006	$	602,653
Exercise of unit options		(148,729)
Exercise of private placement warrants		(173,705
Fair value of private placement warrants		774,878
Balance, December 31, 2007		1,055,097
Exercise of private placement warrants		(392,907)
Exercise of unit options		(14,668)
Balance, June 30, 2008	$	647,522

13. EMPLOYEE UNIT PURCHASE FINANCING:

The LP provides loans to certain employees for limited partnership units issued under the LP's private placement offerings and to pay for the exercise of unit options pursuant to the unit option plan. The loans bear interest at the rate of 4% per annum. The employees have provided the units as security for the loans. During the six month period ended June 30, 2008, $90,000 (2007 - $205,000) of loans were provided to employees and $125,000 (2007 - $nil) was repaid and $55,590 (2007 - $185,780) has been forgiven and recorded as compensation expense.

14. COMMITMENTS AND CONTINGENCIES:

(A) Deere Credit and other financing companies provide financing to certain of the LP's customers. A portion of this financing is with recourse to the LP if the amounts are uncollectible. At June 30, 2008 payments in arrears by such customers aggregated $310,128 (December 31, 2007 - $551,639). In addition, the LP is responsible for assuming all lease obligations held by its customers with Deere Credit and other recourse arrangements for the net residual value of the lease outstanding at the maturity of the contract. At June 30, 2008, the net residual value of such leases aggregated $43,502,044 (December 31, 2007 - $40,068,365).

Management believes that the potential liability in relation to the amounts outstanding is negligible and consequently, no accrual has been made in these financial statements in relation to any potential loss on assumed lease obligations.

(B) The LP is committed to the following minimum payments under operating leases for equipment, land and buildings:

2009	$	2,465,003
2010		2,237,262
2011		1,688,208
2012		1,275,730
2013		1,193,730
Thereafter		1,308,706
	$	10,168,639

15. ECONOMIC DEPENDENCE:

A significant source of the LP's of revenue is from the sale of farm equipment products and services pursuant to agreements to act as an authorized dealer for John Deere Limited. The agreement with John Deere Limited provides a framework under which John Deere Limited can terminate a John Deere dealership if such dealership fails to maintain certain performance and equity covenants. Each contract also provides a one-year remedy period whereby the LP has one year to restore any deficiencies.

The LP has dealership agreements with Bobcat, JCB and JLG.

Management is not aware of any deficiencies or non-renewal of its current dealership agreements that would have a material affect on the LP's ability to continue as a going concern.

16. RELATED PARTY TRANSACTIONS:

(A) The Chief Executive Officer ("CEO") of the LP is the CEO of the general partner and the CEO of Proventure, a publicly traded fund. In addition, the CEO is the single largest equity holder of each of these entities. During the periods ended June 30, 2008 and 2007, the LP had the following additional transactions with Proventure Income Fund:

	Three month period ended June 30, 2008	Three month period ended June 30, 2007	Six month period ended June 30, 2008	Six month period ended June 30, 2007
Real estate rentals	$ 430,315	$377,424	$804,693	$754,848
Management fees	7,500	-	15,000	-
Guarantee fees	20,625	36,375	41,250	72,750

Proventure has provided guarantees to John Deere and is entitled to guarantee fees based on 3% of $2,750,000 (June 31, 2007 - $4,850,000), building lease charges based on lease agreements, and a monthly fee of $2,500 for administrative service provided by the LP on behalf of Proventure.

(B) Certain officers and dealer managers of the LP have provided guarantees to John Deere aggregating $7,150,000 (June 31, 2007 - $5,650,000). During the six months ended June 30, 2008, the LP paid these individuals $107,250 (2007 -$42,375) for providing these guarantees; these transactions were recorded at the amount agreed to by the parties.

(C) The general partner of the LP is Cervus GP Ltd., a private company. Cervus GP Ltd.'s shareholders own approximately 35 percent of the outstanding units of the LP. Under the amended and restated limited partnership agreement, Cervus GP Ltd. is entitled to reimbursement of all reasonable direct and indirect costs incurred on behalf of the LP and to 1% of the net earnings. For the six month period ended June 30, 2008, this amounted to $106,848 (June 30, 2007 - $1,564).

(D) Notes payable to other related parties:

Notes payable of $825,000 (December 31, 2007 - $1,125,000) are owed to certain individuals that became related parties pursuant to employment agreements entered into from previous dealership acquisitions. During the period, interest in the amount of $67,898 (June 30, 2007 - $28,125) was paid on the notes payable to related parties.

17. SEGMENT INFORMATION:

The LP operates in two main industry segments with all of the operations being in Canada. These segments are agricultural and construction equipment and are as follows:

Six months ended June 30, 2008	Agricultural Equipment	Construction Equipment	Total
Revenue	$ 117,795,887	$ 53,494,538	$ 171,290,425
Net earnings available to partners	7,393,616	3,291,233	10,684,849
Earnings of significantly influenced Companies	865,084	-	865,084
Depreciation and amortization	552,244	1,464,658	2,016,902
Capital expenditures	276,151	1,823,140	2,099,291
Goodwill	1,672,681	1,527,000	3,199,681

Six months ended June 30, 2007	Agricultural Equipment	Construction Equipment	Total
Revenue	$ 88,218,269	$ 58,880,877	$ 147,099,146
Net earnings available to partners	1,174,091	3,814,837	4,988,928
Earnings of significantly influenced companies	556,782	-	556,782
Depreciation and amortization	426,205	1,491,802	1,918,007
Capital expenditures	326,136	2,749,442	3,075,578
Goodwill	1,875,889	1,527,000	3,402,889

Three months ended June 30, 2008	Agricultural Equipment	Construction Equipment	Total
Revenue	$ 82,932,248	$ 29,693,870	$ 112,626,118
Net earnings available to partners	6,556,371	1,887,703	8,444,074
Earnings of significantly influenced Companies	492,834	-	492,834
Depreciation and amortization	285,032	736,776	1,021,808
Capital expenditures	66,228	633,698	699,926
Goodwill	1,672,681	1,527,000	3,199,681

Three months ended June 30, 2007	Agricultural Equipment	Construction Equipment	Total
Revenue	$ 55,444,908	$ 31,422,356	$ 86,867,264
Net earnings available to partners	2,898,329	1,934,204	4,832,533
Earnings of significantly influenced companies	477,040	-	477,040
Depreciation and amortization	195,197	719,303	914,500
Capital expenditures	160,223	1,695,223	1,855,446
Goodwill	1,875,889	1,527,000	3,402,889

18. CAPITAL MANAGEMENT:

The LP’s objective when managing its capital is to safeguard the entity’s ability to continue as a going concern, so that it can continue to provide returns for Unitholders and benefits for other stakeholders and to provide an adequate return to Unitholders by pricing products and services commensurately with the level of risk. In the management of capital, the LP monitors its adjusted capital which comprises all components of equity (i.e. units issued, accumulated earnings, unit holder distributions and dilutive instruments).

The LP sets the amount of capital in proportion to risk. The LP manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the LP may issue partnership units to facilitate business combinations and or retire term debt or may adjust the amount of distributions paid to the Unitholders.

The LP uses the following ratios in determining its appropriate capital levels; a) total debt to adjusted equity ratio (calculated as total debt divided by adjusted equity) and; b) adjusted assets to adjusted equity ratio (adjusted assets divided by adjusted equity). Adjusted assets comprise all components of assets other than other intangible assets and goodwill. Adjusted equity comprises of all components of Partner’s equity and is reduced by other intangible assets and goodwill.

During 2008, the LP’s strategy has remained unchanged and was to maintain the total debt to equity and total adjusted net assets to adjusted equity ratio at no greater than 4 to 1 in order to comply with is dealership arrangements with John Deere and to meet its covenant conditions with the LP’s lender. The total debt to adjusted equity ratios and total adjusted net assets to adjusted equity ratios were as follows:

		June 30, 2008		December 31, 2007
Total debt	$	91,910,963	$	64,890,595
Adjusted equity:				
Total equity	$	57,716,663	$	48,401,382
Less other intangible assets and goodwill		(12,718,416)		(13,246,906)
Adjusted equity	$	44,998,247	$	35,154,476
Total debt to adjusted equity ratio		2.05 to 1		1.84 to 1
Adjusted assets:				
Total assets	$	149,627,626	$	113,291,977
Less other intangible assets and goodwill		(12,718,416)		(13,246,906)
Adjusted assets	$	136,909,210	$	100,045,071
Adjusted equity (above)	$	44,998,247	$	35,154,476
Adjusted assets to adjusted equity ratio		3.04 to 1		2.84 to 1

The increase in total debt to adjusted equity ratio during 2008 resulted primarily from the increase in bank indebtedness due to the advance of a short-term loan during the period.

Adjusted assets to adjusted equity ratio have increased primarily due to improved profitability in proportion to the increase in our adjusted assets.

19. FINANCIAL INSTRUMENTS

A) FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash, accounts receivable, accounts payable and accrued liabilities, and Unitholder distributions payable approximate their fair values given the short-term maturity of these instruments. The carrying values of the current and long-term portions of debt approximate fair value because the applicable interest rates on these liabilities are fixed at rates similar to prevailing market rates.

B) CREDIT RISK

By granting credit sales to customers, it is possible these entities, to which the LP provides services, may experience financial difficulty and be unable to fulfill their obligations. A substantial amount of the LP's revenue is generated from customers in the farming and construction industries. This results in a concentration of credit risk from customers in these industries. A significant decline in economic conditions within these industries would increase the risk customers will experience financial difficulty and be unable to fulfill their obligations to the LP. The LP's exposure to credit risk arises from granting credit sales and is limited to the carrying value of accounts receivable. The LP's revenues are normally invoiced with payment terms of net 30 days. At June 30, 2008, $4,523,465 (December 31, 2007 - $4,077,076) of LP's gross receivables were over 30 days. In our industries, customers typically pay invoices within 30 to 60 days. The average time to collect LP's outstanding accounts receivable was approximately 26 days at June 30, 2008 (December 31, 2007 - 15 days) and no single outstanding customer balance represented more than 10% of total accounts receivable. The LP mitigates its credit risk by assessing the credit worthiness of its customers on an ongoing basis. The LP closely monitors the amount and age of balances outstanding and establishes a provision for bad debts based on specific customers' credit risk, historical trends, and other economic information. For the six months ended June 30, 2008 and December 31, 2007, all customer balances provided as bad debts were calculated based on 25% of accounts between 90 to 120 days outstanding and 85% on amounts over 120 days outstanding.

The LP recorded the following activity in its allowance for doubtful accounts during the six months ended June 30, 2008:

Balance, December 31, 2007	$	799,861
Additional allowance recorded		399,152
Amounts written-off as uncollectible		(325,651)
Balance, June 30, 2008	$	873,362

C) LIQUIDITY RISK

The LP's exposure to liquidity risk is dependant on the collection of accounts receivable and the ability to raise funds to meet purchase commitments and financial obligations and to sustain operations. The LP controls its liquidity risk by managing its working capital, cash flows, and the availability of borrowing facilities. At June 30, 2008, the LP's contractual obligations are described in note 14 above.

D) INTEREST RATE RISK

The LP's cash flow is exposed to changes in interest rates on its floor plan arrangements which bear interest at variable rates. The LP is not exposed to changes in interest rates on its term debt as they bear interest at fixed term rates. The cash flows required to service these financial liabilities will fluctuate as a result of changes in market interest rates. Based on LP's outstanding long-term debt and obligations under capital lease at June 30, 2008, a one percent increase or decrease in market interest rates would impact LP's annual interest expense by approximately $70,000. LP's other financial instruments are not exposed to interest rate risk.

20. SUBSEQUENT EVENTS

On July 10, 2008, the LP completed a private placement in the amount of $25,000,000. As a result of the private placement, 1,000,000 units were issued at $25 per unit. Each unit issued was accompanied by a one-half warrant that entitles the holder to purchase additional units of the LP for $27.50 per unit and expires on July 10, 2009. Underwriter commissions, fees and expenses totalled $1,326,500 and the LP received net proceeds of $23,673,500.