Interim Unaudited Consolidated Financial Statements of

CERVUS LP

For the three and six month periods ended June 30, 2009

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

CERVUS LP

Interim Unaudited Consolidated Balance Sheets
June 30, 2009 and December 31, 2008

	2009	2008
Assets		
Current assets:		
Cash and cash equivalents	$ 18,574,463	$ 35,252,348
Short-term loans	365,210	1,027,672
Trade accounts receivable	18,795,747	11,732,104
Advances to related party (note 4)	1,750,000	2,752,480
Inventories (note 5)	91,139,209	62,079,040
Prepaid expenses and deposits	389,314	1,074,559
	131,013,943	113,918,203
Investments and other assets (note 6)	2,749,340	2,403,985
Deposits with manufacturers	1,403,606	1,376,978
Other intangible assets	11,250,078	11,971,815
Buildings and equipment	10,407,552	11,462,399
Goodwill	3,199,680	3,199,680
	$ 160,024,199	$ 144,333,060
Liability and Partners' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 9,086,236	$ 7,345,280
Customer deposits	4,690,823	3,305,616
Floor plan payables (note 8)	42,649,861	33,027,916
Distribution payable	846,250	841,462
Current portion of notes payable (note 10)	600,000	600,000
Current portion of term debt (note 9)	4,883,506	4,319,416
	62,756,676	49,439,690
Term debt (note 9)	1,863,872	4,200,523
Notes payable (note 10)	425,000	525,000
Future income taxes	149,000	149,000
	65,194,548	54,314,213
Partners' equity (note 11):		
Partners' capital	65,496,103	64,933,278
Unit purchase financing	(221,485)	(277,075)
Deferred unit plan	970,423	664,408
Contributed surplus	2,871,271	2,860,125
Accumulated earnings and accumulated other comprehensive income	25,713,339	21,838,111
	94,829,651	90,018,847
Commitments and contingencies (note 14)		
	$ 160,024,199	$ 144,333,060

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

Interim Unaudited Consolidated Statement of Earnings and Comprehensive Income
For the Three and Six Month Periods ended June 30, 2009 and 2008

	Three month period ended June 30, 2009	Three month period ended June 30, 2008	Six month period ended June 30, 2009	Six month period ended June 30, 2008
Revenue:				
Equipment sales	$ 84,702,901	$ 94,309,652	$ 135,930,508	$ 139,884,936
Parts	12,496,766	10,178,712	21,295,561	17,196,515
Service	7,232,380	6,375,891	12,613,501	11,216,923
Rentals	1,269,129	1,761,863	2,201,307	2,992,051
	105,701,176	112,626,118	172,040,877	171,290,425
Cost of sales (note 12)	85,645,871	92,685,015	138,855,871	140,203,153
Gross profit	20,055,305	19,941,103	33,185,006	31,087,272
Expenses:				
Selling, general and administrative	12,775,019	11,891,051	24,170,790	20,967,956
Interest	168,236	444,506	388,637	808,192
Depreciation and amortization	746,842	526,463	1,430,735	1,061,016
Earnings before other income	6,365,208	7,079,083	7,194,844	8,250,108
Other income:				
Gain on disposal of property and equipment	93,059	73,745	180,505	209,907
Gain on disposal of investments	-	-	-	2,044
Interest and other income	234,434	798,412	599,618	1,357,706
Equity earnings of significantly influenced companies	637,088	492,834	1,030,046	865,084
Net earnings and comprehensive earnings	$ 7,329,789	$ 8,444,074	$ 9,005,013	$ 10,684,849
Net earnings per unit (note 11):				
Basic	$ 0.78	$ 1.03	$ 0.96	$ 1.31
Diluted	$ 0.77	$ 1.02	$ 0.95	$ 1.30

See accompanying notes to interim unaudited consolidated financial statements.

CERVUS LP

Interim Unaudited Consolidated Statement of Accumulated Earnings and Accumulated Other Comprehensive Income

For the Six Month Period ended June 30, 2009 and the Year ended December 31, 2008

	General Partner	Limited Partners	Total
Balance, December 31, 2007	$ 41,299	$ 9,278,981	$ 9,320,280
Net earnings available to partners	222,076	21,985,486	22,207,562
Distributions declared	(199,097)	(9,490,634)	(9,689,731)
Balance, December 31, 2008	64,278	21,773,833	21,838,111
Net earnings available to partners	90,050	8,914,963	9,005,013
Distributions declared	(64,278)	(5,065,507)	(5,129,785)
Balance, June 30, 2009	$ 90,050	$ 25,623,289	$ 25,713,339

See accompanying notes to interim unaudited consolidated financial statements.

CERVUS LP

Interim Unaudited Consolidated Statement of Cash Flows
For the Three and Six Month Periods ended June 30, 2009 and 2008

	Three month period ended June 30, 2009	Three month period ended June 30, 2008	Six month period ended June 30, 2009	Six month period ended June 30, 2008
Cash flows from (used in):				
Operating activities:				
Net earnings for period	$ 7,329,789	$ 8,444,074	$ 9,005,013	$ 10,684,849
Add items not affecting cash:				
Gain on disposal of assets	(93,059)	(73,745)	(180,505)	(211,951)
Amortization of employee purchase loans	27,795	27,795	55,590	55,590
Unit based compensation expense	6,856	-	11,146	-
Depreciation and amortization	1,159,048	995,094	2,296,102	2,016,902
Equity earnings from significantly influenced companies	(637,088)	(492,834)	(1,030,046)	(865,084)
	7,793,341	8,900,384	10,157,300	11,680,306
Net change in non-cash working capital related to operations	(9,449,509)	2,709,578	(22,384,444)	(1,341,656)
Net cash provided by (used in) operating activities	(1,656,168)	11,609,962	(12,227,144)	10,338,650
Financing activities:				
Issuance of limited partnership units	277,117	697,179	562,825	1,055,675
Issuance of limited partnership units from exercise of warrants	-	1,103,963	-	1,809,313
Repayment of term debt	(602,969)	(503,305)	(1,772,561)	(1,326,631)
Distributions to the limited partners	(2,536,339)	(2,255,644)	(5,124,997)	(4,422,778)
Decrease (increase) in deposits with John Deere	9,985	(207,105)	(26,628)	(193,328)
Repayment of notes payable	-	(400,000)	(100,000)	(500,000)
Net cash used in financing activities	(2,852,206)	(1,564,912)	(6,461,361)	(3,577,749)
Investing activities:				
Repayment from investment in significantly influenced companies	696,307	435,831	696,307	608,791
Repayment of employee unit purchase loan	-	-	-	35,000
Purchase of investments and other assets	(12,098)	(7,024)	(11,616)	(3,879)
Advances from (repayment to) related parties	458,993	(1,856,355)	1,002,480	(1,856,355)
Repayment of short-term loan	-	8,141,754	662,462	4,784,570
Purchase of equipment, net of proceeds	(285,250)	(868,255)	339,013)	(842,500)
Net cash provided by investing activities	857,952	5,845,951	2,010,620	2,725,627
Increase (decrease) in cash	(3,650,422)	15,891,001	(16,677,885)	9,486,528
Cash and cash equivalents (bank indebtedness), beginning of period	22,224,885	(4,603,844)	35,252,348	1,800,629
Cash and cash equivalents (bank indebtedness), end of period	$ 18,574,463	$ 11,287,157	$ 18,574,463	$ 11,287,157

Cash and cash equivalents is comprised of cash on hand and in bank of $3,717,052 (2008 – $1,757,501) and money market funds of $14,857,411 (2008 - $9,529,656).
Supplemental cash flow information (note 13)
See accompanying notes to interim unaudited consolidated financial statements.

CERVUS LP

Notes to the Interim Unaudited Consolidated Financial Statements

For the Six Month Period ended June 30, 2009 and the Year ended December 31, 2008

1. Description of business:

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

2. Significant accounting policies:

These interim financial statements should be read in conjunction with the audited December 31, 2008 annual financial statements. These interim financial statements follow the same accounting policies and methods of their application as in the December 31, 2008 annual financial statements. These interim financial statements do not conform in all respects to the requirements of Canadian generally accepted accounting principles for annual financial statements in that they do not include all note disclosures. The accompanying unaudited interim financial statements of the LP have been prepared by and are the responsibility of the LP's management. The LP's independent auditor has not performed a review of these interim financial statements.

Recent Pronouncements

Effective January 1, 2009, the LP adopted CICA Handbook Section 3064 "Goodwill and Intangible Assets", which replaced Section 3062 "Goodwill and Other Intangible Assets". Section 3064 gives guidance on the recognition of intangible assets as well as the recognition and measurement of internally developed intangible assets. In addition, Section 3450 "Research and Development Costs" was withdrawn from the Handbook. Adopting this accounting change did not have a material effect on the LP's financial statements.

Effective January 1, 2009, the LP adopted the accounting provisions of Emerging Issues Committee (EIC) Abstract EIC 173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities". Under EIC 173 an entity's own credit risk and the credit risk of its counterparties is taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. Adopting this accounting change did not have a material effect on the LP's financial statements.

Future Accounting Changes

The CICA has issued new accounting standards, "Section 1582, Business Combinations", "Section 1601 Consolidated Financial Statements" and "Section 1602, Non-Controlling Interests".

Section 1582, Business Combinations clarifies how an entity is to account for business combinations. The Section applies prospectively to business combinations for which the acquisition date is on or after January 1, 2011, however earlier adoption is permitted.

Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling Interest establishes standards for the preparation of consolidated financial statements and for the accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. This Section applies to interim and annual financial statements related to fiscal years beginning on or after January 1, 2011, however earlier adoption is permitted as of the beginning of a fiscal year.

The LP has not yet adopted these new accounting standards. These standards will be applied prospectively and will impact how the LP accounts for business combinations entered into after the date of adoption.

Conversion to International Financial Reporting Standards in Fiscal 2011

The CICA Accounting Standards Board requires all Canadian publicly accountable enterprises to adopt International Financial Reporting Standards (IFRS) for years beginning on or after January 1, 2011. The LP will adopt IFRS for the fiscal year 2011 starting January 1, 2011. The LP's transition from Canadian GAAP to IFRS will commence in the first quarter of 2011 at which time the LP will report both the current and comparative information using IFRS.

The LP has developed and established an IFRS transition project which has taken into consideration both the internal and external resources required to implement IFRS and has completed a preliminary assessment on the impact the change to IFRS on the LP's financial statements. A detailed assessment will be completed by the third quarter of 2009 and presented to the audit committee and board of directors for approval.

Although much of Canadian GAAP is similar to IFRS, there are some GAAP differences that may significantly impact the LP's processes and financial results. The LP is currently in the planning phase of the conversion. This includes identifying the differences between existing Canadian GAAP and IFRS, identifying potential business impacts, developing the project plan, assessing resource requirements and training staff. Currently, it is not possible to fully determine the impact to the financial statements and any potential business impacts, as accounting standards and the interpretations of those standards are changing.

3. 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. Sales in the construction sector are not as heavily impacted by seasonality as the agricultural equipment segment but do see slower sales activity in the winter months. As a result, earnings or losses may not accrue uniformly from quarter to quarter.

4. Advances to related party

During 2008, the LP provided a $2,750,000 revolving credit facility to Proventure Income Fund (the "Fund") (see note 16) expiring on November 30, 2013. The facility is due on demand and bears interest at the rate of prime plus 0.25%. The facility can be used for operations, capital acquisitions, and investments and is secured by a general security agreement over the assets of the Fund. Interest income recorded during the three and six month period ended June 30, 2009 was $12,246 and $30,790 (2008 - $8,476 and $8,476), respectively.

5. Inventories

		June 30, 2009		December 31, 2008
New equipment	$	45,892,307	$	32,161,086
Used equipment		31,810,228		20,188,480
Parts and accessories		12,506,310		9,157,040
Work-in-progress		930,364		572,434
	$	91,139,209	$	62,079,040

6. Investments and other assets

		June 30, 2009		December 31, 2008
Investment in significantly influenced companies, at equity:	$	791,324	$	540,066
101034350 Saskatchewan Ltd. (33% interest)				
Greenway Sprayers (38% interest)		618,048		666,145
Deer Star Systems Inc. (27% interest)		844,566		713,987
Investment in companies at cost:				
Thunder Rail Ltd., 1,000 Class common shares		1,000		1,000
Agritronics Inc. (a 25.78% interest)		400,000		400,000
Cash surrender value of life insurance		94,402		82,787
	$	2,749,340	$	2,403,985

During the three and six month period ended June 30, 2009, the LP recorded $637,088 and $1,030,046 (2008 - $492,834 and $865,084) respectively of earnings from significantly influenced companies. Also, during the six months ended June 30, 2008, the LP received $696,307 (2008 - $608,791) as a return of capital on these investments. The LP has one representative on each of the respective board of directors.

The LP has been advised by the joint venture partners of Greenway Sprayers that the joint venture will cease operations and distribute its net assets to the venturers during 2009 and as agreed with John Deere, all related sprayer equipment operations (sales, costs and net earnings) will continue to be operated by our agricultural equipment segment in their respective market areas. The operations of the joint venture have ceased effective June 30, 2009 and the joint venture is in the process of distributing its net assets to the venturers.

7. Bank indebtedness

At June 30, 2009 and December 31, 2008, the LP has an uncommitted operating bank line of credit to borrow to a maximum amount of $15 million and is subject to annual review. The operating line of credit bears interest at rates ranging from prime to prime plus 0.50% 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, 2009 and December 31, 2008, the LP had not drawn on this operating line.

8. 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.

9. Term debt

	June 30, 2009	December 31, 2008
Bank term loan, due July 1, 2011, interest at rates ranging from prime plus 0.25% to prime plus 0.75% and principal instalments of $104,167 per month. For security, see note 7.	$ 2,500,000	$ 3,125,000
Finance company, payable in monthly installments of approximately $275,394 (December 31, 2008 - $248,590) including interest at 6.25%, secured by short term rental equipment	3,454,620	5,126,473
Finance contracts and fixed rate bank term loans repayable in monthly instalments ranging from $440 to $5,282 including interest up to 7.25%, secured by related equipment, due at various dates through 2012	792,758	268,466
	6,747,378	8,519,939
Less: current portion	4,883,506	4,319,416
	$ 1,863,872	$ 4,200,523

Estimated principal repayments required over the next three years are as follows:

June 30, 2010	$ 4,883,506
June 30, 2011	1,701,821
June 30, 2012	162,051
	$ 6,747,378

10. Notes payable

	June 30, 2009	December 31, 2008
Notes payable, due in semi-annual instalments of $100,000 including interest at the rate of 6% per annum	$ 625,000	$ 725,000
Notes payable, due September 2, 2009 including interest at the rate of 6% per annum	400,000	400,000
	1,025,000	1,125,000
Less: current portion	600,000	600,000
	$ 425,000	$ 525,000

11. Partners' Capital:

Authorized

Unlimited number of partnership units
Unlimited number of Series A preferred partnership units
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

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	134,497	-	2,392,389	2,392,389
Warrants exercised	262,477		3,492,028	3,492,028
Contributed surplus adjustment for warrants exercised	-	-	581,249	581,249
Units issued in private placement	1,000,000	-	25,000,000	25,000,000
Private placement costs	-	-	(1,441,913)	(1,441,913)
Contributed surplus adjustment for warrants issued in private placement	-	-	(2,850,300)	(2,850,300)
Units purchased for cancellation	(117,000)	-	(813,119)	(813,119)
Units cancelled	(10,800)	-	(73,764)	(73,764)
Preferred partnership units Converted	200,000	-	1,600,000	1,600,000
Balance December 31, 2008	**9,341,583**	**$ 100**	**$64,933,178**	**$ 64,933,278**
Issued under DRIP plan	61,201		562,825	562,825
Balance June 30, 2009	**9,402,784**	**$ 100**	**$65,496,003**	**$ 65,496,103**

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.

Changes in the outstanding options are as follows:

	Number outstanding	Weighted average exercise price
Outstanding and exercisable, December 31, 2007	10,000	$ 9.00
Exercised through unit purchase financing	(10,000)	9.00
Granted under unit option plan	10,000	19.00
Outstanding and exercisable, December 31, 2008	10,000	19.00
Granted under unit option plan	24,479	9.30
Outstanding and exercisable, June 30, 2009	34,479	12.11

The weighted average remaining life of the options is 4.5 years (December 31, 2008 – 4.6 years). During the six month period ended June 30, 2009, 24,479 options were issued to management with an exercise price of $9.30 per unit. The options vest over the next five years at 50% in 3 years, 25% in 4 years and 25% in 5 years. Compensation expense will be recorded on a straight-line basis over this period. The fair value of these options, calculated using the Black-Scholes option pricing model was $2.97 per unit using a risk fee interest rate of 0.7%, expected life of 6 years, expected annual distribution of 11.6% and an expected unit price volatility of 91%. For the three and six month period ended June 30, 2009, $6,856 and $11,146, respectively, has been recorded as compensation cost related to these options.

Per unit amounts

The earnings per unit have been calculated based on the basic weighted average number of units outstanding for the three month periods ended June 30, 2009 and 2008 of 9,391,361 and 8,211,027, respectively and for the six month periods ended June 30, 2009 and 2008 of 9,375,523 and 8,138,607 respectively. For the purposes of calculating the diluted number of units outstanding for the three month period ended June 30, 2009, 114,128 (2008 – 121,763) units are added to the basic weighted number of units outstanding and for the six month period ended June 30, 2009, 111,807 (2008 - 107,710) 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, unit options and units issued under the deferred unit plan.

Distribution reinvestment plan

The LP has a Distribution Reinvestment Plan ("DRIP") entitling limited partners to reinvest cash distributions in additional units. The DRIP allows limited partners to reinvest distributions into new units at 95 percent of the average unit price of the previous 10 trading days prior to distribution. During the six month period ended June 30, 2009, the LP issued 61,201 (June 30, 2008 – 48,103) limited partner units under this plan at an average issue price of $9.20 (June 30, 2008 - $20.08) per unit.

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. The LP 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 for the three and six month periods ended June 30, 2009 and 2008 are $27,795 and $55,590 of contributions made on behalf of the LP's employees.

Deferred unit plan:

As at June 30, 2009, 108,599 (December 31, 2008, 40,695) deferred units have been issued under the deferred unit plan and remain outstanding. As at June 30, 2009, the matching component of the plan aggregated $580,405. During the three and six month period ended June 30, 2009, $33,320 and $60,836 (June 30, 2008 -$5,625 and $8,925) respectively has been recorded as compensation expense.

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 three and six month periods ended June 30, 2009 and 2008, $27,795 and $55,590 respectively has been forgiven and recorded as compensation expense.

12. Cost of sales

The following amounts have been included in cost of sales:

	Three month period ended June 30, 2009	Three month period ended June 30, 2008	Six month period ended June 30, 2009	Six month period ended June 30, 2008
Depreciation and amortization	$ 412,206	$ 468,631	$ 865,367	$ 955,886
Interest expense	44,491	65,278	83,065	135,939
	$ 456,697	$ 533,909	$ 948,432	$ 1,091,825

13. Supplemental cash flow information

	Three month period ended June 30, 2009	Three month period ended June 30, 2008	Six month period ended June 30, 2009	Six month period ended June 30, 2008
The following cash payments have been included in the determination of net earnings				
Interest	$ 197,378	$ 497,443	$ 441,106	$ 923,653
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 Interest	$ -	$ 90,000	$ -	$ 90,000

14. Commitments and contingencies:

(a) John Deere Credit Inc. (“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, 2009, payments in arrears by such customers aggregated $156,160 (December 31, 2008 - $188,424). In addition, the LP is responsible for assuming all lease obligations held by its customers with Deere Credit and other financing companies through recourse arrangements for the net residual value of the lease outstanding at the maturity of the contract. At June 30, 2009, the net residual value of such leases aggregated $47,455,468 (December 31, 2008 - $50,653,966).

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.

In addition, the LP is contingently liable for certain finance obligations of its customers through a revolving line of credit known as AgLine. AgLine is primarily used by agriculture related customers and the LP has certain merchant authorized accounts for which the LP is contingently liable in the event of default. As at June 30, 2009, our merchant authorized accounts totaled $75,761 (December 31, 2008 - $111,085).

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

2010	$ 3,570,730
2011	2,912,537
2012	2,022,120
2013	1,796,722
2014	1,396,159
Thereafter	3,586,822
	$ 15,285,090

15. Economic dependence:

A significant source of the LP's 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 or equity covenants. Each contract also provides a one-year remedy period whereby the LP has one year to restore any deficiencies. The LP also 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 effect on the LP's ability to continue as a going concern.

16. Related party transactions:

(a) The CEO of the LP is the CEO of Proventure Income Fund (the "Fund"). In addition, the CEO is the single largest equity holder of the LP and the Fund and the LP and the Fund share a common board of directors. Other than previously disclosed above, the Fund had the following transactions with the Fund:

	Three month period ended June 30, 2009	Three month period ended June 30, 2008	Six month period ended June 30, 2009	Six month period ended June 30, 2008
Expenses				
Real estate rentals	$ 631,919	$ 430,315	$1,259,763	$804,693
Guarantee fees	20,625	20,625	41,250	41,250
Revenue				
Management fees	7,500	7,500	15,000	15,000
Interest on advances	12,246	8,476	30,790	8,476

The LP receives $2,500 per month to carry out all administrative and management tasks related to the Fund's operations. The amount charged is the amount agreed to between the related parties.

The LP pays a guarantee fee to the Fund equal to 3% of 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 and for which John Deere has not yet released the Fund from the contractual obligation. At June 30, 2009 and 2008, the Fund has outstanding guarantees with John Deere aggregating $2,750,000.

(b) Certain officers and dealer managers of the LP have provided guarantees to John Deere aggregating $6,400,000 (June 30, 2008 - $7,150,000). During the three and six month period ended June 30, 2009, the LP paid these individuals $48,000 and $96,000 (June 30, 2008 - $53,625 and $107,250) respectively for providing these guarantees. These transactions were recorded at the amount agreed to between the LP and the guarantors and are included in selling, general and administrative expense.

(c) The general partner of the LP is Cervus GP Ltd., a private company. 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, 2009, $64,278 (December 31, 2008 - $222,076) and has been recorded as a distribution of earnings on the statement of accumulated earnings. In addition, the LP has made distributions of $64,278 (December 31, 2008 - $199,097) to the general partner.

(d) During the six month period ended June 30, 2009, the LP transacted in the normal course of business, $83,815 (2008 - $131,909) of equipment, parts and service sales with companies that the LP's Board of Directors are Directors of or Control.

17. Segment information:

The LP operates in two main industry segments with all of the operations being in Western Canada. These segments are agricultural and construction equipment. The operating results and other financial information for each of the segments are as follows:

Six months ended June 30, 2009	Agricultural Equipment	Construction Equipment	Total
Revenue	$ 142,015,311	$ 30,025,566	$ 172,040,877
Net earnings available to partners	9,489,115	(484,102)	9,005,013
Earnings of significantly influenced Companies	1,030,046	-	1,030,046
Depreciation and amortization	902,577	1,393,525	2,296,102
Interest expense	237,435	234,267	471,702
Capital expenditures	987,133	743,342	1,730,475
Total assets	104,491,129	55,533,070	160,024,199
Other intangible assets	4,864,328	6,385,750	11,250,078
Goodwill	1,672,680	1,527,000	3,199,680

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
Interest expense	526,139	417,992	944,131
Capital expenditures	533,799	2,022,234	2,556,033
Total assets	89,365,226	60,262,400	149,627,626
Other intangible assets	2,472,985	7,045,750	9,518,735
Goodwill	1,672,680	1,527,000	3,199,680

Three months ended June 30, 2009	Agricultural Equipment	Construction Equipment	Total
Revenue	$ 89,551,141	$ 16,150,035	$ 105,701,176
Net earnings available to partners	7,221,879	107,910	7,329,789
Earnings of significantly influenced Companies	637,088	-	637,088
Depreciation and amortization	471,630	687,418	1,159,048
Interest	96,344	116,383	212,727
Capital expenditures	430,152	507,409	937,561
Total assets	104,491,129	55,533,070	160,024,199
Other intangible assets	4,864,328	6,385,750	11,250,078
Goodwill	1,672,680	1,527,000	3,199,680

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	267,212	727,822	995,094
Interest	330,840	178,944	509,784
Capital expenditures	117,552	851,448	969,000
Total assets	89,365,226	60,262,400	149,627,626
Other intangible assets	2,472,985	7,045,750	9,518,735
Goodwill	1,672,680	1,527,000	3,199,680

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 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 2009, the LP's strategy has remained unchanged and is 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 its 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, 2009		**December 31, 2008**
Total debt	$	65,194,548	$	54,314,213
Adjusted equity:				
Total equity	$	94,829,651	$	90,018,847
Less other intangible assets and goodwill		(14,449,758)		(15,171,495)
Adjusted equity	$	80,379,893	$	74,847,352
Total debt to adjusted equity ratio		0.82 to 1		0.73 to 1
Adjusted assets:				
Total assets	$	160,024,199	$	144,333,060
Less other intangible assets and goodwill		(14,449,758)		(15,171,495)
Adjusted assets	$	145,574,441	$	129,161,565
Adjusted equity (above)	$	80,379,893	$	74,847,352
Adjusted assets to adjusted equity ratio		1.81 to 1		1.73 to 1

19. Financial instruments

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.

Market risk

Market risk is the risk that the fair value of financial instruments will fluctuate due to changes in market factors and adverse economic conditions which may impact the timing of collection and ultimate realization of equipment sales, parts, service and rental revenue. The LP derives substantially all of its operating revenue from agricultural and construction based clients. The agriculture segment is primarily based on commodity prices and the construction segment is primarily based on both housing and infrastructure starts. A 5% to 10% change in the market conditions affecting these segments would result in an increase or decrease to revenue of between $17.5 and $34.9 million on a rolling 12 month basis. Based on the return on sales experienced for the rolling 12 month period ended June 30, 2009, this would result in an increase or decrease in net earnings of between $1.0 and $2.1 million.

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 and deposits with John Deere. The LP's revenues are normally invoiced with payment terms of net, 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 16 days for the six month period ended June 30, 2009 (year ended December 31, 2008 - 13 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 month period ended June 30, 2009 and 2008, 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 unless allowance for certain specified accounts requires a greater amount to be allowed for. Of the $18,795,747 of trade accounts receivable outstanding, $9,331,365 is represented by sales contract financing receivables in transit from John Deere and $9,464,382 is represented by customer accounts receivable and other accounts receivable. The following is a summary of our aged accounts receivable and activity in our allowance for doubtful accounts as at June 30, 2009 and for the six months then ended:

Accounts receivable:		
Current	$	16,624,629
30 – 60		1,918,400
Over 90 days		1,048,301
Total	$	19,591,330
Allowance for doubtful accounts:		
Balance, December 31, 2008	$	878,297
Additional allowance recorded		267,168
Amounts written-off as uncollectible		(349,882)
Balance, June 30, 2009	$	795,583

Liquidity risk

The LP's exposure to liquidity risk is dependent 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, 2009, the LP's contractual obligations are described in note 15 above. As described in note 7, the LP has available for its current use, $15 million of operating credit facilities for which no advances have been made. In addition, the LP has a committed reducing term facility in the amount of $1.5 million to finance capital asset additions of which no amounts have been advanced.

Significant challenges are currently being experienced in both the domestic and international financial markets. These challenges are having an impact on the ability of certain borrowers to finance existing operations and to fund capital programs. To date, these issues in the financial markets have not had a direct impact on the operations of the LP. While the current financial situation has not directly impacted the LP's ability to fund capital projects and ongoing operations, future borrowing may be impacted by these financial markets through increased carrying costs and the ability to raise debt and capital. The LP is unable to determine the outcome of these issues or how they may affect future operations.

Interest rate risk

The LP's cash flow is exposed to changes in interest rates on its floor plan arrangements and certain term debt which bear interest at variable 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 its floor plan payables at June 30, 2009, a one percent increase or decrease in market interest rates would impact LP's annual interest expense by approximately $500,000. LP's other financial instruments are not exposed to interest rate risk.

Foreign currency exposure

The LP is not exposed to fluctuations in foreign currency to the extent that all sales and expenditures are incurred in Canadian dollars. However, many of our products, including equipment and parts are based on a U.S. dollar price as they are supplied primarily by U.S. manufacturers. This may cause fluctuations in the sales values assigned to equipment and parts inventories as the LP's price structure is to maintain consistent gross margins. Both sales revenues and gross margins may fluctuate based on the foreign exchange rate in effect at the time of purchase. Certain of the LP's manufacturers also have programs in place to facilitate and/or reduce the effect of foreign currency fluctuations, primarily on new equipment inventory purchases.