

GROWTHWORKS | *access fund*

Financial Statements and Auditors' Report
2006

Report to Shareholders

I am pleased to report that the Fund's portfolio stabilized during 2006 after several challenging years. The Fund's performance in earlier years was disappointing, although typical of the lifecycle of many venture funds. In a fund's early years, it's normal for failures to occur before successes. The successful companies, on the other hand, take time to mature.

In our case, the Fund's early lifecycle coincided with the start of a five-year downturn in the information technology sector. The resulting decline in initial public offerings ("IPOs") and merger and acquisition activity meant that even the strongest companies in our portfolio struggled to appreciate in value.

However, there is reason for optimism for the Fund's current portfolio. In order for positive outcomes to be achieved, we believe more time is needed to allow the companies to mature. Due to market circumstances we have exercised two of our three one-year term extensions for the Fund beginning in 2006. We expect to exercise our last one-year term extension next year and will notify Limited Partners regarding this next spring. The goal of these extensions is to give our portfolio companies more time to reach their growth potential by taking advantage of the improving market conditions. We expect this approach to increase the probability of recovering the value of your investment.

Maturing portfolio companies show promise

In 2006, we saw increasing frequency of the type of events that characterize a venture capital market up cycle. These included follow-on financings done at higher valuations, increased merger and acquisition activity and the beginnings of a more favourable IPO environment.

We have worked long and hard with the management of our portfolio companies to build leadership teams, to secure additional funding and to guide them through formative development periods. Of the 14 companies currently in the Fund, we believe that the majority are sound and show considerable business promise.

Here are some highlights of recent developments in a few of our more promising investments.

Neuromed Pharmaceuticals Inc. is developing drugs to treat chronic pain and other serious neurological disorders without addiction or other side effects associated with many of today's medicines. The company enjoyed a number of successes in 2006. It launched its lead compound for chronic pain relief into Phase II clinical trials, secured a US\$25 million financing, expanded its management team and signed a \$450 million research and licensing deal with pharmaceutical giant Merck & Co., the largest such transaction in Canadian history. Neuromed was also the recipient of the 2006 British Columbia Biotechnology Award for Life Sciences Company of the Year. An estimated 50 million people in North America, and many times that worldwide, suffer from chronic pain. Effective treatment options are limited and have potentially damaging side effects.

Bycast Inc. offers archiving software to hospitals through partnerships with Hewlett Packard and IBM. Bycast is a leader in grid-based archiving, an innovative technology that facilitates the trend toward regional and eventually global delivery of healthcare. By using this software, hospitals can combine their medical image storage archives into a single, secure, distributed multi-facility storage grid. The advantages include increasing the effectiveness of healthcare delivery by making images available where they need to be, increasing security and integrity of the data by storing multiple images across many facilities linked to the archiving grid, and lowering the overall cost of storage through its intelligent storage technology. Many of the world's largest healthcare facilities use Bycast's software, including Veterans Hospital, Miami Mercy and Banner Healthcare.

Report to Shareholders

Celator Pharmaceuticals Inc. followed its US\$40 million venture capital financing in 2005 by strengthening its management team and advancing its cancer treatment therapies. In 2006, the company announced positive results from Phase I clinical trials of its lead compound, CPX-1, a potential therapy for patients with colorectal cancer. CPX-1 has since advanced to Phase II trials. Another of Celator's combination chemotherapy compounds, CPX-351, recently entered Phase I trials as a potential treatment for acute myeloid leukemia.

Cellex Power Products Inc. has developed a hydrogen fuel cell power unit for lift trucks used in warehouses and other storage facilities. The zero-emission fuel cell has been field tested by London Drugs and at two Ohio-based Wal-Mart distribution centres. The Wal-Mart test, conducted over four months during late 2006, met and exceeded uptime, fuelling, environmental and safety targets. Cellex expects product orders to begin later in the year.

CellFor Inc. is a leading independent supplier of high-technology seeds to the global forest industry. Its technology, which does not use genetic modification, produces faster-growing, more disease-resistant trees that can increase crop yield up to 60% compared with conventional orchard seedlings. Seedling sales, which jumped from 1.5 million in 2005 to 5.3 million in 2006, are expected to reach 10 million in 2007. Its growing list of customers includes John Hancock, the largest timberland investment management organization in the U.S. By improving the productivity of plantation forestry, Cellfor aims to help supply the world's ever increasing demand for lumber while protecting natural forests for generations to come.

Looking ahead

The Fund has faced numerous challenges since its inception. We are pleased that the environment for our portfolio companies is more favourable than we have seen in many years.

The upswing in merger and acquisition activity and improved markets for initial public offerings means that the prospects for recovering your investment have greatly improved.

We thank you for your patience and support of GrowthWorks Access Fund.

Sincerely,



David Levi

President and CEO
GrowthWorks Access GP I Ltd.
General Partner of GrowthWorks Access Fund Limited Partnership

Auditors' Report

To the Partners of GrowthWorks Access Fund Limited Partnership

We have audited the statements of net assets of GrowthWorks Access Fund Limited Partnership as at December 31, 2006 and 2005, the statements of operations, of deficit and of cash flows for the years then ended and the statement of investment portfolio as at December 31, 2006. These financial statements are the responsibility of the General Partner (GrowthWorks Access GP I Ltd.). Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial positions of the Partnership as at December 31, 2006 and 2005 and the results of its operations and of its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.



Hay & Watson, *Chartered Accountants*

Vancouver, British Columbia
February 28, 2007

Statements of Net Assets

Years Ended December 31	2006	2005
ASSETS		
Cash	\$ 34,870	\$ 73,671
Investments, at estimated fair value (cost 2006 - \$7,446,855, cost 2005 - \$7,181,103)(Note 2)	4,599,714	4,997,352
Accounts receivable	-	2,107
	<u>4,634,584</u>	<u>5,073,130</u>
LIABILITIES		
Accounts payable and accrued liabilities	338,859	230,811
Advance from GrowthWorks Capital Ltd. (Note 5)	365,000	125,000
	<u>703,859</u>	<u>355,811</u>
NET ASSETS	<u>\$ 3,930,725</u>	<u>\$ 4,717,319</u>
PARTNERS' EQUITY		
Issued and fully paid partnership units	\$ 10,100,010	\$ 10,100,010
Capital repayment	(300,000)	(300,000)
Deficit	(3,022,144)	(2,898,940)
Unrealized depreciation of investments (Note 2)	(2,847,141)	(2,183,751)
	<u>\$ 3,930,725</u>	<u>\$ 4,717,319</u>
NUMBER OF PARTNERSHIP UNITS	<u>1,010,001</u>	<u>1,010,001</u>
NET ASSET VALUE PER PARTNERSHIP UNIT (Note 2)	<u>\$ 3.89</u>	<u>\$ 4.67</u>

Approved by the Director of the General Partner
GrowthWorks Access GP I Ltd.



David Levi, Director

Statements of Operations

Years Ended December 31	2006	2005
INVESTMENT INCOME		
Interest	\$ 1,102	\$ 10,675
EXPENSES		
Management fee (Note 3)	116,683	146,962
Miscellaneous	1,623	226
Professional fees	6,000	6,000
	124,306	153,188
INVESTMENT LOSS	(123,204)	(142,513)
REALIZED LOSS FROM SALE OF INVESTMENTS	-	(1,588,594)
UNREALIZED APPRECIATION (DEPRECIATION) OF INVESTMENTS	(663,390)	431,557
DECREASE IN NET ASSETS FROM OPERATIONS	\$ (786,594)	\$ (1,299,550)

Statements of Deficit

Years Ended December 31	2006	2005
DEFICIT, Beginning of Year	\$ (2,898,940)	\$ (1,167,833)
Investment loss	(123,204)	(142,513)
Realized loss	-	(1,588,594)
DEFICIT, End of Year	\$ (3,022,144)	\$ (2,898,940)

Statements of Cash Flows

Years Ended December 31	2006	2005
Cash Flows From (Used In) Operating Activities		
Interest received	\$ 1,102	\$ 8,819
Cash paid for services	(14,151)	(27,610)
	(13,049)	(18,791)
Cash Flows From (Used In) Investing Activities		
Acquisition of investments	(265,752)	(875,308)
Investment sale proceeds	-	93,355
Marketable securities sales proceeds	-	708,720
	(265,752)	(73,233)
Cash Flows Used In Financing Activities		
Loan from GrowthWorks Capital Ltd. (Note 5)	240,000	125,000
(DECREASE) INCREASE IN CASH	(38,801)	32,976
CASH, Beginning of Year	73,671	40,695
CASH, End of Year	\$ 34,870	\$ 73,671

Statements of Investment Portfolio

December 31, 2006

Venture Investments

Portfolio companies	Debt at Cost	Equity at Cost	Unrealized Appreciation (Depreciation)	Estimated Fair Value 2006	Estimated Fair Value 2005
Advanced Manufacturing					
Cellex Power Products Ltd.	\$ -	\$ 288,000	\$ (176,575)	\$ 111,425	\$ 143,528
JGKB Photonics Inc.	-	216,150	(216,150)	-	16,836
	-	504,150	(392,725)	111,425	160,364
Life Sciences					
Celator Technologies Inc.	-	597,193	(34,212)	562,981	563,271
Cellfor Inc.	248,440	356,261	(124,701)	480,000	483,296
Neuromed Technologies Inc.	-	911,825	129,161	1,040,986	590,898
Protiva Biotherapeutics Inc.	153,440	594,033	(278,191)	469,282	747,206
Twinstrand Therapeutics Inc.	-	605,676	-	605,676	605,676
Xillix Technologies Corp.	-	332,028	(260,389)	71,639	260,505
5267 Investments Ltd.	-	5	-	5	5
	401,880	3,397,021	(568,332)	3,230,569	3,250,857
Information Technology					
Antarti.ca Systems Inc.	-	169,024	(169,024)	-	-
Axonwave Software Inc.	-	1,044,480	(870,818)	173,662	575,098
Bycast Inc.	-	626,181	-	626,181	626,181
Colligo Networks Inc.	-	317,386	(277,557)	39,829	39,829
QuiC Financial Technologies Inc.	-	590,458	(172,410)	418,048	345,023
Tap Solutions Inc.	-	396,275	(396,275)	-	-
	-	3,143,804	(1,886,084)	1,257,720	1,586,131
	\$ 401,880	\$ 7,044,975	\$(2,847,141)	\$ 4,599,714	\$ 4,997,352

Notes to Financial Statements

December 31, 2006

1. ORGANIZATION AND OPERATIONS

GrowthWorks Access Fund Limited Partnership (the "Partnership") was formed on September 15, 2000 under the laws of the Province of British Columbia. GrowthWorks Access GP I Ltd. is the General Partner. Except for the General Partner, and any limited partner who participates in the management of the Partnership, the liability of the partners is restricted to their investment in the Partnership.

The Partnership is in the business of making direct or indirect investments in Canada and the United States, with a particular emphasis on early-stage information technology, life sciences and advanced manufacturing companies.

During the period ended December 31, 2001, the Partnership issued 1,010,001 limited partnership units to persons resident in the provinces of British Columbia and Alberta at \$10.00 per unit. Each unit represents an equal undivided interest in the net assets of the Partnership. The Partnership will have an initial term of five years, which may be extended by up to three additional one year periods by the General Partner if it considers that the Fund's investment and divestment program is not substantially complete.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles, which include the following significant policies:

General

These financial statements include only the assets, liabilities, revenue and expenses of the Partnership and not those of the General or Limited Partners.

There is no provision for income taxes as Partnership income is taxed in the hands of the partners.

Accounting Change

In July 2003 the Accounting Standards Board of the Canadian Institute of Chartered Accountants revised the definition of generally accepted accounting principles ("GAAP"), excluding industry practice as an authoritative source of GAAP. The Partnership had, in accordance with industry practice, deferred and amortized costs incurred for the organization of the Partnership, which included all costs related to the formation of the Partnership, including regulatory costs, commissions and other fees paid for the issue of units and the marketing of the units of the Partnership prior to the commencement of operations, on a straight line basis over the initial five year term of the Partnership (Note 1). The revision of the definition of GAAP no longer allows the deferred organization costs to be recorded as an asset and, as of January 1, 2004, the Partnership wrote off the unamortized balance of deferred organization costs of \$411,087 to retained earnings at that date.

Investments

Marketable securities are recorded at their estimated fair values. Gains or losses on disposition of marketable securities are recorded in operations and retained earnings when realized. Unrealized appreciation or depreciation of marketable securities is recorded in partners' equity.

Notes to Financial Statements

December 31, 2006

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Venture investments are recorded at cost for one year from the date the investment is made, unless there is a transaction within that year which establishes a different value for the investment or there is a significant change within that year in the Fund's expectations of the investment. After one year from the date of the investment, venture investments are recorded at their estimated fair values. Unrealized appreciation or depreciation of venture investments is recorded in partners' equity.

Estimated fair values for investments are determined using the following methods:

- marketable securities – on the basis of year end market quotations;
- venture investments which are publicly traded or can be converted to publicly traded securities – on the basis of market quotations, reduced by an appropriate discount where there are trading restrictions; and
- venture investments which are not publicly traded – on the basis of generally accepted valuation methods which best and most objectively reflect the expected value that would be agreed upon in an open and unrestricted market between fully informed, knowledgeable and willing parties dealing at arm's length and without constraints.

The estimated fair value of venture investment share purchase options and contracts for the future sales of venture investments is the gain or loss that would be realized if, on the date of the valuation, the position in the option or futures contract was closed out. The unrealized gains or losses on options and futures contracts are reported as part of the unrealized appreciation or depreciation of investments until the contracts are closed out.

The process of valuing venture investments for which no public market exists is based on inherent uncertainties and the resulting values may differ from values that would have been used had a ready market existed for the venture investments. These differences could be material to the fair value of the Partnership portfolio.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amount of certain assets and liabilities at the date of these financial statements and the reported amounts of certain income and expenses during the year. Actual results may differ from those estimates.

3. GENERAL PARTNER FEES AND ALLOCATIONS

Pursuant to the agreement dated November 1, 2000 between the Partnership and the General Partner, the Partnership has agreed:

- To pay to the General Partner a monthly management fee equal to one-twelfth of 2.75% of the net asset value of the Partnership on the last day of each month.
- To allocate to the General Partner from Partnership income and pay annually a performance share equal to 20% of the returns in excess of an annually compounded threshold return of 10% of the weighted average of the Partnership's contributed capital, less any performance share paid in respect of investments in other venture investment funds and less any performance share paid in previous years. If the return in a year falls short of the threshold, the difference between the return and the threshold will reduce the performance share payable to the Company in subsequent years. If the Partnership does not have sufficient cash to fully pay the performance share in any year, a portion may be deferred and added to the performance share in subsequent years. No performance share was paid in 2006 and 2005.

Notes to Financial Statements

December 31, 2006

4. AGREEMENTS

GrowthWorks Ltd., the parent company of the General Partner, and Working Opportunity Fund (EVCC) Ltd. (“WOF”), have entered into a co-investment agreement, pursuant to which the Partnership may invest a proportionate amount in an investment concurrently with an investment made by WOF, to an aggregate maximum of \$60 million, \$30 million in each of the technology and life sciences sectors.

The Partnership entered into an agency agreement with Odium Brown Ltd., Canaccord Capital Corporation, Raymond James Ltd. and United Capital Securities Inc. to act as the lead agents for the sale of Partnership units. A commission equal to 1% of the gross proceeds was paid to the lead agents. A 5% sales commission on subscriptions procured by the lead agents or by other qualified dealers and adviser firms appointed by the lead agents was also paid. In addition, the Partnership paid the lead agents reasonable legal fees and disbursements and certain travel expenses incurred in connection with the sale of Partnership units.

5. RELATED PARTY TRANSACTIONS

The Partnership paid management fees of \$116,683 (2005 - \$146,962) to the General Partner during the year ended December 31, 2006. The advance of \$240,000 (2005 - \$125,000) from GrowthWorks Capital Ltd., a company with directors in common with the General Partner, is interest free and has no specific terms of repayment.

6. FINANCIAL INSTRUMENTS

Canadian generally accepted accounting principles require disclosure of the fair value of financial instruments. The Partnership’s assets and liabilities are carried at (Note 2) or approximate their fair values at December 31, 2006.

7. COMPARATIVE FIGURES

The comparative figures have been reclassified as necessary to conform to the presentation used in the current year.

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