GrowthWorks | access fund

Financial Statements and Auditors' Report

Years Ended December 31, 2007 and 2006

Report to Shareholders

I am pleased to report our portfolio companies continued to develop and grow in 2007. This steady progress was reflected in the Fund's share price, which rose to $4.63 at year-end, an increase of 29% during the year.

Despite the underlying strength of our portfolio companies, we believe that more time is required for the Fund to maximize the return on its investments. While merger and acquisition activity is good, capital market conditions do not currently favour initial public offerings. Consequently, exit opportunities for the Fund are taking longer than expected to materialize.

Given these conditions, GrowthWorks Access GP I Ltd., the general partner of the Fund, has elected to exercise the third of its three one-year term extensions (proposed to expire December 31, 2008). The general partner also plans to seek approval from the limited partners before the end of 2008 to further extend the partnership by two years (proposed extension to December 31, 2010). Details of the proposal will be provided to limited partners in a meeting circular.

As with previous extensions, the goal is to give our portfolio companies more time to realize their growth potential and to yield favourable investment returns as capital market conditions improve. In our view, each of these companies has a strong management team and impressive market prospects. So there is good reason to believe that the extensions will give our portfolio companies the time they need to mature and thereby potentially realize increased value.

Venture capital markets remain active

Canadian venture capital markets continued to rebound in 2007 and to yield strong deal flow. The current up cycle, which coincided with improved economic growth in Canada, resulted in an increase in venture capital investment in Canada during 2007. Much of this growth came from investments by U.S. venture firms in Canadian companies, as many Canadian venture capital funds have faced challenges raising new capital in recent years.

Investment in the Canada's technology sector continued to be robust in 2007. We expect investors will maintain this trend. Growth is slowing, meanwhile, in natural resource markets in part because investor interest is shifting to other sectors, notably the technology sector. Merger and acquisition activity remained high throughout much of 2007, but volatility in the broader capital markets reduced the number of initial public offerings. We expect the public markets to remain uncertain during the upcoming year.

Portfolio companies demonstrate strong growth potential

The majority of our ten portfolio companies developed according to expectations during the year, with many enjoying better-than-expected growth in revenues.

The Fund received a final escrow payment of $252,000 from the sale of its investment in **Ability Biomedical Corp.** in 2004. The Fund also received full repayment of the debt component of its investment in **Protiva Biotherapeutics Inc.** As a result, the Fund made a return-of-capital payment of 51 cents per unit to limited partners in 2007.

The Fund still owns a significant equity position in Protiva, which continues to make gratifying progress. Technology developed by Protiva attracted the interest of **Merck & Co.,** which acquired a non-exclusive license to Protiva's SNALP (Stable Nucleic Acid-Lipid Particles) technology. SNALP's ability to deliver nucleic acids to disease sites makes that technology ideal for the treatment of cancer and metabolic and infectious diseases.

In March 2008, Protiva announced an agreement with **Tekmira Pharmaceuticals Corporation,** a public company, to combine the businesses of both Vancouver-based companies. The combined company, which will retain the name Tekmira, will be a global leader in the development of novel delivery technology and nucleic acid drugs.

As part of the transaction, Alnylam Pharmaceuticals, Inc. and the Roche Venture Fund will invest a total of $10 million in Tekmira, which will have more than $35 million in cash and equivalents when the transaction closes. These funds will help Tekmira advance its pipeline of novel therapeutic products. The company expects to advance two therapeutics into clinical development over the next 12-18 months as treatments for hypercholesterolemia and cancer.

Neuromed Pharmaceuticals Inc. also reported good progress during the year. The company completed a US$53 million financing round and its lead pain compound for the relief of moderate-to-severe pain, NMED-1077, entered Phase lll clinical trials in 2007. Neuromed is also conducting research in collaboration with Merck on compounds designed to block the N-type calcium channel, a target linked to pain signal transmission.

Bycast Inc. reported solid growth in sales of its data-storage products. The company is enjoying robust demand because of exponential growth in data and a corresponding rise in corporate governance and regulatory requirements for longer data retention periods. By partnering with industry giants such as Hewlett Packard and IBM, Bycast is selling its data-storage solutions to hospitals and other medical institutions throughout North America.

Another promising portfolio company, **QuIC Financial Technologies Inc.,** reported strong growth in sales in 2007 for its software that helps analyze credit risk. The company's clients include some of the world's largest tier-one banks, regional financial institutions and global corporations. QuIC helps these companies solve complex portfolio simulation and instrument modelling problems, previously unsolvable due to high computational requirements. In 2007, QuIC ranked third-highest in customer satisfaction among the world's 100 leading risk-technology firms, according to an independent study.

Our outlook

We will continue to review the Fund's portfolio throughout the year to assess progress of its investment and divestment program. And we will also work closely with management of our portfolio companies to guide them through formative development periods.

We believe that sustained merger and acquisition activity and a return to favourable capital market conditions for initial public offerings will result in higher valuations for many of our portfolio companies.

Thank you for your continued confidence and patience.

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 and investment portfolio of GrowthWorks Access Fund Limited Partnership as at December 31, 2007 and 2006, the statements of operations, of deficit and of cash flows for the years then ended. 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, 2007 and 2006 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

Hay & Watson, *Chartered Accountants*

Vancouver, British Columbia
February 21, 2008

Statements of Net Assets

Years Ended December 31	2007	2006
ASSETS		
Cash	$ 104,204	$ 34,870
Investments, at estimated fair value (cost 2007 – $5,307,342, cost 2006 – $7,446,855)	4,548,060	4,599,714
Accounts receivable	33,566	–
	4,685,830	4,634,584
LIABILITIES		
Accounts payable and accrued liabilities	14,988	338,859
Advance from GrowthWorks Capital Ltd. (Note 5)	–	365,000
	14,988	703,859
NET ASSETS	$ 4,670,842	$ 3,930,725
PARTNERS' EQUITY		
Issued and fully paid partnership units	$ 10,100,010	$ 10,100,010
Capital repayment	(816,000)	(300,000)
Deficit	(3,853,886)	(3,022,144)
Unrealized depreciation of investments (Note 2)	(759,282)	(2,847,141)
	$ 4,670,842	$ 3,930,725
NUMBER OF PARTNERSHIP UNITS	1,010,001	1,010,001
NET ASSET VALUE PER PARTNERSHIP UNIT (Note 2)	$ 4.63	$ 3.89

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

David Levi, *Director*

Statements of Operations

Years Ended December 31	2007	2006
INVESTMENT INCOME		
Interest	$ 315,248	$ 1,102
EXPENSES		
Management fee (Note 3)	6,206	116,683
Miscellaneous	68	1,623
Professional fees	12,206	6,000
	12,274	124,306
INVESTMENT INCOME (LOSS)	302,974	(123,204)
REALIZED LOSS FROM SALE OF INVESTMENTS	(1,134,716)	–
UNREALIZED APPRECIATION (DEPRECIATION) OF INVESTMENTS	2,087,859	(663,390)
INCREASE (DECREASES) IN NET ASSETS FROM OPERATIONS	$ 1,256,117	$ (786,594)

Statements of Deficit

Years Ended December 31	2007	2006
DEFICIT, Beginning of Year	$ (1,167,833)	$ (2,898,940)
Investment income (loss)	(142,513)	(123,204)
Realized loss	(1,588,594)	–
DEFICIT, End of Year	$ (2,898,940)	$ (3,022,144)

Statements of Cash Flows

Years Ended December 31	2007	2006
Cash Flows From (Used In) Operating Activities		
Interest received	$ 8,819	$ 1,102
Cash paid for services	(338,373)	(14,151)
	(23,125)	(13,049)
Cash Flows From (Used In) Investing Activities		
Acquisition of investments	(74,710)	(265,752)
Proceeds from sale of investments	1,045,941	–
	971,231	(265,752)
Cash Flows From (Used In) Financing Activities		
(Repayment to) loan from GrowthWorks Capital Ltd.	(365,000)	240,000
Capital repayment	(513,772)	–
(INCREASE) DECREASE IN CASH	69,334	(38,801)
CASH, Beginning of Year	34,870	73,671
CASH, End of Year	$ 104,204	$ 34,870

Statements of Investment Portfolio

December 31, 2007

Venture Investments **Investee Companies**	**Debt at Cost**	**Equity at Cost**	**Unrealized Appreciation (Depreciation)**	**Estimated Fair Value 2007**	**Estimated Fair Value 2006**
Advanced Manufacturing					
Cellex Power Products Ltd.	$ –	$ –	$ –	$ –	$ 111,425
JGKB Photonics Inc.	–	216,150	(216,150)	–	–
	–	216,150	(216,150)	–	111,425
Life Sciences					
Celator Technologies Inc.	–	597,193	(122,913)	474,280	592,981
Cellfor Inc.	248,440	430,971	71,192	750,603	480,000
Neuromed Technologies Inc.	–	911,825	51,881	963,706	1,040,986
Protiva Biotherapeutics Inc.	–	594,033	142,236)	736,269	469,282
Twinstrand Therapeutics Inc.	–	605,676	–	605,676	605,676
Xillix Technologies Corp.	–	–	–	–	71,639
5267 Investments Ltd.	–	5	–	5	5
	248,440	3,139,703	142,396	3,530,539	3,230,569
Information Technology					
Antarti.ca Systems Inc.	–	169,024	(169,024)	–	–
Axonwave Software Inc.	–	–	–	–	173,662
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	(238,947)	351,511	418,048
	–	1,703,049	(685,528)	1,017,521	1,257,720
	$ 248,440	$ 5,058,902	$ (759,282)	$ 4,548,060	$ 4,599,714

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. Growth Works 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.

Investments

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, investments are recorded at their estimated fair values. Unrealized appreciation or depreciation of investments is recorded as a component of partners' equity.

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

- 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
- 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 process of valuing 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 investments. These differences could be material to the fair value of the investment portfolio.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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. The fee for 2007 was waived by the General Partner.

- 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 2007 and 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.

5. RELATED PARTY TRANSACTIONS

The Partnership paid management fees of $nil (2006 - $116,683) to the General Partner during the year ended December 31, 2007.

Advances of $365,000 were received during 2006 from GrowthWorks Capital Ltd., a company with directors in common with the General Partner. These advances were interest free and had no specific terms of repayment. They were repaid in 2007.

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, 2007.

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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