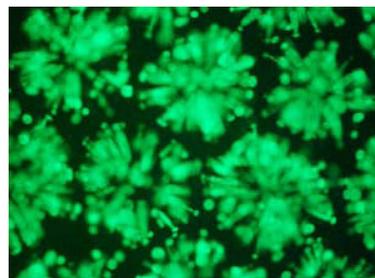


THE LIVER GROUP**CHAIRMAN'S REPORT
IN RESPECT OF THE ACCOUNTS
FOR THE YEAR ENDING 31 DECEMBER 2008**

This year has been a good year on the path to our goal, the creation of a bioartificial liver.

We are now confident about our improved culture techniques – I discussed last year the ‘floating beads principle’ in which cultured liver cells are supported in nourishing tissue culture fluid in a bioreactor whilst they grow in number. We have demonstrated that we can, as was our aim, achieve the required number of cells in this bioreactor.



Secondly, we have secured a grant from the New and Emerging Technologies programme of the NIHR, the National Institute for Health Services Research – which can be described as the Research and development arm of the National Health Service in England. These grants are aimed at supporting development of techniques and inventions which are perceived as making a real difference to patient care within a small number of years – translational rather than blue skies research, to use the jargon.

This grant is to perform a ‘proof of principle’ study in a large animal (porcine) model, thus using a bioreactor only slightly smaller than that which would be required for use in man, and by careful observation demonstrate that the manifestations of liver failure can be reversed. We will be performing these studies - over 2 years from March 2009 - in collaboration with the University of Cape Town, which has extensive experience and equipment for studies of this nature – a tradition developed when the world’s first heart transplants were developed there. We feel this stage of the work is vital, as making the bio-artificial liver a reality will require collaboration with manufacturers, suppliers and distributors of medical devices, and a successful outcome to this trial should unlock those opportunities.

The only disappointment – but anticipated in the current climate - about the grant funding from the NIHR is that as it came from a cash-limited pool, we shall still need to continue to raise funds from our supporters to support key work in the laboratory. During 2008 we continued to receive donations, for which we are hugely grateful; we shall continue our fund-raising efforts next year, despite the gathering clouds of a credit-crunch economy!

Once again I express my immense gratitude to our supporters, without whom this work would not be possible, and to my fellow trustees for their dedication and help.

Humphrey Hodgson
Chairman