

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2010 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☒ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>AVECIA DEFERRED COMPENSATION PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>07/01/1999</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>07/01/1999</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>07/01/1999</u>					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>AVECIA BIOTECHNOLOGY INC.</u> <u>155 FORTUNE BLVD</u> <u>MILFORD, MA 01575</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>04-3302969</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>508-532-2596</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>325900</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>04-3302969</u>	2c Sponsor's telephone number <u>508-532-2596</u>	2d Business code (see instructions) <u>325900</u>	
2b Employer Identification Number (EIN) <u>04-3302969</u>					
2c Sponsor's telephone number <u>508-532-2596</u>					
2d Business code (see instructions) <u>325900</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	09/28/2011	DAVID J. ROSS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	09/28/2011	DAVID J. ROSS
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") AVECIA BIOTECHNOLOGY INC. 155 FORTUNE BLVD MILFORD, MA 01575	3b Administrator's EIN 04-3302969 3c Administrator's telephone number 508-532-2596
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	225
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	125
b Retired or separated participants receiving benefits.....	6b	1
c Other retired or separated participants entitled to future benefits.....	6c	92
d Subtotal. Add lines 6a , 6b , and 6c	6d	218
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	1
f Total. Add lines 6d and 6e	6f	219
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	214
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	8
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2E 2F 2G 2J 2K 2T 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)
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SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan AVECIA DEFERRED COMPENSATION PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 AVECIA BIOTECHNOLOGY INC.	D Employer Identification Number (EIN) 04-3302969	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

THE VANGUARD GROUP

23-1945930

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 16 52	NONE	17275	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III	Termination Information on Accountants and Enrolled Actuaries (see instructions) (complete as many entries as needed)
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a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan AVECIA DEFERRED COMPENSATION PLAN	B Three-digit plan number (PN)	001
C Plan sponsor's name as shown on line 2a of Form 5500 AVECIA BIOTECHNOLOGY INC.	D Employer Identification Number (EIN) 04-3302969	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		17139
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	203059	157601
(9) Value of interest in common/collective trusts.....	1c(9)	2120723	1777826
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	9057181	10921632
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	11380963	12874198

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k		

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	11380963	12874198
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	304265	
(B) Participants	2a(1)(B)	842431	
(C) Others (including rollovers)	2a(1)(C)	87940	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1234636

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	5812	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		5812

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	185093	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		185093

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		51359
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		1238160
c Other income.....	2c		127
d Total income. Add all income amounts in column (b) and enter total.....	2d		2715187

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1202482	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1202482
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	19470	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		19470
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1221952

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1493235
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: ROWLAND JOHNSON & COMPANY, P.A.

(2) EIN: 51-0293511

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)

5b(3) PN(s)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan <u>AVECIA DEFERRED COMPENSATION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>AVECIA BIOTECHNOLOGY INC.</u>	D Employer Identification Number (EIN) <u>04-3302969</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>23-2186884</u> Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☒ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☒ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2010
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____



Rowland, Johnson
& Company, P.A.

Certified Public Accountants
Business Consultants

To the Trustees of the
Avecia Deferred Compensation Plan

INDEPENDENT AUDITOR'S REPORT

We were engaged to audit the accompanying statements of net assets available for benefits of Avecia Deferred Compensation Plan as of December 31, 2010 and 2009 and the related statements of changes in net assets available for benefits for the year ended December 31, 2010 and the supplemental schedule of assets held for investment purposes at end of year and schedule of reportable transactions. These financial statements and schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5 and in the supplementary schedules, which was certified by Vanguard Fiduciary Trust Company, the Trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2010 and 2009, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and the schedule taken as a whole. The form and content of the information included in the financial statements and the schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with U.S. generally accepted auditing standards and, in our opinion, is presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.


ROWLAND, JOHNSON & COMPANY, P.A.

September 27, 2011

AVECIA DEFERRED COMPENSATION PLAN

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2010

PLAN E.I. NUMBER: 51-0390490

PLAN NUMBER: 001

(a)	(b) Identity of Issue	(c) Investment Type	(e) Current Value
*	Vanguard 500 Index Inv	Registered Investment Company	\$ 1,999,280
*	Vanguard Balanced Ix Inv	Registered Investment Company	418,665
*	Vanguard Emrg Mkts Stk Idx Inv	Registered Investment Company	10,267
*	Vanguard Explorer Fund	Registered Investment Company	1,457,590
*	Vanguard Extend Mkt Index Inv	Registered Investment Company	220,386
*	Vanguard Int'l Growth Fund	Registered Investment Company	936,507
*	Vanguard Int'l Value Fund	Registered Investment Company	596,786
*	Vanguard Morgan Growth Inv	Registered Investment Company	1,198,265
*	Vanguard Prime Money Mkt	Registered Investment Company	4
*	Vanguard Tgt Retirement 2010	Registered Investment Company	56,167
*	Vanguard Tgt Retirement 2015	Registered Investment Company	28,081
*	Vanguard Tgt Retirement 2020	Registered Investment Company	205,751
*	Vanguard Tgt Retirement 2025	Registered Investment Company	33,696
*	Vanguard Tgt Retirement 2030	Registered Investment Company	126,352
*	Vanguard Tgt Retirement 2035	Registered Investment Company	295,509
*	Vanguard Tgt Retirement 2040	Registered Investment Company	287,890
*	Vanguard Tgt Retirement 2045	Registered Investment Company	15,812
*	Vanguard Tgt Retirement 2050	Registered Investment Company	154,439
*	Vanguard Tgt Retirement Income	Registered Investment Company	52,828
*	Vanguard Total Bond Mkt Index	Registered Investment Company	1,309,713
*	Vanguard Wellington Inv	Registered Investment Company	144,845
*	Vanguard Windsor II Fund Inv	Registered Investment Company	1,372,800
*	Vanguard Retire Savings Trust	Common/Collective Trust	1,777,826
*	Loan Fund	4% - 8.25%	157,601
<u>TOTAL ASSETS HELD FOR INVESTMENT PURPOSES</u>			<u>\$ 12,857,059</u>

Form 5500Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security
Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4085 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**OMB Nos. 1510-0110
1510-0089**2010****This Form is Open to Public Inspection****Part I Annual Report Identification Information**For calendar plan year 2010 or fiscal plan year beginning **01/01/2010** and ending **12/31/2010**

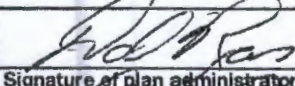
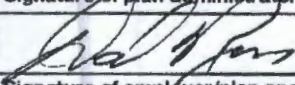
- A** This return/report is for: ☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) _____
- B** This return/report is: ☐ the first return/report; ☐ the final return/report; ☒ an amended return/report; ☐ a short plan year return/report (less than 12 months).
- C** If the plan is a collectively-bargained plan, check here ☐
- D** Check box if filing under: ☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description) _____

Part II Basic Plan Information - enter all requested information

1a Name of plan AVECIA DEFERRED COMPENSATION PLAN	1b Three-digit plan number (PN) ▶ 001
	1c Effective date of plan 07/01/1999
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) AVECIA BIOTECHNOLOGY INC. 155 FORTUNE BLVD MILFORD MA 01575	2b Employer Identification Number (EIN) 04-3302969 2c Sponsor's telephone number (508) 532-2596 2d Business code (see instructions) 325900

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE		09/28/2011	DAVID J. ROSS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE		09/28/2011	DAVID J. ROSS
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2010)
V.092307.1

3a Plan administrator's name and address (If same as plan sponsor, enter "Same")

SAME

3b Administrator's EIN**3c** Administrator's telephone number**4** If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:**4b** EIN**a** Sponsor's name**4c** PN**5** Total number of participants at the beginning of the plan year**5** 225**6** Number of participants as of the end of the plan year (welfare plans complete only lines 6a, 6b, 6c, and 6d).**a** Active participants **6a** 125**b** Retired or separated participants receiving benefits **6b** 1**c** Other retired or separated participants entitled to future benefits **6c** 92**d** Subtotal. Add lines 6a, 6b, and 6c **6d** 218**e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits **6e** 1**f** Total. Add lines 6d and 6e **6f** 219**g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) **6g** 214**h** Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested **6h** 8**7** Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) **7****8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2E 2F 2G 2J 2K 2T 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:**9a** Plan funding arrangement (check all that apply)

- (1) ☐ Insurance
 (2) ☐ Code section 412(e)(3) insurance contracts
 (3) ☒ Trust
 (4) ☐ General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

- (1) ☐ Insurance
 (2) ☐ Code section 412(e)(3) insurance contracts
 (3) ☒ Trust
 (4) ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)**a Pension Schedules**

- (1) ☒ **R** (Retirement Plan Information)
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
 (2) ☐ **I** (Financial Information - Small Plan)
 (3) ☐ **A** (Insurance Information)
 (4) ☒ **C** (Service Provider Information)
 (5) ☒ **D** (DFE/Participating Plan Information)
 (6) ☐ **G** (Financial Transaction Schedules)

AVECIA DEFERRED COMPENSATION PLAN

FINANCIAL STATEMENTS
SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2010 AND 2009

AVECIA DEFERRED COMPENSATION PLAN

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DECEMBER 31, 2010 AND 2009

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<u>SUPPLEMENTARY INFORMATION</u>	
Schedule of Assets Held For Investment Purposes at End of Year	12
Schedule of Reportable Transactions	13



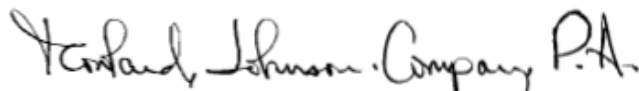
To the Trustees of the
Avecia Deferred Compensation Plan

INDEPENDENT AUDITOR'S REPORT

We were engaged to audit the accompanying statements of net assets available for benefits of Avecia Deferred Compensation Plan as of December 31, 2010 and 2009 and the related statements of changes in net assets available for benefits for the year ended December 31, 2010 and the supplemental schedule of assets held for investment purposes at end of year and schedule of reportable transactions. These financial statements and schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5 and in the supplementary schedules, which was certified by Vanguard Fiduciary Trust Company, the Trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2010 and 2009, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and the schedule taken as a whole. The form and content of the information included in the financial statements and the schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with U.S. generally accepted auditing standards and, in our opinion, is presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.


ROWLAND, JOHNSON & COMPANY, P.A.

September 27, 2011

AVECIA DEFERRED COMPENSATION PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

ASSETS

	December 31,	
	<u>2010</u>	<u>2009</u>
<u>INVESTMENTS, at fair value</u>		
Pooled separate accounts:		
Registered investment companies	\$ 10,921,632	\$ 9,057,181
Vanguard Retirement Savings Trust	<u>1,777,826</u>	<u>2,120,723</u>
<u>TOTAL INVESTMENTS</u>	<u>12,699,458</u>	<u>11,177,904</u>
<u>RECEIVABLES</u>		
Notes receivable from participants	157,601	203,059
Employer contributions	<u>17,139</u>	<u>-</u>
<u>TOTAL RECEIVABLES</u>	<u>174,740</u>	<u>203,059</u>
<u>NET ASSETS AVAILABLE FOR</u> <u>BENEFITS AT FAIR VALUE</u>	12,874,198	11,380,963
Adjustment to contract value for Retirement Savings Trust	<u>(70,007)</u>	<u>(45,846)</u>
<u>NET ASSETS AVAILABLE FOR BENEFITS</u>	<u>\$ 12,804,191</u>	<u>\$ 11,335,117</u>

See accompanying notes and independent auditor's report

AVECIA DEFERRED COMPENSATION PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	<u>Years Ended December 31,</u>	
	<u>2010</u>	<u>2009</u>
<u>ADDITIONS</u>		
Additions to net assets attributed to:		
<u>Investment income:</u>		
Net appreciation in fair value of investments	\$ 1,238,160	\$ 1,860,622
Interest, dividends and short-term earnings	236,452	233,288
Income from participant loans	5,812	6,815
	<u>1,480,424</u>	<u>2,100,725</u>
<u>TOTAL INVESTMENT INCOME (LOSS)</u>		
	<u>1,480,424</u>	<u>2,100,725</u>
<u>Contributions</u>		
Employer	304,265	134,870
Participants	842,431	781,974
Other	87,940	100
	<u>1,234,636</u>	<u>916,944</u>
<u>TOTAL CONTRIBUTIONS</u>		
	<u>1,234,636</u>	<u>916,944</u>
<u>OTHER INCOME</u>	127	-
	<u>127</u>	<u>-</u>
<u>TOTAL ADDITIONS</u>	<u>2,715,187</u>	<u>3,017,669</u>
<u>DEDUCTIONS</u>		
Deductions from net assets attributed to:		
Benefit withdrawals and terminations	1,202,482	1,155,299
Corrective distributions	-	17,256
Administrative expenses	19,470	14,449
	<u>1,221,952</u>	<u>1,187,004</u>
<u>TOTAL DEDUCTIONS</u>		
	<u>1,221,952</u>	<u>1,187,004</u>
<u>NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS</u>	1,493,235	1,830,665
<u>NET ASSETS AVAILABLE FOR BENEFITS, at fair value</u>		
Beginning of year	11,380,963	9,550,298
	<u>11,380,963</u>	<u>9,550,298</u>
End of year	<u>\$ 12,874,198</u>	<u>\$ 11,380,963</u>

See accompanying notes and independent auditor's report.

AVECIA DEFERRED COMPENSATION PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

NOTE 1: DESCRIPTION OF PLAN

The following description of the Avecia Deferred Compensation Plan provides only general information. Participants should refer to the Plan Agreement for a more complete description of the Plan's provisions.

GENERAL - The Plan is a defined contribution plan under Section 401(k) of the Internal Revenue Code covering full and part-time employees of Avecia Biotechnology, Inc. who have reached the age of twenty-one. Non-resident aliens, secondees and leased employees are not eligible. It is subject to the provisions of the Employee Retirement Income Security Act (ERISA).

CONTRIBUTIONS - Each year, participants may contribute up to 33% of annual compensation, as defined in the Plan, on a pre-tax basis. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers several mutual funds as investment options for participants. Effective January 1, 2010, the Company makes matching contributions of 100% of the dollar amount of the Participant's contribution, up to 2% of compensation and 50% of the Participant's contribution from 2% to 6% of compensation, for a maximum matching contribution of 4% of compensation. Matching contributions were discontinued from May 16, 2009 through December 31, 2009. Company contributions are invested as directed by the participant. The Plan also allows employer profit sharing contributions. There were no profit sharing contributions for the years ended December 31, 2010 and 2009.

PARTICIPANT ACCOUNTS - Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and (b) Plan earnings. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

VESTING - Participants are immediately vested in their voluntary contributions and the Company's matching contribution plus actual earnings thereon. Vesting in the Company's fixed contributions plus earnings thereon is based on years of continuous service. A participant is 100 percent vested after five years of credited service.

NOTES RECEIVABLE FROM PARTICIPANTS - Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at rates commensurate with local prevailing rates as determined by the Plan Administrator. Principal and interest are repaid through payroll deductions.

AVECIA DEFERRED COMPENSATION PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

NOTE 1: DESCRIPTION OF PLAN (Continued)

PAYMENT OF BENEFITS - On termination of service due to death, disability or retirement, a participant shall receive all amounts credited to such participant's account. Benefit payments to participants are recorded when paid.

FORFEITED ACCOUNTS - At December 31, 2009, forfeited nonvested accounts totaled \$23,966. These accounts were used in 2010 to reduce future employer contributions. As of December 31, 2010, the forfeited nonvested accounts were zero.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements of the Plan are prepared using the accrual method of accounting in accordance with generally accepted accounting principles in the United States of America, except for distributions paid to participants which are prepared on the cash basis of accounting.

NOTES RECEIVABLE FROM PARTICIPANTS - Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon terms of the Plan documents.

USE OF ESTIMATES - The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the plan administrator to make estimates and assumptions that affect the reported statement of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

INVESTMENT VALUATION AND INCOME RECOGNITION - The Plan's investments are stated at fair value. Shares of registered investment companies are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end. Units of the Retirement Savings Trust are valued at net asset value at year-end. Participant loans are valued at cost, which approximates fair value.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is accrued when earned. Dividend income is recorded on the ex-dividend date. Capital gain distributions are included in dividend income.

AVECIA DEFERRED COMPENSATION PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

VALUATION OF INVESTMENTS - All investments are carried at fair value. The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statement of net assets available for Plan benefits.

SUBSEQUENT EVENTS - The Company's policy is to evaluate events and transactions subsequent to its year end for potential recognition in the financial statements or disclosure in the notes to the financial statements. All events and transactions have been evaluated through the date of the accountant's report, which is the date the financial statements were available to be issued.

NOTE 3: RELATED PARTY TRANSACTIONS

The Plan invests in shares of mutual funds managed by an affiliate of Vanguard Fiduciary Trust Company (VFTC). VFTC acts as trustee for only those investments as defined by the Plan. Transactions in such investments qualify as party-in-interest transactions, which are exempt from the prohibited transaction rules. Fees paid by the Plan and Plan sponsor on behalf of the Plan for commissions and service fees amounted to \$19,470 and \$14,449 for the Plan years ended December 31, 2010 and 2009, respectively.

In addition, the Plan sponsor also pays other administrative expenses on behalf of the Plan, such as audit and legal fees.

NOTE 4: PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100 percent vested in their employer contributions.

AVECIA DEFERRED COMPENSATION PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

NOTE 5: INFORMATION PREPARED AND CERTIFIED BY TRUSTEE

The following information included in the accompanying financial statements and the supplementary schedule was obtained from data that has been prepared and certified to as complete and accurate by Vanguard Fiduciary Trust Company, Trustee for the Plan:

	December 31,	
	2010	2009
<u>Investments Held:</u>		
Registered investment companies:		
Vanguard 500 Index Fund	\$ 1,999,280*	\$ 1,886,940*
Vanguard Asset Allocation Fund	-	744,305*
Vanguard Emrg Mkts Stk Idx Inv	10,267	-
Vanguard Balanced Index Fund	418,665	399,736
Vanguard Explorer Fund	1,457,590*	1,085,690*
Vanguard Extend Mkt Index Inv	220,386	129,899
Vanguard International Growth Fund	936,507*	669,013*
Vanguard International Value Fund	596,786*	561,152*
Vanguard Morgan Growth Fund	1,198,265*	1,003,770*
Vanguard Prime Money Mkt	4	23,966
Vanguard Target Retirement 2010 Fund	56,167	-
Vanguard Target Retirement 2015 Fund	28,081	7,724
Vanguard Target Retirement 2020 Fund	205,751	46,890
Vanguard Target Retirement 2025 Fund	33,696	22,028
Vanguard Target Retirement 2030 Fund	126,351	451
Vanguard Target Retirement 2035 Fund	295,509	32,245
Vanguard Target Retirement 2040 Fund	287,890	54,111
Vanguard Target Retirement 2045 Fund	15,812	4,479
Vanguard Target Retirement 2050 Fund	154,439	20,269
Vanguard Target Retirement Income	52,828	1,057
Vanguard Total Bond Market Index Fund	1,309,713*	1,145,996*
Vanguard Wellington Inv	144,845	-
Vanguard Windsor II Fund	1,372,800*	1,217,460*
	10,921,632	9,057,181
Vanguard Retirement Savings Trust	1,777,826*	2,120,723*
Participant loans	157,601	203,059
<u>Total</u>	<u>\$ 12,857,059</u>	<u>\$ 11,380,963</u>

*Represents assets greater than 5% of net assets available for Plan benefits at beginning of the year.

AVECIA DEFERRED COMPENSATION PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

NOTE 5: INFORMATION PREPARED AND CERTIFIED BY TRUSTEE (Continued)

The Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

	Year Ended December 31, 2010	2009
Registered investment companies	\$ 1,214,000	\$ 1,789,674
Vanguard Retirement Savings Trust	24,160	70,948
	<u>\$ 1,238,160</u>	<u>\$ 1,860,622</u>

NOTE 6: FAIR VALUE MEASUREMENTS

The financial accounting standards board provides a framework for measuring fair value into a three-level fair value hierarchy, based on priority of inputs to the respective valuation technique. The three-level hierarchy for fair value measurement is defined as follows:

Level 1 - Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;

Level 2 - Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies; and

Level 3 - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the Plan makes estimates and assumptions related to pricing of the asset or liability including assumptions of risk.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2010 and 2009.

Mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year end.

AVECIA DEFERRED COMPENSATION PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

NOTE 6: FAIR VALUE MEASUREMENTS (Continued)

Common/collective trusts: Valued at the net asset value (NAV) of shares held by the plan at year end.

Loans to participants: Loans to Plan participants are valued at cost plus accrued interest, which approximates fair value.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following summarizes Plan's financial instruments carried at fair value on a recurring basis by fair value hierarchy levels described above:

	As of December 31, 2010			
	Quoted Prices In Active Markets for Identical Assets: (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Mutual funds	\$ 10,921,632	\$ -	\$ -	\$ 10,921,632
Common/collective trusts	-	1,777,826	-	1,777,826
Participant	-	-	157,601	157,601
<u>TOTAL ASSETS AT FAIR VALUE</u>	<u>\$ 10,921,632</u>	<u>\$ 1,777,826</u>	<u>\$ 157,601</u>	<u>\$ 12,857,059</u>

AVECIA DEFERRED COMPENSATION PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

NOTE 6: FAIR VALUE MEASUREMENTS (Continued)

	As of December 31, 2009			
	Quoted Prices In Active Markets for Identical Assets: (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Mutual funds	\$ 9,057,181	\$ -	\$ -	\$ 9,057,181
Common/collective trusts	-	2,120,723	-	2,120,723
Participant	-	-	203,059	203,059
<u>TOTAL ASSETS AT FAIR VALUE</u>	<u>\$ 9,057,181</u>	<u>\$ 2,120,723</u>	<u>\$ 203,059</u>	<u>\$ 11,380,963</u>

NOTE 7: TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated March 23, 2011, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

NOTE 8: RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

AVECIA DEFERRED COMPENSATION PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

NOTE 10: RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2010 and 2009 to Form 5500:

	December 31,	
	2010	2009
Net assets available for benefits:		
As reported in these financial statements	\$ 12,804,191	\$ 11,335,117
Adjustment to fair value for Retirement Savings Trust	70,007	45,846
<u>NET ASSETS AVAILABLE FOR BENEFITS</u>		
<u>PER FORM 5500</u>	<u>\$ 12,874,198</u>	<u>\$ 11,380,963</u>
Net change in net assets available for plan benefits:		
As reported in these financial statements	\$ 1,493,235	\$ 1,830,665
Adjustment to fair value for Retirement Savings Trust	-	-
<u>CHANGE IN NET ASSETS AVAILABLE FOR</u>		
<u>BENEFITS PER FORM 5500</u>	<u>\$ 1,493,235</u>	<u>\$ 1,830,665</u>

SUPPLEMENTARY INFORMATION

AVECIA DEFERRED COMPENSATION PLAN

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2010

PLAN E.I. NUMBER: 51-0390490

PLAN NUMBER: 001

(a)	(b) Identity of Issue	(c) Investment Type	(e) Current Value
*	Vanguard 500 Index Inv	Registered Investment Company	\$ 1,999,280
*	Vanguard Balanced Ix Inv	Registered Investment Company	418,665
*	Vanguard Emrg Mkts Stk Idx Inv	Registered Investment Company	10,267
*	Vanguard Explorer Fund	Registered Investment Company	1,457,590
*	Vanguard Extend Mkt Index Inv	Registered Investment Company	220,386
*	Vanguard Int'l Growth Fund	Registered Investment Company	936,507
*	Vanguard Int'l Value Fund	Registered Investment Company	596,786
*	Vanguard Morgan Growth Inv	Registered Investment Company	1,198,265
*	Vanguard Prime Money Mkt	Registered Investment Company	4
*	Vanguard Tgt Retirement 2010	Registered Investment Company	56,167
*	Vanguard Tgt Retirement 2015	Registered Investment Company	28,081
*	Vanguard Tgt Retirement 2020	Registered Investment Company	205,751
*	Vanguard Tgt Retirement 2025	Registered Investment Company	33,696
*	Vanguard Tgt Retirement 2030	Registered Investment Company	126,352
*	Vanguard Tgt Retirement 2035	Registered Investment Company	295,509
*	Vanguard Tgt Retirement 2040	Registered Investment Company	287,890
*	Vanguard Tgt Retirement 2045	Registered Investment Company	15,812
*	Vanguard Tgt Retirement 2050	Registered Investment Company	154,439
*	Vanguard Tgt Retirement Income	Registered Investment Company	52,828
*	Vanguard Total Bond Mkt Index	Registered Investment Company	1,309,713
*	Vanguard Wellington Inv	Registered Investment Company	144,845
*	Vanguard Windsor II Fund Inv	Registered Investment Company	1,372,800
*	Vanguard Retire Savings Trust	Common/Collective Trust	1,777,826
*	Loan Fund	4% - 8.25%	157,601
<u>TOTAL ASSETS HELD FOR INVESTMENT PURPOSES</u>			<u>\$ 12,857,059</u>

AVECIA DEFERRED COMPENSATION PLAN

(SCHEDULE OF REPORTABLE TRANSACTIONS - ATTACHMENT FOR SCHEDULE H, LINE 4)

YEAR ENDED DECEMBER 31, 2010

<u>Identity of Party Involved</u>	<u>Description of Asset (include interest rate and maturity in the case of a loan)</u>	<u>Purchase Price</u>	<u>Selling Price</u>	<u>Historical Cost of Asset</u>	<u>Current Value of Asset on Transaction Date</u>	<u>Historical Gain (Loss)</u>
Vanguard	Vanguard 500 Index Inv	\$ 281,685.79			\$ 281,685.79	
Vanguard	Vanguard 500 Index Inv		\$ 394,990.96	\$ 418,836.23	394,990.96	\$ (23,845.27)
Vanguard	Vanguard Retire Savings Trust	225,255.40			225,255.40	
Vanguard	Vanguard Retire Savings Trust		592,313.92	592,313.92	592,313.92	-