Atlantic Wind & Solar Inc

Annual Report

2013

Trading Symbol: OTC: AWSL

CUSIP: 049127103

Authorized Number of Shares: 500,000,000

Issued Number of Shares: 44,707,601

Atlantic Wind & Solar Inc.

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Chairman's Address to Shareholders

... 2013 was milestone year for Atlantic Wind & Solar.

Atlantic, again set Company records in project development, in revenue recognition, and in the launch of new projects, all while decreasing expenses and improving productivity.

Atlantic more than doubled its sales from the previous year. In 2013, we recorded $3,913,217 in revenue attributed to the initial work on approximately 3 MWp of Feed-In-Tariff contracts (FIT) in Ontario, Canada. Approximately $6.0 million in additional revenues are expected to be recorded in 2014 for the balance of work on these projects.

Profitability continued to improve significantly. Losses were almost non -existent at only $225,228, a 35% improvement from the previous year and down substantially from $2,700,000 three years earlier.

In the fourth quarter Atlantic was able to refinance almost 90% of its Preferred shares from 12% to 8% securing substantial savings going forward.

Atlantic continued to move its 25 MWp approved power plant project in Ecuador forward with the submission of the final system designs to CONELEC, the government's electricity regulatory authority. This 25 MWP is Phase 1 of the total 60 MWp approved under the country's Feed-In-Tariff program.

In Canada, Atlantic signed another power purchase agreement with the Ontario Power Authority ("OPA"") for a utility scale industrial rooftop installation of 320 KW. This represents Atlantic's 21st deal with the OPA in the past few years.

Management expresses its deep appreciation to its suppliers, affiliates, consultants, and co-workers, with a special thanks to its new Ecuadorian additions, plus all stakeholders as it looks forward to continuing to complete existing projects while striking swiftly at new opportunities in the Renewable Energy sector globally.

Sincerely,

Gilles A. Trahan

Gilles A. Trahan
Chairman

March, 21st, 2014

In 2013 Atlantic set Company records in project development for a second year in a row, more than doubled its sales from the previous year, and continued to significantly improve profitability.

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Atlantic Wind & Solar

OTC: AWSL
2013 ANNUAL REPORT

Atlantic in Canada and Ecuador

Both Ontario and Ecuador were key areas of focus for 2013 and will both be strong areas of interest for 2014.

The Ontario, Canada Feed-In Tariff Program (FIT)

When Ontario introduced a FIT Program in 2009 Atlantic zoomed in on the Greater Toronto Area ultimately receiving 20 FIT Contracts/Power Purchase Agreements (PPA) totaling 2.712 Megawatts (MW) AC which became Portfolios 101 and 102.

Portfolio 101 is comprised of 12 commercial buildings in Mississauga and Brampton in Ontario and represents 1.582 MW AC or approximately 1.9 MW DC peak. Construction commenced in September 2013 with 2 projects now completed and awaiting Commercial Operation Date (COD) confirmation from the Ontario Power Authority (OPA). The balance are at various stages nearing completion with all expected to be completed in the first half of 2014.

Portfolio 102 is comprised of 4 large commercial installations in Mississauga and Milton in Ontario and represents 1.130 MW AC or approximately 1.35 MW DC. Notice to Proceed (NTP) was received from the Ontario Power Authority in November 2013 on 130kW. Construction is being scheduled for Q1 2014 with the remaining megawatt expected to follow shortly afterward.

After a long hold period on FIT applications the Ontario Power Authority (OPA) announced a new program they called FIT 2.0. Atlantic is currently working on 320kWs received under this phase of the Ontario FIT program. FIT 3.0 opened for a brief period during which Atlantic submitted 8+ megawatts of new applications.

Ontario remains a market in which Atlantic will keep active.

The Ecuador Feed-In Tariff Program (FIT)

CONELEC

When the electricity authority of Ecuador, Consejo Nacional de Electricidad ("Conelec"), adopted a system of feed-in tariffs for the development of renewable energy in 2011 Atlantic leaped at the opportunity to set up operations in South America.

Atlantic in South America

South American countries such as Ecuador appear to be some of the best positioned markets in the world to leverage the benefits of large scale photovoltaic solar farms. This is based not just on geography and the proximity of the equator but also on the region's increasing economic status and rapidly evolving energy demands. The programs seem drawn to create sustainable energy first and boost the economy later. Job creation is good and reducing carbon emissions is great but above both is the need for electricity. In many areas the existing price structure plus existing grid issues make solar not just a more reliable solution but also a cheaper one.

The Ecuador Feed-in-Tariff covers both the continent and the Galápagos Islands. It is intended to encourage the development of renewable energy projects across the country, boost investment, increase jobs and, eliminate the reliance on the hydro and thermal electricity generation. It includes a 20 year "take-if-delivered" off-take agreement, with a fixed price of $400.30/mWh for the first 15 years, backed by the full faith and credit of the Ecuador Federal government. The combination of a centrally administered permitting authority and a 20-year off-take at economically favorable rates represents an opportunity for the development of large utility grade solar PV power plants.

Atlantic's new Ecuadorian division focused on the development of large scale, greenfield, ground mount solar projects and made exceptional progress very quickly. The result was the approval of fifty megawatts of PPAs at the December 27th, 2012 Board Meeting of CONELEC. An Enabling Title, as the PPA is known, for 20 MW AC of nominal power, represents Phase 1 of the company's 60 MW DC of power plant projects in the province of Esmeraldas, Ecuador. The projects' total cost will be approximately USD 150 million with Phase 1, in the town of Lagarto about 70 kilometres from the city of Esmeraldas, constituting roughly 40%. Construction financing is expected from the module manufacturers and off-take partners of the project.

The plants will generate in excess of 67,000 mWh per year of clean electricity equalling enough energy to power 60,000 households while offsetting annual CO2 emissions of nearly 40,000 metric tons. This is the equivalent of taking approximately 8,000 cars off the road.

The construction phase of the project will employ an estimated 500 workers. Under a corporate social responsibility plan Atlantic will improve the area's utility infrastructure, contributing 50% of associated costs in partnership with the local distribution company, plus build two playgrounds for the local children.

The recording of revenues on these projects is expected to start imminently.

Atlantic in Ecuador

The announcement of the new FIT program in Ecuador in April 2011 drew the immediate attention of the solar PV community. With an Ecuadorian team put together, and a solid, in-house, how-to manual built from the work in Ontario (i.e. learned the hard way), Atlantic made progress at lightening speed in the new market. And with a closing date of the December 31st, 2012 application window the PV world had 20 months to compete for 300 MWs of lucrative FIT contracts paying $400.30 per megawatt hour. By all accounts 50 MW were spoken for from the outset, set aside, in all fairness, to a large Spanish firm that had been instrumental in raising awareness in the country and helping set up the program. That left 250 MW of PPAs to be allocated. Side-by-side with industry giants, smaller companies pitted speed against size to secure projects under a FIT rate that rivaled the best in the world.

An interesting, insightful, and revealing question Atlantic has been asked is: “Why you?” How did Atlantic, a small company by the standards of the international competition for Ecuadorian PPAs, end up with 20% of the awarded FIT contract capacity? The answer is that Atlantic’s management team drew upon its extensive global contact base which includes Ecuador. The Company was busily working on Ontario FIT contracts when Ecuador announced its own program. Atlantic had people on the flight to Quito immediately and began networking contacts, friends, family, etc. to determine the best (and fastest given the time limit) way to secure land and PPAs. Having deep roots and a broad network proved invaluable in getting information and answers quickly plus high level local insight into the goals behind the program.

Once PPAs were awarded many other PPA-holding companies began working to secure connectivity. Some companies found a brick wall at the utility where Atlantic had pre-arranged a joint venture with the Esmeraldas Local Distribution Company (LDC). Atlantic and the LDC are to be co-designers, co-builders, and co-financiers of a sub-station - which is required by the LDC whether a PV system is built or not. Thus the LDC saves 50% of the cost of necessary (and overdue) construction while Atlantic ensures connectivity to the point of building the sub-station on a corner of the future PV site.

The PPA also requires a “socialization” process. The process can be contentious if any local groups oppose a project or oppose the use of land. Atlantic, having worked with the community from the beginning (to the point of having the community rally the government in favor of the PV project), had the socialization documents secured prior to receiving the PPA.

In short Atlantic’s speed, experience, and relationships strong enough to make us local before the program launched, is the answer to the question: “Why us?”

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Management Discussion and Analysis of its Business

Atlantic's Business Model

Atlantic Wind and Solar, Inc. is a solar project developer with a near term focus on solar energy projects in Canada and Ecuador. The company's business model is to swiftly enter countries that introduce new Feed In Tariffs. Atlantic has successfully implemented this model in Ontario, Canada and in Ecuador, the result being the receipt of over 60 megawatts of power purchase agreements since 2010. The Company sees such opportunities as, literally, emerging markets.

Solar Project Development

The term "developer" is used broadly in the industry but generally means a company (or group or individual for that matter) that takes a potential project from any one stage of development to another stage closer to the Commercial Operation Date (C.O.D.) - the point at which a project begins to sell electricity.

The degree of profitability in developing a project depends, simplistically, on two factors. The first is the overall potential profitability of the project itself to which there are three key components: the cost to construct the project, the amount of power that the project will produce, and the price the project will receive for the electricity it sells. Production times price determines the return on the investment and thus the overall attractiveness of the completed project. The second factor is the amount of value added by the developer from the time the developer took control of the project to the time control is ceded.

Atlantic focuses mostly on in-house "greenfield" development. This is when a project is essentially started from scratch. Turning an idea into the framework of a deal and carrying this through the documentation phase to the point where a project is potentially viable can be very challenging. From this stage, the work toward a Power Purchase Agreement can also be arduous and time consuming.

Time, funding, and frustration are barriers to entry in this phase of development and therefore it is in this phase that a company willing to tackle an idea repeatedly, tirelessly, from all angles, and for an indeterminable period of time, can add significant value when successful.

Atlantic will also evaluate a project where external development work has been done to a point where potential synergies exist with existing in-house projects. In such cases the Company may take control of an external project and complete the work required to reach C.O.D.

Sources of Revenue

Developer Fee

Atlantic earns a fee for developing a project. The more development value that is added to a project the higher the fee earned, subject, of course, to the project's overall potential value. Some development companies sell projects at the application stage to avoid the time to PPA and the risk of rejection. Others buy projects at PPA and take them toward C.O.D.. Atlantic's core business is to develop projects from the very beginning to the very end. Once the Company takes control of a project it prefers to see it through to C.O.D. to maximize value added. In a case where Atlantic gets involved in a later stage project it does so either for a smaller than usual fee when there is less value to add or for a larger than usual fee when an excessive amount of work is required (i.e. a project needs to be saved).

EPC Margin

Atlantic's model is to remain involved in all projects through the Engineering, Procurement, and Construction (EPC) process. This helps to ensure that projects stay on track toward completion. There is also a margin to be earned as EPC. For some of the current projects entering construction Atlantic will be involved in the project management providing oversight of subcontracted EPC firms providing the boots-on-the-ground. For future projects Atlantic anticipates increasing its participation in this part of the process.

Ownership Retention

When developing projects to and through C.O.D. there sometimes exists the option to exchange some or all of the developer fee for long term ownership in the project. Atlantic's ultimate goal is to assemble a portfolio of long term power and revenue producing assets. This proved challenging for Ontario FIT 1.0 rooftop projects given the number of parties often involved in a transaction. In Ecuador, with the projects being ground mounted solar plants built on vacant land, the projects themselves will buy and own the land for the duration of the PPA. This makes shared ownership much easier. Atlantic is currently working on the ownership structure for these projects.

Plan of Operations and Key Points of Focus for 2014

More Solar

Atlantic's recent focus has been on solar. The Company had an early interest in wind energy and continues to keep an eye out for wind projects. Atlantic has also recently turned its interest to small and medium sized hydroelectric projects.

The key points of focus for Atlantic for 2014 will be:

- Completion of all Ontario FIT projects.
- Commencement of Construction on the 25 MWp plant in Ecuador.
- Finalization of 30 MW AC PPA in Ecuador for Construction in 2014/2015.
- Further Development of 100 MW PPA application submitted in Ecuador in 2012.
- Development of FIT Contracts in Ontario under FIT 3.0 if and when issued.
- Further Development of Early Stage Projects for Ontario's Future FIT program.

Atlantic's Social Impact and the Triple Bottom Line

Atlantic explores solar power plants in markets in true need of electricity. This provides the Company with the opportunity to make social and environmental improvements in areas where there is an immediate and direct impact. Atlantic is committed to the concept of the triple bottom line ("TBL" or "3BL"). A company has to be profitable but should also strive to improve its ecological and social bottom lines in tandem with its economic one.

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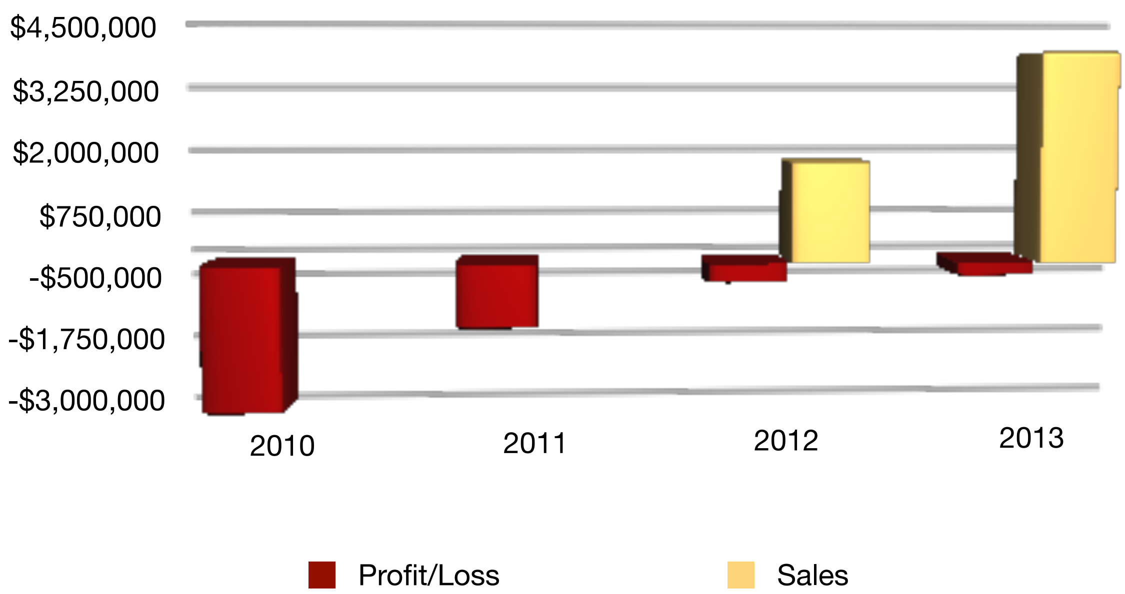
Management Discussion and Analysis of Operations and Financial Condition

Discussion and Analysis of the Results of Operations

Management at Atlantic is very pleased with the four years covered by the attached financial statements. In 2013 the Company set records in project development, in revenue recognition, and in the launch of new projects. Atlantic more than doubled its sales from the previous year while decreasing expenses and improving productivity.

Chart - Sales and Profit/Loss 2010, 2011, 2012, 2013

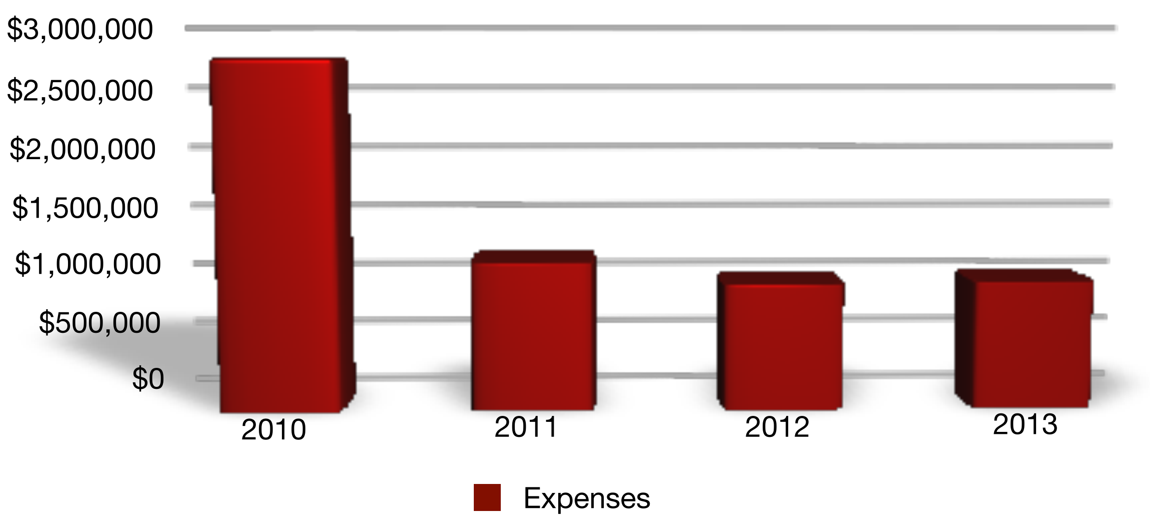


Most recently Atlantic recorded $3,913,217 in revenue from its work to date on its 20 Ontario FIT 1.0 contracts/projects. The balance of these projects are expected to be completed in the first half of 2014. Atlantic is in the initial stages of 320 kw of contracts for FIT 2.1 and has submitted approximately 10 MW of applications under FIT 3.0

In Ecuador Atlantic progressed on the first 20 MW AC (25 MWp) of its 50 MW AC of FIT contracts there. The Company submitted final system designs on schedule and is in the process of finalizing details on construction and commercial operation.

Finally, in 2013 management continued to concentrate on keeping expenses as low as possible.

Chart - Expenses 2010, 2011, 2012, 2013



Expenses stayed very close to flat from 2012 to 2013 increasing by just 1.6% despite management doubling the sales

Discussion and Analysis of Financial Condition

Management at Atlantic is pleased with the financial condition of the company while reserving the right to be somewhat disappointed with the speed of construction (and thus speed of cash receivables) during the harshest winter in modern memory.

Atlantic has continued its policy of protecting shareholders by limiting share issuance. At the end of 2013 there were 44,707,610 common shares outstanding versus 44,707,610 in 2012 - a change of 0.0%.

The Company's working capital requirements are funded by receipts from the general operations. While the management continues to be willing and prepared to fund the Company if necessary, as it has done in the past, the Company has now reached a point where its profitability should fund its operations and planned growth strategies for the foreseeable future.

From a financial perspective Atlantic remains very proud of what it has done and, in terms of shareholder dilution, what it has not done.

Closing Comments

Management's Preview of 2014

Atlantic looks forward to having 100% of its Ontario FIT 1.0 projects up and running by the end of 2014.

In Ecuador Atlantic anticipates having a significant percentage of construction completed on its first 20 MW AC (25 MWP) project and having Phase 2 of 30 MW AC fully ready for construction in 2015.

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Certification of Financial Statements and Notes

Certification of Financial Statements and Notes by CEO

I, Gilles A. Trahan, certify that:

1 I have reviewed the year end financial statement of Atlantic Wind and Solar, Inc., a West Virginia corporation;

2 Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3 Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: 21st March 2014

By:/s/ Gilles A. Trahan
CEO, Director

Certification of Financial Statements and Notes by CFO

I, Martin Baldwin, certify that:

1 I have reviewed the year end financial statement of Atlantic Wind and Solar, Inc., a West Virginia corporation;

2 Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3 Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: 21st March 2014

By:/s/ Martin Baldwin
CFO, Director

ATLANTIC WIND AND SOLAR, INC.

Consolidated Financial Statements
December 31, 2013, 2012, 2011 and 2010

ATLANTIC WIND AND SOLAR, INC.

Consolidated Financial Statements
December 31, 2013, 2012, 2011 and 2010

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ATLANTIC WIND AND SOLAR, INC.
Unaudited Consolidated Balance Sheets

	December 31, 2013	2012	2011	2010
ASSETS				
Current assets				
Cash	$ 148,770	$ 94,755	$ 143	$ 33,903
Accounts receivable, net of allowance of $0	4,331,277	1,128,054	-	-
Other current assets	147,622	144,470	64,219	23,776
Total current assets	4,627,669	1,367,279	64,362	57,679
Equipment, net of accumulated depreciation of $3,649, $3,423, $3,346 and $2,201	-	-	-	1,211
Security deposit	-	-	14,710	15,002
Note receivable, net of allowance	370,855	173,434	-	133,233
Total assets	$ 4,998,524	$ 1,540,713	$ 79,072	$ 207,125
LIABILITIES AND STOCKHOLDERS' DEFICIT				
Current liabilities				
Accounts payable and accrued liabilities	$ 4,614,371	$ 1,268,645	$ 34,312	$ 71,196
Taxes payable	124,462	111,402	65,888	38,517
Wages payable	38,500	16,000	32,000	-
Related party payables, current	53,748	12,339	12,059	22,137
Total current liabilities	4,831,081	1,408,386	144,259	131,850
Related party payables, non-current	164,471	232,715	232,717	1,663,140
Notes payable, non-current	214,128	208,300	120,000	120,000
Total liabilities	5,209,680	1,849,401	496,976	1,914,990
Stockholders' deficit				
Common stock subscribed	-	-	-	50,000
Series A preferred stock, $1.00 par value; 20,000,000 shares authorized; 733,457, 4,781,974, 3,862,617 and 1,421,650 shares issued and outstanding at December 31, 2013, 2012, 2011 and 2010	733,447	4,781,974	3,862,617	1,421,650
Series B preferred stock, $1.00 par value; 20,000,000 shares authorized; 5,090,072, 0, 0 and 0 shares issued and outstanding and December 31, 2013, 2012, 2011 and 2010	5,090,072	-	-	-
Common stock, $0.001 par value; 500,000,000 shares authorized; 44,707,601 issued and outstanding	44,708	44,708	44,489	44,439
Additional paid in capital	5,635,374	5,635,374	5,544,294	5,300,802
Other comprehensive loss	(77,979)	(70,965)	(70,038)	(74,119)
Accumulated deficit	(11,636,778)	(10,699,779)	(9,799,266)	(8,450,637)
Total stockholders' deficit	(211,156)	(308,688)	(417,904)	(1,707,865)
Total liabilities and stockholders' deficit	$ 4,998,524	$ 1,540,713	$ 79,072	$ 207,125

See accompanying notes to unaudited consolidated financial statements.

ATLANTIC WIND AND SOLAR, INC.
Unaudited Consolidated Statements of Operations

	Year ended December 31, 2013	2012	2011	2010
Revenue	$ 3,913,217	$ 1,886,415	$ -	$ -
Cost of revenue	3,103,790	1,232,593	-	-
Gross margin	809,427	653,822	-	-
Operating expenses				
Salaries and wages	811,652	795,298	942,327	1,332,970
Research and development	-	-	-	819,480
Engineering	20,003	28,858	-	-
Professional fees	78,211	45,303	827	129,706
Travel	70,421	77,758	13,256	40,921
Rent	5,383	1,171	42,806	45,143
Advertising and public relations	2,078	4,619	6,655	226,930
General and administrative	28,234	46,345	173,102	157,160
Total operating expenses	1,015,982	999,352	1,178,973	2,752,310
Other income (expense)				
Interest income	18,462	1,415	7,585	7,280
Foreign currency transaction gain (loss)	(18,817)	(1,859)	(335)	27,045
Interest expense	(18,318)	(1,053)	(136)	(68)
Total other income (expense)	(18,673)	(1,497)	7,114	34,257
Net income (loss) available to common stockholders	$ (225,228)	$ (347,027)	$ (1,171,859)	$ (2,718,053)
Other comprehensive income (loss)				
Foreign currency translation adjustment	(7,014)	(927)	4,081	(29,945)
Total comprehensive income (loss)	$ (232,242)	$ (347,954)	$ (1,167,778)	$ (2,747,998)
Basic and diluted income (loss) per common share	$ (0.01)	$ (0.01)	$ (0.03)	$ (0.07)
Basic and diluted weighted average shares outstanding	44,707,601	44,634,278	44,486,679	41,308,018

See accompanying notes to unaudited consolidated financial statements.

ATLANTIC WIND AND SOLAR, INC.

Statement of Changes in Stockholders' Equity (Deficit)

	Series A Preferred Stock		Series B Preferred Stock		Common Stock							
	Shares	Amount	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Subscription Receivable	Common Stock Subscribed	Other Comprehensive Loss	Accumulated Deficit	Total
Balance, December 31, 2009	1,050,000	$ 1,050,000	-	$ -	29,995,249	$ 29,995	$ 7,080,105	$ (2,000,000)	$ -	$ (44,174)	(5,576,163)	539,763
Common stock rescinded	-	-	-	-	(565,000)	(565)	(149,435)	-	-	-	-	(150,000)
Common stock issued for dividend	-	-	-	-	17,641,670	17,642	-	-	-	-	(17,642)	-
Common stock issued for cash	-	-	-	-	250,000	250	249,750	-	-	-	-	250,000
Common stock issued for services	-	-	-	-	117,500	117	117,382	-	-	-	-	117,499
Cancellation of subscription receivable	-	-	-	-	(3,000,000)	(3,000)	(1,997,000)	2,000,000	-	-	-	-
Common stock subscribed	-	-	-	-	-	-	-	-	50,000	-	-	50,000
Preferred shares issued for cash	262,871	262,871	-	-	-	-	-	-	-	-	-	262,871
Preferred stock issued for dividend	108,779	108,779	-	-	-	-	-	-	-	-	(108,779)	-
Cash paid for preferred stock dividend	-	-	-	-	-	-	-	-	-	-	(30,000)	(30,000)
Foreign currency translation adjustment	-	-	-	-	-	-	-	-	-	(29,945)	-	(29,945)
Net loss, year ended December 31, 2010	-	-	-	-	-	-	-	-	-	-	(2,718,053)	(2,718,053)
Balance, December 31, 2010	1,421,650	1,421,650	-	-	44,439,419	44,439	5,300,802	-	50,000	(74,119)	(8,450,637)	(1,707,865)
												-
Preferred stock issued for cash	76,600	76,600	-	-	-	-	-	-	-	-	-	76,600
Preferred stock issued for dividend	176,769	176,769	-	-	-	-	-	-	-	-	(176,769)	-
Preferred stock issued for conversion of related party payable	2,187,598	2,187,598	-	-	-	-	-	-	-	-	-	2,187,598
Preferred dividend declared	-	-	-	-	-	-	-	-	-	-	(1)	(1)
Issue common stock subscribed	-	-	-	-	50,000	50	49,950	-	(50,000)			-
Stock options issued	-	-	-	-	-	-	193,542	-	-	-	-	193,542
Foreign currency translation adjustment	-	-	-	-	-	-	-	-	-	4,081	-	4,081
Net loss, year ended December 31, 2011	-	-	-	-	-	-	-	-	-	-	(1,171,859)	(1,171,859)
Balance, December 31, 2011	3,862,617	3,862,617	-	-	44,489,419	44,489	5,544,294	-	-	(70,038)	(9,799,266)	(417,904)
Common stock issued for wages payable	-	-	-	-	218,182	219	47,782	-	-	-	-	48,001
Preferred stock issued for cash	15,800	15,800	-	-	-	-	-	-	-	-	-	15,800
Preferred stock issued for dividend	553,484	553,484	-	-	-	-	-	-	-	-	(553,484)	-
Preferred stock issued for conversion of related party payable	350,073	350,073	-	-	-	-	-	-	-	-	-	350,073
Preferred dividend declared	-	-	-	-	-	-	-	-	-	-	(2)	(2)
Stock options issued	-	-	-	-	-	-	43,298	-	-	-	-	43,298
Foreign currency translation adjustment	-	-	-	-	-	-	-	-	-	(927)	-	(927)
Net loss, year ended December 31, 2012	-	-	-	-	-	-	-	-	-	-	(347,027)	(347,027)
Balance, December 31, 2012	4,781,974	4,781,974	-	-	44,707,601	44,708	5,635,374	-	-	(70,965)	(10,699,779)	(308,688)
Series A preferred stock issued for dividend	474,934	474,934	-	-	-	-	-	-	-	-	(474,934)	-
Series A preferred stock issued for conversion of related party payable	289,645	289,645	-	-	-	-	-	-	-	-	-	289,645
Exchange of preferred series A for preferred series B stock	(4,813,106)	(4,813,106)	4,813,106	4,813,106	-	-	-	-	-	-	-	-
Series B preferred stock issued for dividend	-	-	236,837	236,837	-	-	-	-	-	-	(236,837)	-
Series B preferred stock issued for conversion of related party payable	-	-	40,129	40,129	-	-	-	-	-	-	-	40,129
Foreign currency translation adjustment	-	-			-	-	-	-	-	(7,014)	-	(7,014)
Net loss, year ended December 31, 2013	-	-			-	-	-	-	-	-	(225,228)	(225,228)
Balance, December 31, 2013	733,447	$ 733,447	5,090,072	$ 5,090,072	44,707,601	$ 44,708	$ 5,635,374	$ -	$ -	$ (77,979)	$ (11,636,778)	$ (211,156)

See accompanying notes to unaudited consolidated financial statements.

ATLANTIC WIND AND SOLAR, INC.
Consolidated Statements of Cash Flows

	Year ended December 31, 2013	2012	2011	2010
Cash flows from operating activities				
Net loss	$ (225,228)	$ (347,027)	$ (1,171,859)	$ (2,718,053)
Adjustments to reconcile net loss to net cash used in operating activities:				
Stock based compensation	-	91,299	193,542	117,499
Depreciation	-	-	1,224	1,706
Allowance for notes receivable	-	-	142,313	-
Changes in operating assets and liabilities:				
Accounts receivable	(3,012,144)	(1,136,952)	-	-
Other current assets	4,119	(79,589)	(49,516)	161,646
Security deposit	-	15,170	-	-
Accounts payable and accrued liabilities	3,140,597	1,243,250	(36,610)	44,209
Taxes payable	5,494	44,334	28,998	38,513
Wages payable	22,500	(16,000)	32,000	(600,419)
Net cash used in operating activities	(64,662)	(185,515)	(859,908)	(2,954,899)
Cash flows from investing activities				
Notes receivable	(178,872)	(174,651)	-	-
Cash flows from investing activities	(178,872)	(174,651)	-	-
Cash flows from financing activities				
Proceeds from notes payable	-	88,997	-	120,000
Proceeds from (repayments of) related party payables	302,615	350,071	746,121	1,365,309
Proceeds from common stock	-	-	-	250,000
Proceeds from common stock subscriptions	-	-	-	50,000
Payment of preferred dividends	-	-	-	(30,000)
Proceeds from preferred stock	-	15,800	76,600	262,871
Net cash provided by financing activities	302,615	454,868	822,721	2,018,180
Effect of exchange rate on cash	(5,066)	(90)	3,427	(42,833)
Net change in cash	54,015	94,612	(33,760)	(979,552)
Cash at beginning of period	94,755	143	33,903	1,013,455
Cash at end of period	$ 148,770	$ 94,755	$ 143	$ 33,903

See accompanying notes to unaudited consolidated financial statements.

ATLANTIC WIND AND SOLAR, INC.
Supplemental Disclosures to Statement of Cash Flows

	Year ended December 31,			
	2013	2012	2011	2010
Supplemental cash flow information				
Cash paid for interest	$ 16,824	$ -	$ -	$ -
Cash paid for income taxes	$ -	$ -	$ -	$ -
Supplemental disclosure of non-cash financing activities				
Common stock cancelled for subscription receivable	$ -	$ -	$ -	$ (200,000)
Common stock issued for dividend	$ -	$ -	$ -	$ 17,642
Common stock rescinded from prepaid expenses	$ -	$ -	$ -	$ (150,000)
Series A preferred stock issued for dividend	$ 474,934	$ 302,621	$ 176,769	$ 108,779
Series B preferred stock issued for dividend	$ 236,837	$ -	$ -	$ -
Conversion of related party payable to series A preferred shares	$ 40,129	$ -	$ 2,187,598	$ -
Conversion of related party payable to series B preferred shares	$ 289,645	$ -	$ -	$ -

See accompanying notes to unaudited consolidated financial statements.

Note 1 - Nature of Business

Atlantic Wind and Solar, Inc. (the “Company” or "Atlantic"), located in Toronto, Ontario, was originally organized on January 13, 1977 under the laws of the state of West Virginia as Aetna Operating Company Inc. The Company changed its name to Dragon Environmental (UK) Ld. on November 4, 1997, then to Aquatek Ltd. On October 26, 1998, then to Environmental Technologies International, Inc. on February 8, 2002 and Atlantic Wind and Solar, Inc. on October 19, 2008.

Atlantic Wind and Solar, Inc. is a renewable energy asset developer, with emphasis on photovoltaic solar and wind energy. The Company pursues, develops, finances, owns and operates solar energy projects from various stages of development life cycles through commercial operation. Atlantic has approximately 60 megawatts ("MW") DC of approved solar projects of which approximately 25 MW's have power purchase agreement contracts already executed. The company's greenfield pipeline includes more than 350 MW of utility scale solar projects at various stages of development in Canada, Europe, South and Central America

Note 2 - Significant Accounting Policies

Principals of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances have been eliminated.

Basis of Presentation

The financial statements present the balance sheet, statements of operations, stockholders' equity and cash flows of the Company. These financial statements are presented in United States dollars and have been prepared in accordance with accounting principles generally accepted in the United States. The Company has elected a December 31 year end.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

Cash and cash equivalents include short-term, highly liquid investments with maturities of less than three months when acquired.

Note 2 - Significant Accounting Policies (continued)

Income taxes

The Company accounts for income taxes under ASC 740 *"Income Taxes"* which codified SFAS 109, *"Accounting for Income Taxes"* and FIN 48 *"Accounting for Uncertainty in Income Taxes – an Interpretation of FASB Statement No. 109."* Under the asset and liability method of ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under ASC 740, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the enactment occurs. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations.

Foreign Currency Translation

The Company's functional currency is the Canadian dollar (CAD), while the Company's reporting currency is the U.S. dollar (USD). All transactions initiated in Canadian dollars are translated into U.S. dollars in accordance with ASC 830, *"Foreign Currency Translation"* as follows:

i) Monetary assets and liabilities at the rate of exchange in effect at the balance sheet date.
ii) Equity at historical rates.
iii) Revenue and expense items at the average rate of exchange prevailing during the period.

Adjustments arising from such translations are deferred until realization and are included as a separate component of stockholders' equity as a component of comprehensive income or loss. Therefore, translation adjustments are not included in determining net income (loss) but reported as other comprehensive income.
For foreign currency transactions, the Company translates these amounts to the Company's functional currency at the exchange rate effective on the invoice date. If the exchange rate changes between the time of purchase and the time actual payment is made, a foreign exchange transaction gain or loss results which is included in determining net income for the period. The exchange rates used are as follows:

	12/31/2013	**12/21/2012**	**12/31/11**	**12/31/2010**
Period end: CAD to USD	1.0297	1.0034	0.9806	1.0001
Average for period: CAD to USD	1.0696	1.0000	1.0113	0.9705

Fair Value of Financial Instruments

The Company's financial instruments as defined by FASB ASC 825-10-50 include cash, trade accounts receivable, and accounts payable and accrued expenses. All instruments are accounted for on a historical cost basis, which, due to the short maturity of these financial instruments, approximates fair value at December 31, 2013, 2012, 2011 and 2010.

FASB ASC 820 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosures about fair value measurements. ASC 820 establishes a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

Note 2 - Significant Accounting Policies (continued)

Fair Value of Financial Instruments (continued)

Level 1. Observable inputs such as quoted prices in active markets;

Level 2. Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3. Unobservable inputs in which there is little or no market data, which requires the reporting entity to develop its own assumptions.

The Company does not have any assets or liabilities measured at fair value on a recurring basis at December 31, 2013, 2012, 2011 or 2010. The Company did not have any fair value adjustments for assets and liabilities measured at fair value on a nonrecurring basis during the years ended December 31, 2013, 2012. 2011 or 2010.

Property and Equipment

Property and equipment are carried at cost net of accumulated depreciation. Expenditures for maintenance and repairs are charged against operations. Renewals and betterments that materially extend the life of the assets are capitalized. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period.

Depreciation is computed for financial statement purposes on a straight-line basis over estimated useful lives of the related assets. The estimated useful lives of depreciable assets are:

	Estimated Useful Lives
Furniture and Fixtures	5 - 10 years
Computer Equipment	3 - 5 years
Vehicles	5 - 10 years

For federal income tax purposes, depreciation is computed under the modified accelerated cost recovery system. For audit purposes, depreciation is computed under the straight-line method. Property and equipment consisted of the following as of December 31, 2013, 2012, 2011 and 2010:

	December 31,			
	2013	2012	2011	2010
Computers	$ 3,649	$ 3,423	$ 3,346	$ 3,412
Accumulated depreciation	(3,649)	(3,423)	(3,346)	(2,201)
Net book value	$ -	$ -	$ -	$ 1,211

Note 2 - Significant Accounting Policies (continued)

Earnings Per Share Information

FASB ASC 260, "*Earnings Per Share"* provides for calculation of "basic" and "diluted" earnings per share. Basic earnings per share includes no dilution and is computed by dividing net income (loss) available to common shareholders by the weighted average common shares outstanding for the period. Diluted earnings per share reflect the potential dilution of securities that could share in the earnings of an entity similar to fully diluted earnings per share. Basic and diluted loss per share were the same, at the reporting dates, as there were no common stock equivalents outstanding.

Share Based Expenses

ASC 718 *"Compensation - Stock Compensation"* codified SFAS No. 123 prescribes accounting and reporting standards for all stock-based payments award to employees, including employee stock options, restricted stock, employee stock purchase plans and stock appreciation rights. , may be classified as either equity or liabilities. The Company should determine if a present obligation to settle the share-based payment transaction in cash or other assets exists. A present obligation to settle in cash or other assets exists if: (*a*) the option to settle by issuing equity instruments lacks commercial substance or (*b*) the present obligation is implied because of an entity's past practices or stated policies. If a present obligation exists, the transaction should be recognized as a liability; otherwise, the transaction should be recognized as equity

The Company accounts for stock-based compensation issued to non-employees and consultants in accordance with the provisions of ASC 505-50 *"Equity - Based Payments to Non-Employees"* which codified SFAS 123 and the Emerging Issues Task Force consensus in Issue No. 96-18 ("EITF 96-18"), *"Accounting for Equity Instruments that are Issued to Other Than Employees for Acquiring or in Conjunction with Selling, Goods or Services".* Measurement of share-based payment transactions with non-employees shall be based on the fair value of whichever is more reliably measurable: (*a*) the goods or services received; or (*b*) the equity instruments issued. The fair value of the share-based payment transaction should be determined at the earlier of performance commitment date or performance completion date.

Revenue Recognition

The Company's financial statements are prepared under the accrual method of accounting. Revenues will be recognized in the period the services are performed and costs are recorded in the period incurred. Revenue is recognized when (1) the evidence of the agreement exists, (2) services have been rendered, (3) the price is fixed or determinable, and (4) collectability is reasonably assured. We generated revenues of $3,913,217, $1,886,415, $0 and $0 during the years ended December 31, 2013, 2012, 2011 and 2010.

Recent Accounting Pronouncements

The company has evaluated all the recent accounting pronouncements and determined there are none having a material effect on the Company's financial statements.

Note 3 - Stockholders' Equity

Common stock

The Company is authorized to issue up to 500,000,000 shares of $0.001 par value common stock, 20,000,000 shares of $1.00 par value series A preferred stock and 20,000,000 shares of $1.00 par value series B preferred stock.

The series A preferred stock carries an annual dividend of 12% which is generally paid quarterly by issuing additional series A preferred shares. We issued 474,934, 302,621, 176,769 and 108,779 series A preferred shares for dividends during the years ended December 31, 2013, 2012, 2011 and 2010.

The series B preferred stock carries an annual dividend of 8% which is generally paid quarterly by issuing additional shares. We issued 236,837, 0, 0 and 0 series B preferred shares for dividends during the years ended December 31, 2013, 2012, 2011 and 2010.

During the year ended December 31, 2013, we exchanged 4,813,106 series A preferred shares for 4,813,106 series B preferred shares.

There were 44,707,601; 44,707,601; 44,489,419 and 44,439,419common shares issued and outstanding as of December 31, 2013, 2012, 2011 and 2010.

There were 733,447; 4,781,974; 3,862,617 and 1,421,650 series A preferred shares issued and outstanding as of December 31, 2013, 2012, 2011 and 2010.

There were 5,090,072; 0; 0 and 0 series B preferred shares issued and outstanding as of December 31, 2013, 2012, 2011 and 2010.

Net loss per common share

Net loss per share is calculated in accordance with FASB ASC Topic 260 (formally SFAS No. 128, "*Earnings Per Share.*"). The weighted-average number of common shares outstanding during each period is used to compute basic loss per share. Diluted loss per share is computed using the weighted average number of shares and dilutive potential common shares outstanding. Basic net loss per common share is based on the weighted average number of shares of common stock outstanding during the years ended December 31, 2013, 2012, 2011 and 2010.

Note 4 - Concentrations of Credit Risk

Our revenues for the years ended December 31, 2013 and 2012 were generated completely from two separate clients. Additionally, our entire accounts receivable balance as of these dates were generated from contracts with these two clients. The loss of either of these clients will have a materially adverse impact on our business.

Note 5 - Subsequent Events

We have evaluated subsequent events through the date of the issuance of these financial statements and determined there are no events to disclose.