

Annual Report

OTC: AWSL

Period Ending Dec 31, 2009



Annual Report

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ANNUAL REPORT • Atlantic Wind & Solar Inc.



Chairman's Address to Shareholders

... Working Toward a Future of Clean, Economical and Secure Energy Resources

The fiscal year ended December 31, 2009 saw Atlantic Wind and Solar Inc. record numerous important achievements as management sought to establish the Company as a strong competitor in the emerging Renewable Energy boom. With an immediate focus on the Province of Ontario, Canada, AWSL is now marketing its superior solar energy systems across Canada's most populous province with considerable success and we believe that the strong renewable energy market brought about by Ontario's newly introduced Feed-in-Tariff ("FIT") will fuel extraordinary growth in sales of AWSL's solar systems in 2010 and beyond.

2009 HIGHLIGHTS

In early 2009, AWSL acquired a 47.5% interest in Canadian affiliate Hybridyne Power Systems Canada Inc. (HPSC), thus achieving its goal of securing a leading technical position at the forefront of the dynamic Renewable Energy industry by allowing the Company to fully exploit HPSC's license of Aim Energy's revolutionary Conversion/Inversion Technology. Aim's proprietary technology represents a quantum leap forward in efficiency when converting wind & solar power into electricity. Having forged a strong relationship with a large and dependable supplier of solar panels, the HPSC acquisition paved the way for the Company to begin marketing a solar renewable energy system that offered industry-leading efficiencies in producing electricity from solar power.

A Focused Approach

When the Ontario Government passed its revolutionary Green Energy Act and in September introduced North America's most lucrative FIT in order to promote Renewable Energy across the Province, it gained international recognition for its pro-renewable stance and left little doubt that Ontario was about to undergo a surge in Renewable Energy development. Atlantic Wind and Solar seized upon this opportunity immediately, moving its Head Office to the heart of Toronto's financial community and launching an aggressive marketing program to focus on the enormous potential for the installation of rooftop solar energy systems throughout the Province. Integral to its efforts to lease rooftop space for solar development across Ontario, the Company has cultivated affiliations and strategic relationships with key members of the Real Estate development and Property Management industries which have greatly assisted AWSL in making inroads into the Ontario rooftop solar industry and capturing impressive market share.

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A Strong Market Response

Since the introduction of Ontario's FIT, Letters of Intent (LOIs), purchase orders and advanced negotiations covering some 30 AWSL rooftop solar projects encompassing approximately 12MW of electricity-generating capacity have been received by Atlantic Wind and Solar and/or Atlantic Solar Inc. Additional projects are being discussed daily.

Power generated by these projects will be sold directly into the grid through Power Purchase Agreements (PPA) contracted to the Ontario Power Authority (OPA) for 20 years, at an average price of 71.3 cents per kilowatt hour. The OPA guarantees a quick connection to the grid.


Subsequent Events

To fund its rapid growth, AWSL signed a \$120,000,000 financing agreement with Canada Green ESCO that would fund 20 Megawatts in solar projects and also provide funding for additional prospective acquisitions, technology advancements, and other corporate purposes. The 20 Megawatts is anticipated to represent approximately \$480 million in revenues for AWSL and its equity partners, which will be secured and guaranteed over the next 20 years for power sold directly to the Ontario Government.

In addition to its rapidly growing Solar Energy business, AWSL has been involved in planning and negotiations regarding its intention to launch a Wind Energy business in 2010 that will also incorporate the AIM Energy CIT technology made available to Atlantic through a limited license to Hybridyne Power Systems Canada in order to capture efficiencies not readily available in conventional Wind Power systems. Ultimately, AWSL anticipates expanding its market for high-efficiency Solar and Wind energy systems across North America and overseas.

In light of the Company's successes and overall corporate progress achieved in 2009, management expresses its deep appreciation to its employees, suppliers, affiliates, consultants and all stakeholders as it looks forward to accelerating its corporate progress and blazing new trails in the dynamic Wind and Solar Renewable Energy sectors in the year ahead.

Sincerely,



Gilles A. Trahan
Chairman

April 4, 2010

Atlantic Wind & Solar

Atlantic Wind & Solar 2009 Annual Report

Item 1 Exact name of the issuer and the address of its principal executive offices:

Atlantic Wind & Solar Inc.
350 Bay St. Suite 1201, Toronto ON M5H 2S6
Tel: +1 800 891-1657
Fax: +1 888 316-0424

Item 2 Shares outstanding:

The company currently has (1) one Class of Common Stock and (1) one Preferred Stock Outstanding.



Atlantic Wind & Solar

CUSIP: 049127103

Trading Symbol: OTC: AWSL

Authorized Number of Shares: 500,000,000

Issued number of shares: 29,995,249 As of Dec 31, 2009. However a 1:3 stock dividend was paid in the 1st Q 2010 bringing the total issued and outstanding to 39,993,665. The Company expects to cancel 4,000,000 shares. See Notes.

- (i) Period end date: December 31, 2009
- (ii) Number of shares authorized: 500,000,000
- (iii) Number of shares outstanding: 29,995,249 As Dec 31 /09. Post dividend 39,993,667
- (iv) Freely tradable shares (public float): 7,624,079
- (v) Total number of beneficial shareholders: 2030
- (vi) Total number of shareholders of record: 619

Item 3 Financial statements:

See attached Financial Statements

Item 4 Management's discussion and analysis or plan of operation:

A. Plan of Operation.

In the next twelve months Atlantic Wind and Solar Inc. (AWS), via Atlantic Solar Inc. in Ontario Canada, plans to follow through on its agreements to build multiple rooftop energy parks in the Greater Toronto Area.

- i. AWS has finalized its agreement with the Remington Group for seven rooftop sites. The project summary report for the buildings has been completed including the cost summary and financial analysis. The costs were based on a site inspection and structural review by Halsall Engineering.
- ii. AWS is in the final stages of agreement on its next thirteen rooftop projects.
- iii. AWS is in advanced stage discussions on the 24 more projects.
- iv. Atlantic continues to explore future opportunities in wind technology, however the next year will see solar power in Ontario as the primary focus.
- v. The company has purchased equipment for the installation of the initial rooftop energy parks but itself does not have significant plant and equipment holdings.
- vi. In addition to the recently hired Vice President, AWS has hired an Ontario F-I-T program manager to help with general company management as well as the management of specific projects on an on-going basis. Also hired recently, a receptionist and an in house Auto CAD designer. Otherwise there are no plans for significant changes in the number of employees.

B. Management's Discussion and Analysis of Financial Condition and Results of Operations.

- i. In addition to the previously reported funding line of US\$2.5 million, Atlantic has issued a Preferred Series A security for US\$1,000,000. It is secured specifically by the general assets of Atlantic Wind and Solar and generally by the underlying OPA contracts and the associated 20-year revenue streams. Within the first 5 years the holder may convert principle into AWSL common shares at pre-defined prices.
- ii. AWS has furthered its relationship with the Ontario based law firm Aird & Berlis, LLP as previously reported. Aird & Berlis comprises a diverse group of more than 120 lawyers. The firm provides a wide range of legal services that includes a dedicated Energy Team with strong capabilities in various facets of the Renewable Energy sector, as well as its industry leading Real Estate Group serving major developers of commercial, institutional, residential and industrial real estate. The retention of Aird & Berlis LLP is in keeping with Atlantic Wind and Solar's policy of aligning the Company with leaders in relevant businesses and services.
- iii. Atlantic Wind and Solar continues to work with SEC auditor Sam Kan & Company to audit the last two fiscal years. AWS expects to file these audit shortly and begin immediately on 2009. AWS maintains its intention to file with the SEC to become a reporting Issuer and to seek to move AWSL forward towards achieving a listing status upgrade. The Company plans to elevate its share listing to a larger, higher profile stock exchange.
- iv. The company's 47.5% ownership of Hybridyne Power Systems Canada, Inc. is now in question and pending litigation. See Notes to F/S and pending litigation.

C. Off-Balance Sheet Arrangements:

Atlantic has no Off-Balance Sheet Arrangements.

This report contains forward-looking statements about the company's business, financial condition and prospects that reflect management's assumptions and beliefs based on information currently available. We can give no assurance that the expectations indicated by such forward-looking statements will be realized. If any of our management's assumptions should prove incorrect, or if any of the risks and uncertainties underlying such expectations should materialize, then actual results may differ materially from those indicated by the forward-looking statements.

The key factors that are not within our control and that may have a direct bearing on operating results include, but are not limited to, acceptance of our services, our ability to expand our customer base, management's ability to raise capital in the future, the retention of key employees and changes in the regulation of our industry.

Item 5 Legal Proceedings:

On May 26, 2009 Atlantic Wind & Solar Inc. reached an agreement to purchase 47.5% interest in Hybridyne Power Systems Canada, Inc. for \$2,000,000. The purchase price was payable by way of 3,000,000 shares of AWSL common stock as directed by the seller. All AWSL common share issuance required by the seller were made in a timely manner in accordance with the agreement.

After seven months of Hybridyne Power systems Canada Inc. and Atlantic working together as affiliates, with numerous press releases from both companies stating the same, and approximately \$314,354 CDN in shareholder loans made by Atlantic to Hybridyne, the management of Hybridyne abruptly decided the deal was not complete. Thomas Cleland, CEO of Hybridyne, stated he did not approve the transaction. Based on the foregoing Atlantic issued a notice of default and a demand for the return of the 3,000,000 AWSL common shares. To date the shares directed by the seller to be issued to Thomas Cleland (2,000,000 shares) and 1084765 Ontario Ltd. (300,000 shares) and 1084766 Ontario Ltd. (300,000 shares) as part of closing have not been returned.

All dividends issued to the parties related to the HPSC acquisition have been held by Atlantic pending the cancellation of the underlying shares.

The Company anticipates filing suit against Hybridyne Power Systems Canada Inc. for the repayment of \$314,354 in shareholder advances, plus interest, other damages and costs in relation to the aborted transaction.

The Company anticipates filing suit against Thomas Cleland for the return of the 2,000,000 common shares, plus damages and costs.

The Company anticipates filing suit against 1084765 Ontario Ltd., 1084766 Ontario Ltd. and Wind Solar Energy Venture Corp. for the return of the AWSL shares, plus damages and costs.

The Company anticipates filing suit against Richard Leverton for damages and costs.

In relation to the above a suit has been filed against Atlantic by David Goldman and Liz Monteith. Goldman and Monteith claim they are due commissions upon completion of the above transaction. Atlantic, notes that the transaction has not completed and thus any alleged commission would not be earned. Atlantic, has requested all documents from Goldman and/or Monteith related to the claim and as of this writing has received no response.

Atlantic considers this a frivolous and vexatious claim regarding a transaction that was, in any case, never in fact completed. From the Company's perspective a key point regarding the Goldman/Monteith claim is that it was filed shortly AFTER Atlantic announced in the press that the Hybridyne acquisition had not been completed as planned. Atlantic plans to file a Motion to Dismiss and if necessary, follow-up with a counter suit.



The Company is not aware of any other legal proceeding, nor aware of any pending proceedings.

Item 6 Defaults upon senior securities:

The Company is not in Default on any senior Securities.

Item 7 Other information:

None

Item 8 Exhibits:

15C2-11 filed on OTC disclosure and news service

Item 9 Certifications:

**CERTIFICATION
of
FINANCIAL STATEMENT AND NOTES**

I, Venecia Gafter, 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, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Atlantic Wind and Solar, Inc. as of, and for, the period presented in this report according to US Generally Accepted Accounting Principles;
3. I am responsible for establishing and maintaining disclosure controls and procedures for Atlantic Wind and Solar, Inc. and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to Atlantic Wind and Solar, Inc. is made known, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of Atlantic Wind and Solar, Inc.'s disclosure controls and procedures done according to US Generally Accepted Accounting Principles; and
 - c) Disclosed in this report any change in Atlantic Wind and Solar, Inc.'s internal control over financial reporting that occurred during Atlantic Wind and Solar, Inc.'s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, Atlantic Wind and Solar, Inc.'s internal control over financial reporting or any fraud, whether or not material, that involves management or other employees who have a significant role in Atlantic Wind and Solar, Inc.'s internal control over financial reporting.

Date: 6th of April 2010.

By:/s/ Venecia Gather
CEO, Director



Atlantic Wind & Solar Inc.

PART 3 - FINANCIAL INFORMATION

Accountant's Letter Dated April 6th, 2010

Balance Sheet – December 31, 2009

Income Statement – Year Ended December 31, 2009

Statement of Cash Flow - Year Ended December 31, 2009

Statement of Changes in Financial Position – Year Ended December 31, 2009

Statement of Changes in Shareholder Equity - Year Ended December 31, 2009

Notes to the Financial Statements


MICHAEL HYNSON
ACCOUNTANT
1854 Everhart Drive
Orlando, Florida 32806
407-925-5154

April, 6, 2010

Atlantic Wind and Solar Inc.
a West Virginia Corporation

I have compiled, and recorded in the corporate accounting system, the attached financial information for the one year period ended December 31, 2009. Items of record have been recorded in accordance with Generally Accepted Accounting Principles.

No opinion as to the validity or accuracy of the information provided is given. All documents are unaudited and are stated as such.



Michael J. Hynson
Accountant

Balance Sheet

As of December 31

Assets	2009
Current Assets	
US Dollar Checking Account	\$1,012,278
Canadian Checking Account (USD)	\$1,180
Inventory	\$191,172
Employee Advances	\$9,780
Note Receivable - Hybridyne	\$236,635
Total Current Assets	\$1,451,044
Fixed Assets	
Property and Equipment	\$3,411
Total Fixed Assets	\$3,411
Other Assets	
AWE	\$135,000
Hybridyne Power Systems	\$2,000,000
Total Net Fixed Assets	\$2,135,000
Total Assets	\$3,589,456

Liabilities and Shareholders' Equity	2009
Current Liabilities	
Accounts Payable	\$4,409
Total Current Assets	\$4,409
Long-Term Liabilities	
N P Shareholder Loans	\$139,858
Long-Term Liabilities	\$139,858
Total Liabilities	
Capital	
Paid-in Capital	\$4,847,775
Retained Earnings	(\$1,232,948)
Net Income	(\$169,638)
Total Capital	\$3,445,188
Total Liabilities and Equity	\$3,589,456

Income Statement

For the Twelve Months Ending December 31

	2009	2008
Revenues	\$0	\$0
Gross Profit	\$0	\$0
Expenses		
Advertising Expense	\$8,143	\$0
Bank Charges	\$932	\$0
Exchange Rate Adjustment	\$13	\$0
Conference Expense	\$682	\$2,038
Delivery Expense	\$826	\$0
Interest Expense	\$42	\$0
Legal and Professional Expense	\$43,851	\$0
Marketing Expense	\$5,000	\$0
Meals and Entertainment Expense	\$11,298	\$8,667
Office Expense	\$716	\$4,099
West Virginia State Taxes	\$407	\$0
Public Relations	\$12,581	\$0
Postage Expense	\$383	\$134
Printing Expense	\$256	\$0
Professional Fees	\$3,501	\$0
Rent or Lease Expense	\$22,356	\$2,000
Supplies Expense	\$180	\$0
Salaries Expense	\$18,145	\$0
Regulatory Filing Fees	\$6,000	\$0
Stock Transfer Expenses	\$944	\$0
Technical Support	\$1,057	\$0
Travel Expenses	\$23,296	\$14,586
Telephone Expense	\$6,642	\$645
Web Hosting	\$902	\$779
Other Expense	\$1,485	\$0
Total Expenses	\$169,638	\$32,948
Net Income	(\$169,638)	(\$32,948)

Statement of Cash Flow

For the Twelve Months Ending December 31

2009

Cash Flow from Operating Activities	
Net Income	(\$169,638)
Adjustments to reconcile net income to net cash provided by operating activities	
Inventory	(\$191,172)
Employee Advances	(\$9,780)
Note Receivable - Hybridyne	(\$236,635)
Accounts Payable	(\$1,195,591)
Total Adjustments	(\$1,633,178)
Net Cash provided by Operations	(\$1,802,817)

Cash Flows from investing activities	
Used For	
Hybridyne Power Systems	(\$2,000,000)
Equipment	(\$3,411)
Net cash used in investing	(\$2,003,411)

Cash Flows from financing activities	
Proceeds From	
N P Shareholder Loans	\$154,598
Paid-in Capital	\$4,847,775
Used For	
N P Shareholder Loans	(\$182,688)
Net cash used in financing	\$4,819,685
Net increase <decrease> in cash	\$1,013,457

Summary	
Cash Balance at End of Period	\$1,013,457
Cash Balance at Beg of Period	\$0
Net Increase <Decrease> in Cash	\$1,013,457

Changes in Working Capital

For the Twelve Months Ending December 31

2009

Sources of Working Capital	
Net Income	(\$169,638)
Add back items not requiring working capital	
Working capital from operations	(\$169,638)
Other sources	
N P Shareholder Loans	\$154,598
Paid-in Capital	\$4,847,775
Total sources	\$4,832,735

Uses of working capital	
Hybridyne Power Systems	(\$2,000,000)
Equipment	(\$3,411)
N P Shareholder Loans	(\$182,688)
Total uses	(\$2,186,099)
Net change	\$2,646,635

Analysis of Components of Changes	
Increase <Decrease> in Current Assets	
US Dollar Checking Account	\$1,012,278
Canadian Checking Account (USD)	\$1,180
Inventory	\$191,172
Employee Advances	\$9,780
Note Receivable - Hybridyne	\$236,635
<Increase> Decrease in Current Liabilities	
Accounts Payable	\$1,195,591
Net change	\$2,646,635

Notes to Financial

ATLANTIC WIND AND SOLAR, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

1. Development Stage Company

Atlantic Wind and Solar, Inc. herein “the Company” was incorporated on January 13, 1977 as Aetna Operating Company, Inc. pursuant to the laws of the State of West Virginia. The Company changed its name to Dragon Environmental (UK) Ltd. on November 4, 1997. On October 26, 1998 the Company changed its name to Aquatek, Ltd. On February 8, 2002 the company changed its name to Environmental Technologies, Inc. On September 19, 2008 the Company changed its name to Atlantic Wind and Solar, Inc.

The company has three subsidiaries;

- Atlantic Wind Energy Corp. f/k/a AWE Engineering, Inc., a Florida Corporation
- Atlantic Wind and Solar Corp (a Bahamas Corporation)
- Atlantic Solar Inc. (an Ontario Corporation)

On May 26, 2009 Atlantic Wind & Solar Inc. reached an agreement to purchase 47.5% interest in Hybridyne Power Systems Canada, Inc. for \$2,000,000. The purchase price was payable by way of 3,000,000 shares of AWSL common stock as directed by the seller. All AWSL common share issuance required by the seller were made in a timely manner in accordance with the agreement.

After seven months of Hybridyne Power systems Canada Inc. and Atlantic working together as affiliates, with numerous press releases from both companies stating the same, and approximately \$314,354 CDN in shareholder loans made by Atlantic to Hybridyne, the management of Hybridyne abruptly decided the deal was not complete. Thomas Cleland, CEO of Hybridyne, stated he did not approve the transaction. Based on the foregoing Atlantic issued a notice of default and a demand for the return of the 3,000,000 AWSL common shares. To date the shares directed by the seller to be issued to Thomas Cleland (2,000,000 shares) and 1084765 Ontario Ltd. (300,000 shares) and 1084766 Ontario Ltd. (300,000 shares) as part of closing have not been returned. The return of the balance of 400,000 shares from other involved parties is not in dispute.

All dividends issued to the parties related to the HPSC acquisition have been held by Atlantic pending the cancellation of the underlying shares.

The Company anticipates filing suit against Hybridyne Power Systems Canada Inc. for the repayment of \$314,354 in shareholder advances, plus interest, other damages and costs in relation to the aborted transaction.

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The Company anticipates filing suit against Richard Leverton for damages and costs.

The Company is a development stage company. Please refer to the Company’s latest 15C2-11 filed on OTC disclosure and news service for details on the Company’s ongoing research and development program.



In a development stage company, management devotes most of its activities to establishing a new business and development of product(s). Planned principal product has not produced significant revenue, as the Company has been engaged in developing and refining the product for production.

2. Common Stock

The Company has authorized 500,000,000 shares of stock and has issued 29,995,249 as of 31 December 2009. (The Company issued a 1:3 dividend on January 25th, 2010 bringing the shares issued and outstanding to 39,993,667.)

3. Summary of Significant Accounting Policies

a. Year End

The Company's fiscal year end is December 31.

b. Use of Estimates

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

c. Income Taxes

Since the Company is in its development stage and has no income, no income tax expense is reported on the financial statements.