Quarterly Report

2015 Q2



Trading Symbol: OTC: AWSL
CUSIP: 049127103
Authorized Number of Shares: 500,000,000
Issued Number of Shares: 44,707,601

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Atlantic Wind & Solar Inc.
2nd Quarter Report 2015

Management Discussion and Analysis in Brief

Discussion and Analysis of the Results of Operations

Management at Atlantic is very pleased with the attached financial statements.

Sales and earnings remained strong with sales for the quarter nearing $1.2 million.

In this quarter began the Ontario FIT 2.0 projects. With the experience gained by the entire Ontario industry over the last few years we expect FIT 2.0 to complete much more quickly than FIT 1.0.

The accounting is also more streamlined for 2.0 allowing partial payables and receivables to be settled simultaneously - meaning faster recording of project completions.

We continue to make great strides in international markets with strong results expected to show by year end. Atlantic increased its pipeline of new projects substantially, topping the 1 gigawatt mark, and moved closer to binding agreements on the development and co-development of solar PV plants in Asia and South America. Atlantic expects to report more on these international projects by year end.

Total operating expenses, a long time key focus of management, remained within the acceptable limits, i.e. remained around the company's historical low point. As reported in Q1 management has, for the first time in a few years, begun to increase expenditure on advertising, public relations, and travel/business development as Atlantic again expands into new markets.

Discussion and Analysis of Financial Condition

Management at Atlantic is pleased with the financial condition of the company.

Atlantic has continued its policy of protecting shareholders by limiting share issuance. At the end of 2015 Q2 there were 44,707,601 common shares outstanding versus 44,707,601 in 2014 and 2013 and 2012 - a change of 0.0%.

The Company's working capital requirements are funded by receipts from the general operations. While management continues to be willing and prepared to fund the Company if necessary, as it has done in the past, the Company has reached the point where profit funds operations.

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

Certification of Financial Statements and Notes

Certification of Financial Statements and Notes by CEO

I, John S. Wilkes, 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: 14th August 2015

By:/s/ John S. Wilkes
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: 14th August 2015

By:/s/ Martin Baldwin
CFO, Director

Consolidated Financial Statements for June 30th, 2015

ATLANTIC WIND AND SOLAR, INC.

Unaudited Consolidated Financial Statements
June 30, 2015

ATLANTIC WIND AND SOLAR, INC.

Unaudited Consolidated Financial Statements
June 30, 2015

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ATLANTIC WIND AND SOLAR, INC.

Unaudited Consolidated Balance Sheets

	June 30, 2015	December 31, 2014
ASSETS		
Current assets		
Cash	$ 18,307	$ 1,203
Accounts receivable, net of allowance of $0	-	2,367,185
Prepaid expenses	520	50
Interest receivable	48,968	38,434
Other current assets	16,186	88,061
Total current assets	83,981	2,494,933
Note receivable, net of allowance	349,989	364,737
Deferred tax asset	1,626,761	1,547,437
Total assets	$ 2,060,731	$ 4,407,107
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 22,365	$ 2,136,506
Sales tax payable	49,153	19,635
Wages payable	114,500	56,500
Related party payables, current	54,390	54,390
Total current liabilities	240,408	2,267,031
Related party payables, non-current	110,406	110,406
Notes payable, non-current	120,000	195,671
Total liabilities	470,814	2,573,108
Stockholders' equity		
Series A preferred stock, $1.00 par value; 20,000,000 shares authorized; 0 and 327,637 shares issued and outstanding at June 30, 2015 and December 31, 2014	-	327,637

Series B preferred stock, $1.00 par value; 20,000,000 shares authorized; 5,567,163 and 5,374,982 shares issued and outstanding June 30, 2015 and December 31, 2014	5,567,163	5,374,982
Common stock, $0.001 par value; 500,000,000 shares authorized; 44,707,601 issued and outstanding	44,708	44,708
Additional paid in capital	5,635,374	5,635,374
Other comprehensive loss	59,704	(29,093)
Accumulated deficit	(9,717,032)	(9,519,609)
Total stockholders' equity	1,589,917	1,833,999
Total liabilities and stockholders' equity	$ 2,060,731	$ 4,407,107

See accompanying notes to unaudited consolidated financial statements.

ATLANTIC WIND AND SOLAR, INC.

Unaudited Consolidated Statements of Operations

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Revenue	$ 1,173,183	$ 1,725,418	$ 2,447,906	$ 3,415,090
Cost of revenue	1,089,532	1,208,057	2,126,920	2,390,367
Gross margin	83,651	517,361	320,986	1,024,723
Operating expenses				
Salaries and wages	103,500	102,022	155,500	208,341
Engineering	-	-	-	1,025
Professional fees	2,265	2,343	8,840	14,602
Travel	668	15,838	13,731	32,668
Rent	904	-	2,019	1,869
Advertising and public relations	26,591	95	57,275	188
General and administrative	6,307	4,645	11,211	13,797
Total operating expenses	140,235	124,943	248,576	272,490
Other income (expense)				
Interest income	5,902	5,948	12,458	10,944
Foreign currency transaction gain (loss)	(17,042)	(10,593)	(123,860)	(53,923)
Interest expense	(517)	(2,044)	(8,816)	(4,048)
Total other income (expense)	(11,657)	(6,689)	(120,218)	(47,027)
Net income (loss) before income taxes	(68,241)	385,729	(47,808)	705,206
Income tax benefit	42,573	-	79,324	-
Net income (loss) available to common stockholders	$ (25,668)	$ 385,729	$ 31,516	$ 705,206
Other comprehensive income				
Foreign currency translation adjustment	22,001	2,132	88,797	44,351
Total comprehensive income	$ (3,667)	$ 387,861	$ 120,313	$ 749,557
Basic and diluted income (loss)per common share	$ (0.00)	$ 0.01	$ 0.00	$ 0.02
Basic and diluted weighted average shares outstanding	44,707,601	44,707,601	44,707,601	44,707,601

See accompanying notes to unaudited consolidated financial statements.

ATLANTIC WIND AND SOLAR, INC.

Unaudited Statement of Changes in Stockholders' Equity

	Series A Preferred Stock		Series B Preferred Stock		Common Stock		Additional Paid-in Capital	Other Comprehensive Loss	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance, December 31, 2013	733,447	$ 7	5,090,072	$ 072	44,707,601	$ 08	$ 5,635,374	$ (77,979)	$ (11,636,778)	$ (211,156)
Series A preferred stock issued for dividend	65,746	65,746	-	-	-	-	-	-	(65,746)	-
Series B preferred stock issued for dividend	-	-	402,282	402,282	-	-	-	-	(402,282)	-
Series B preferred stock rescinded	-	-	(223,315)	(223,315)	-	-	-	-	223,315	-
Series B preferred stock issued for conversion of related party payable	-	-	230,328	230,328	-	-	-	-	-	230,328
Series A preferred stock repurchased for cash	(471,556)	(471,556)	-	-	-	-	-	-	-	(471,556)
Series B preferred stock repurchased for cash	-	-	(124,385)	(124,385)	-	-	-	-	-	(124,385)
Foreign currency translation adjustment	-	-	-	-	-	-	-	48,886	-	48,886
Net income, year ended December 31, 2014	-	-	-	-	-	-	-	-	2,361,882	2,361,882
Balance, December 31, 2014	327,637	327,637	5,374,982	5,374,982	44,707,601	44,708	5,635,374	(29,093)	(9,519,609)	1,833,999
Series A preferred stock issued for dividend	9,830	9,830	-	-	-	-	-	-	(9,830)	-
Series B preferred stock issued for dividend	-	-	219,109	219,190	-	-	-	-	(219,109)	-
Series A preferred stock repurchased for cash	(286,227)	(286,227)	-	-	-	-	-	-	-	(286,227)
Series B preferred stock repurchased for cash	-	-	(78,168)	(78,168)	-	-	-	-	-	(78,168)
Exchange of series A preferred stock for series B preferred stock	(51,240)	(51,240)	51,240	51,240	-	-	-	-	-	-
Foreign currency translation adjustment	-	-	-	-	-	-	-	88,797	-	88,797
Net income, period ended June 30, 2015	-	-	-	-	-	-	-	-	31,516	31,516
Balance, June 30, 2015	-	$ -	5,567,163	$ 5,567,163	44,707,601	$ 44,708	$ 5,635,374	$ 59,704	$ (9,717,032)	$ 1,589,917

See accompanying notes to unaudited consolidated financial statements.

ATLANTIC WIND AND SOLAR, INC.

Unaudited Consolidated Statements of Cash Flows

	Six months ended June 30,	
	2015	2014
Cash flows from operating activities		
Net income	$ 31,516	$ 705,206
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Deferred tax asset	(79,324)	-
Changes in operating assets and liabilities:		
Accounts receivable	268,162	(1,695,175)
Prepaid expenses	(473)	-
Interest receivable	(12,458)	-
Other current assets	67,301	4,552
Accounts payable and accrued liabilities	(28,390)	1,561,982
Sales tax payable	30,715	(106,120)
Wages payable	58,000	9,000
Net cash used in operating activities	335,049	479,445
Cash flows from investing activities		
Notes receivable	(910)	(88,994)
Cash flows from investing activities	(910)	(88,994)
Cash flows from financing activities		
Proceeds from related party payables	-	84,443
Repayment of note payable	(32,416)	-
Repurchase of series A preferred stock	(286,227)	(204,154)
Repurchase of series B preferred stock	(78,168)	(75,356)
Net cash used in financing activities	(396,811)	(195,067)
Effect of exchange rate on cash	79,776	36,448
Net change in cash	17,104	231,832
Cash at beginning of period	1,203	148,770
Cash at end of period	$ 18,307	$ 380,602
Supplemental cash flow information		

Cash paid for interest	$ 37,206	$ -
Cash paid for income taxes	$ -	$ -
Supplemental disclosure of non-cash financing activities		
Reduction of accounts receivable for reduction in accounts payable	$ 3,047,893	$ -
Series A preferred stock issued for dividend	$ 9,830	$ 39,149
Series B preferred stock issued for dividend	$ 219,109	$ 196,703
Series B preferred stock rescinded	$ -	$ (223,315)
Conversion of related party payable to series B preferred shares	$ -	$ 84,224

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.

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.

Note 2 - Significant Accounting Policies (continued)

Income taxes (continued)

During the year ended December 31, 2014, we reversed the full valuation allowance against our deferred tax asset as the future use of this asset became more estimable. This resulted in a one-time tax benefit of $1,547,437 being taken into income during the year ended December 31, 2014. The changes in deferred tax assets for the six months ended June 30, 2015 were as follows:

Net loss allocable to US entity	$	227,145
Applicable federal income tax rate		35%
Applicable state income tax rate		0%
Net increase in deferred tax asset	$	79,325

Deferred tax asset, December 31, 2014	$	1,547,437
Increase in deferred tax asset		79,325
Increase in valuation allowance		-
Deferred tax asset, June 30, 2015	$	1,626,762

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:

	Six months ended June 30,		December 31,
	2015	**2014**	**2014**
Period end: CAD to USD	0.8093	0.7909	0.8599
Average for period: CAD to USD	0.8104	0.8077	0.9508

Note 2 - Significant Accounting Policies (continued)

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 June 30, 2015.

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:

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 June 30, 2015 or December 31, 2014. The Company did not have any fair value adjustments for assets and liabilities measured at fair value on a nonrecurring basis during the three months ended June 30, 2015 or 2014.

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, 2014 and 2013:

	June 30, 2015	December 31, 2014
Computers	$ 2,761	$ 2,933
Accumulated depreciation	(2,761)	(2,933)
Net book value	$ -	$ -

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 $1,173,183 and $1,725,418 during the three months ended June 30, 2015 and 2014 and revenues of $2,447,906 and $3,415,090 during the six months ended June 30, 2015 and 2014.

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

Authorized 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.

Note 3 - Stockholders' Equity (continued)

Authorized Stock (continued)

The series A preferred stock carries an annual dividend of 12% which is generally paid quarterly by issuing additional shares of series A preferred stock. We issued 9,830 and 65,746 and series A preferred shares for dividends during the six months ended June 30, 2015 and the year ended December 31, 2014.

The series B preferred stock carries an annual dividend of 8% which is generally paid quarterly by issuing additional shares of series B preferred stock. We issued 219,109 and 402,282 shares for dividends during the six months ended June 30, 2015 and the year ended December 31, 2014.

During the year ended December 31, 2014, the Company issued a total of 114,224 series B preferred shares at $1 per share as a reduction of related party payables.

During the year ended December 31, 2014, the Company purchased a total of 471,556 series A preferred shares and 124,385 series B preferred shares for cash at $1 per share. During the year ended December 31, 2014, the Company rescinded 223,315 series B preferred shares which were previously issued for dividends.

During the six months ended June 30, 2015, the Company purchased a total of 286,227 series A preferred shares and 78,168 series B preferred shares for cash at $1 per share. The Company also issued 51,240 shares of series B preferred stock in exchange for 51,240 shares of series A preferred stock.

There were 44,707,601 common shares issued and outstanding as of June 30, 2015 and December 31, 2014.

There were 0 and 327,637 series A preferred shares issued and outstanding as of June 30, 2015 and December 31, 2014. There were 5,567,163 and 5,374,982 series B preferred shares issued and outstanding as of June 30, 2015 and December 31, 2014.

Net income (loss) per common share

Net income (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 income (loss) per share. Diluted income (loss) per share is computed using the weighted average number of shares and dilutive potential common shares outstanding. Basic net income (loss) per common share is based on the weighted average number of shares of common stock outstanding during the six months ended June 30, 2015 and 2014.

Note 4 - Concentrations of Credit Risk

Our revenues for the three and six months ended June 30, 2015 and 2014 were generated completely from two separate clients. Additionally, our entire accounts receivable balance as of December 31, 2014 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.