ATLANTIC
WIND & SOLAR INC

Annual Report
2015

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

OTC: AWSL

2015 ANNUAL REPORT

Overview

Ontario and Ecuador

With 20+ Ontario projects wrapped up and the Ecuador project on-going, Atlantic looked to expand its focus for 2016 and beyond.

Our New Sustainable Living Initiative

2015 saw the successful launch of Atlantic's Sustainable Living Initiative.

Atlantic will work with large land owners and real estate developers to build homes, communities, and resorts designed, at their core, to be energy efficient, self-sustainable, and of the highest quality

The Sustainable Living Initiative will utilize highly engineered construction principles and technologies to deliver the most cost effective on, and off, grid communities and resorts possible. A key concept here is that "quality is costless" in the sense that superior design and products mean reduced operating costs and minimal maintenance in the long run.

At the core of the power generation Atlantic will utilize solar PV while augmenting the production with solar thermal heating for household water and swimming pools. Additional heating and cooling will, in many cases, be provided using geo-thermal radiant heating and cooling.

To ensure ample energy production and conservation, an emphasis on optimally efficient homes and resorts will begin at the conceptual design phase. By utilizing a new ICF (Insulating Concrete Form) construction, we can ensure far greater insulation properties than with traditional building materials, maintaining radiant temperatures for hours or even days longer. Air quality plus water collection and treatment systems will all be standard features of our developments.

Management is currently in discussions to partner on a co-development of communities and resorts in The Bahamas and Canada for its initial sustainable living resort communities.

Discussion and Analysis of the Business

Business Model

Atlantic Wind and Solar, Inc. began as a solar project developer. With the launch of its new Sustainable Living Initiative Atlantic now also enters the field of construction.

While solar specific construction, in form of EPC (engineering, procurement, and construction), has been a key component of past projects, the company will now broaden this focus to encompass not just rooftops as they pertain to solar but to the full energy envelope of the structures themselves as well as the communities in which they are built.

Solar Project Development

For solar projects the term "developer" generally means an entity that takes a potential project from any one stage of development to another stage closer to Commercial Operation - the point at which a project begins to sell electricity.

The profitability in developing a project depends, simplistically, on two factors. The first is the potential profitability of the project itself based on cost of construction, the amount of power to be produced, and the price to be received for electricity. The second factor is the amount of value added by the developer after taking responsibility and control.

Atlantic began focused entirely on in-house, greenfield, development - i.e. starting projects from scratch. Turning an idea into the framework of a deal and carrying this through the documentation phase to the point of viability can be challenging. The work to a Power Purchase Agreement (PPA) can also be arduous and time consuming. Time, funding, and frustration are barriers to entry and therefore it is in this phase that a company willing to tackle an idea tirelessly for an indeterminable period of time can add significant value.

Atlantic also evaluates projects 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 Commercial Operation.

Sustainable Living Initiative Project Development

Building on its success in solar project development, and progressing on its long stated goal of increasing its involvement in the EPC phase of projects, Atlantic will now partner on construction projects under its new Sustainable Living Initiative.

Simplistically this represents expanding the focus from the rooftop utilizing solar down to ground level incorporating energy efficient technology all along the way. In practical terms the focus is much broader as the plan is to build communities of such homes rather than individual buildings. This fits nicely with Atlantic's past emphasis on greenfield projects in that they often now begin, literally, with a field.

The Bahamas is a key area of focus in that the cost of government supplied electricity is already higher than the tariff rate of many government PPAs today. Off-grid communities can take advantage of this long term savings. But more importantly in the many cases there exists vast tracks of beautifully appointed land at reasonable prices based on a lack of immediate accessibility to the grid. The Bahamas also has a strong demand for resort properties thus combining the demands for primary housing, resort housing, and vacation home ownership with cost efficient land, construction, and on-going sustainability.

Atlantic has prided itself on its ability to adapt to changing climates. The Sustainable Living Initiative represents a natural progression for the company.

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. Atlantic's core business has been to develop projects from the very beginning to the very end. Once the Company has control of a project it prefers to see it through to Commercial Operation to maximize value added. This applies even more so the Sustainable Living Initiative as Atlantic can now participate from the very ground up.

EPC Margin

Atlantic's model is to remain involved in all projects through the EPC process. This helps to ensure that projects stay on track toward completion. There is also a margin to be earned as EPC. The Sustainable Living Initiative increases Atlantic's participation in the EPC phase.

Ownership Retention

When developing projects to and through Commercial Operation 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 assets. The Sustainable Living Initiative would allow Atlantic retain ownership in properties as long term corporate assets.

Social Impact and the Triple Bottom Line

Atlantic has always focused on the idea of the Triple Bottom Line - the idea that a company should focus on three types of results - social, environmental (or ecological), and financial. The Sustainable Living Initiative is a continuation of this philosophy.

Discussion and Analysis of Operations and Financial Condition

Discussion and Analysis of the Results of Operations

Management at Atlantic is pleased with the attached financial statements.

In 2015 Atlantic wrapped up the Ontario FIT 1.0 and 2.1 projects and awaits the next announcement by IESO - the Independent Electricity System Operator - in regards to FIT applications.

The company continued to make strides in the international markets with the first steps now taken under the new Sustainable Development Initiative. The initial project is an international one, which for Atlantic means outside of Canada and the United States. Atlantic's operations in Ontario are in Canadian dollars with net profits subject to foreign exchange risk. The Sustainable Development Initiative, so far, has been focused on international, U.S. dollar denominated, projects.

Total operating expenses, a long time key focus of management, remained again within the acceptable limits keeping the company lean as planned. The main area of increase was in Advertising and Public Relations as Atlantic launched the new initiative.

Discussion and Analysis of Financial Condition

Management is pleased with the financial condition of the company.

Sales continued at a healthy pace, despite being down from 2014, while maintaining a respectable gross profit margin of 14.8%. The bulk of past operations were in Canada where the economy and currency have suffered recently on the back of falling commodities prices amongst other things. Atlantic's new sales in Q4 are international and U.S. dollar denominated. This should diversify future income and eliminate the Foreign Currency Translation Loss of the last few years.

Atlantic has continued its policy of protecting shareholders by limiting share issuance. At the end of 2015 there were 44,707,610 common shares outstanding versus 44,707,610 in 2014, 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 now reached a 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 and Financial Statements

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: 30th March 2016

By:/s/ John S. Wilkes
CEO, Director

ATLANTIC WIND AND SOLAR, INC.

Unaudited Consolidated Financial Statements
December 31, 2015

ATLANTIC WIND AND SOLAR, INC.

Unaudited Consolidated Financial Statements
December 31, 2015

CONTENTS

ATLANTIC WIND AND SOLAR, INC.
Unaudited Consolidated Balance Sheets

	December 31, 2015		December 31, 2014	
ASSETS				
Current assets				
Cash	$	41,245	$	1,203
Accounts receivable, net of allowance of $0		210,000		2,367,185
Prepaid expenses		1,173		50
Interest receivable		55,952		38,434
Other current assets		-		88,061
Total current assets		308,370		2,494,933
Note receivable, net of allowance		324,489		364,737
Deferred tax asset		1,662,467		1,547,437
Total assets	$	2,296,326	$	4,407,107
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	$	153,837	$	2,136,506
Sales tax payable		42,584		19,635
Wages payable		126,500		56,500
Related party payables, current		110,909		54,390
Total current liabilities		433,830		2,267,031
Related party payables, non-current		53,887		110,406
Notes payable, non-current		120,000		195,671
Total liabilities		607,717		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 December 31, 2015 and 2014		-		327,637
Series B preferred stock, $1.00 par value; 20,000,000 shares authorized; 5,553,871 and 5,374,982 shares issued and outstanding T December 31, 2015 and 2014		5,553,871		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		41,601		(29,093)
Accumulated deficit		(9,586,945)		(9,519,609)
Total stockholders' equity		1,688,609		1,833,999
Total liabilities and stockholders' equity	$	2,296,326	$	4,407,107

See accompanying notes to unaudited consolidated financial statements.

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

	Year ended December 31, 2015	Year ended December 31, 2014
Revenue	$ 2,970,798	$ 5,409,135
Cost of revenue	2,586,805	3,975,118
Gross margin	383,993	1,434,017
Operating expenses		
Salaries and wages	167,500	412,312
Engineering	-	1,024
Professional fees	24,806	28,804
Travel	16,363	64,643
Rent	3,404	5,136
Advertising and public relations	66,852	718
General and administrative	21,506	29,718
Total operating expenses	300,431	542,355
Other income (expense)		
Interest income	24,106	22,461
Foreign currency transaction gain (loss)	(126,590)	(91,657)
Interest expense	(9,551)	(8,021)
Total other income (expense)	(112,035)	(77,217)
Net income (loss)before income taxes	(28,473)	814,445
Income tax benefit	116,030	1,547,437
Net income available to common stockholders	$ 87,557	$ 2,361,882
Other comprehensive income		
Foreign currency translation adjustment	70,694	48,886
Total comprehensive income	$ 158,251	$ 2,410,768
Basic and diluted income per common share	$ 0.00	$ 0.05
Basic and diluted weighted average shares outstanding	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	Other Comprehensive	Accumulated	
	Shares	Amount	Shares	Amount	Shares	Amount	Paid-in Capital	Loss	Deficit	Total
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)
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	-	-	145,063	145,063	-	-	-	-	(145,063)	-
Series A preferred stock repurchased for cash	(286,227)	(286,227)	-	-	-	-	-	-	-	(286,227)
Series B preferred stock repurchased for cash	-	-	(87,809)	(87,809)	-	-	-	-	-	(87,809)
Series B preferred stock issued for conversion of related party payable	-	-	70,395	70,395	-	-	-	-	-	70,395
Series A preferred stock exchanged for series B preferred stock	(51,240)	(51,240)	51,240	51,240	-	-	-	-	-	-
Foreign currency translation adjustment	-	-	-	-	-	-	-	70,694	-	70,694
Net loss, year ended December 31, 2015	-	-	-	-	-	-	-	-	87,557	87,557
Balance, December 31, 2015	-	$ -	5,553,871	$ 5,553,871	44,707,601	$ 44,708	$ 5,635,374	$ 41,601	$ (9,586,945)	$ 1,688,609

See accompanying notes to unaudited consolidated financial statements.

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

	Year ended December 31, 2015	Year ended December 31, 2014
Cash flows from operating activities		
Net income	$ 87,557	$ 2,361,882
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Deferred tax asset	(116,030)	(1,547,437)
Changes in operating assets and liabilities:		
Accounts receivable	49,192	1,174,325
Prepaid expenses	(1,228)	(53)
Interest receivable	(24,107)	(22,461)
Other current assets	82,504	34,104
Accounts payable and accrued liabilities	104,621	(1,657,625)
Sales tax payable	28,384	(84,716)
Wages payable	70,000	18,000
Net cash used in operating activities	280,893	276,019
Cash flows from investing activities		
Notes receivable	(2,892)	(79,390)
Cash flows from investing activities	(2,892)	(79,390)
Cash flows from financing activities		
Proceeds from related party payables	70,395	176,905
Repayment of note payable	(31,332)	-
Repurchase of series A preferred stock	(286,227)	(471,556)
Repurchase of series B preferred stock	(87,809)	(124,385)
Net cash used in financing activities	(334,973)	(419,036)
Effect of exchange rate on cash	97,014	74,840
Net change in cash	40,042	(147,567)
Cash at beginning of period	1,203	148,770
Cash at end of period	$ 41,245	$ 1,203
Supplemental cash flow information		
Cash paid for interest	$ (95,070)	$ -
Cash paid for income taxes	$ -	$ -
Supplemental disclosure of non-cash financing activities		
Reduction of accounts receivable for reduction in accounts payable	$ 2,945,937	$ 5,589,548
Series A preferred stock issued for dividend	$ 9,830	$ 65,746
Series B preferred stock issued for dividend	$ 145,063	$ 402,282
Series B preferred stock rescinded	$ -	$ (223,315)
Conversion of related party payable to series B preferred shares	$ 70,395	$ 230,328

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, 2015, we recorded income tax benefits of $116,030. 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. We expect future income tax expense to reduce the deferred tax asset being carried on the balance sheet.

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:

	December 31, 2015	December 31, 2014
Period end: CAD to USD	0.7209	0.8599
Average for period: CAD to USD	0.7833	0.9508

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, 2015 and 2014.

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, 2015 or 2014. 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, 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, 2015 and 2014:

	December 31, 2015	December 31, 2014
Computers	$ 2,459	$ 2,933
Accumulated depreciation	(2,459)	(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 $2,970,798 and $5,409,135 during the years ended December 31, 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

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.

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 years ended December 31, 2015 and 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. On May 1, 2015, the Company amended the rights of the series B preferred shares to not carry a dividend at which point all dividends owing were settled by the issuance of additional series B preferred shares. We issued 145,063 and 402,282 shares for dividends during the years ended December 31, 2015 and 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 year ended December 31, 2015, the Company purchased a total of 286,227 series A preferred shares and 87,809 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. The Company also issued 70,395 shares of series B preferred stock in exchange for a $70,395 reduction of related party payables.

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

There were 0 and 327,637 series A preferred shares issued and outstanding as of December 31, 2015 and 2014. There were 5,553,871 and 5,374,982 series B preferred shares issued and outstanding as of December 31, 2015 and 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 years ended December 31, 2015 and 2014.

Note 4 - Concentrations of Credit Risk

Our revenues for the years ended December 31, 2015 and 2014 were generated completely from three and two separate clients, respectively. Additionally, our entire accounts receivable balance as of these dates were generated from contracts with these 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.