

Printing Components Inc.
Form 10QSB
November 14, 2007

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 10-QSB

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2007

OR

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from to

Commission File Number 333-141057

PRINTING COMPONENTS INC.
(Exact name of registrant as specified in its charter)

NEVADA
(State of other jurisdiction of incorporation or organization)

**2795 Barton Street, East
Unit 5
Hamilton, Ontario
Canada L8E 2J8**
(Address of principal executive offices)

(905) 578-3232
(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant is a Shell company (as defined in Rule 12b-2 of the Exchange Act): Yes ☒ No ☐

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

As of September 30, 2007, the total number of shares issued and outstanding is: 5,490,500.

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PART I. FINANCIAL INFORMATION**ITEM 1. INTERIM FINANCIAL STATEMENTS**

PRINTING COMPONENTS INC.
(A DEVELOPMENT STAGE COMPANY)

BALANCE SHEET

	Sept 30, 2007 (unaudited)	Dec 31, 2006
ASSETS		
Current assets:		
Cash and equivalents	\$ 56,589	\$ 1,550
Accounts receivable	7,800	-
Inventory	8,940	-
Total Current Assets	73,329	1,550
Fixed assets, net (\$ 820 accumulated depreciation)	13,598	-
Total Assets	\$ 86,927	\$ 1,550
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities:		
Accrued liabilities	\$ -	\$ 3,500
Due to officer/shareholder	39,640	16,500
Total Liabilities	39,640	20,000
Shareholders' Equity (Deficiency)		
Preferred Stock, \$0.00001 par value, none issued and outstanding		
Common Stock, \$0.00001 par value, 100,000,000 shares authorized		
5,490,500 and 5,000,000 shares issued and outstanding at		
September 30, 2007 and December 31, 2006	55	50
Additional Paid-In-Capital	122,620	-
Accumulated Deficit	(75,388)	(18,500)
Total Shareholders' Equity (Deficiency)	47,287	(18,450)
Total Liabilities and Shareholders' Equity (Deficiency)	\$ 86,927	\$ 1,550

SEE ACCOMPANYING CONDENSED NOTES TO INTERIM FINANCIAL STATEMENTS

PRINTING COMPONENTS INC.
(A DEVELOPMENT STAGE COMPANY)

STATEMENTS OF OPERATIONS

	July 1, 2007 to Sept 30, 2007 (unaudited)	Jan 1, 2007 to Sept 30, 2007 (unaudited)	Dec 12, 2006 (inception) to Sept 30, 2007 (unaudited)
REVENUE:	\$ 7,800	\$ 7,800	\$ 7,800
COST OF SALES:			
Inventory - beginning of period	-	-	-
Purchases	12,840	12,840	12,840
Inventory - end of period	(8,940)	(8,940)	(8,940)
	3,900	3,900	3,900
GROSS PROFIT	3,900	3,900	3,900
EXPENSES:			
Travel	501	17,663	17,663
Professional fees	7,375	18,136	36,636
Meals and entertainment	176	10,948	10,948
Web page design	-	5,600	5,600
Rent	1,538	4,792	4,792
Office	1,066	1,755	1,755
Depreciation	820	820	820
Bank charges	166	628	628
Registration fees	-	446	446
	(11,642)	(60,788)	(79,288)
Net Loss	\$ (7,742)	\$ (56,888)	\$ (75,388)
Basic and diluted net loss per share	\$ -	\$ -	
Weighted average shares used in calculating			
Basic and diluted net loss per share	5,490,500	5,279,968	

SEE ACCOMPANYING CONDENSED NOTES TO INTERIM FINANCIAL STATEMENTS

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PRINTING COMPONENTS INC.
(A DEVELOPMENT STAGE COMPANY)

STATEMENTS OF CASH FLOWS

	Jan 1, 2007 to Sept 30, 2007 (unaudited)	Dec 12, 2006 (inception) to Sept 30, 2007 (unaudited)
Cash Flows From Operating Activities:		
Net loss	\$ (56,888)	\$ (75,388)
Adjustment for non-cash item		
Depreciation	820	820
Changes In Operating Assets and Liabilities		
Decrease in accounts payable	(3,500)	-
Increase in inventory	(12,840)	(12,840)
Net cash used in operations	(72,408)	(87,408)
Cash Flows From Investing Activities		
Purchase of fixed assets	(14,418)	-
Cash Flows From Financing Activities:		
Directors advances	19,240	21,322
Proceeds from issuance of common stock	122,625	122,675
Net increase in cash	55,039	56,589
Cash-Beginning of period	1,550	-
Cash-End of period	\$ 56,589	\$ 56,589
Supplemental Disclosure of Cash Flow Information:		
Taxes paid	\$ -	-
Interest paid	\$ -	-

SEE ACCOMPANYING CONDENSED NOTES TO INTERIM FINANCIAL STATEMENTS

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PRINTING COMPONENTS INC.
(A DEVELOPMENT STAGE COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007
(UNAUDITED)

NOTE 1 - ACCOUNTING POLICIES AND OPERATIONS

ORGANIZATION

Printing Components Inc. (the "Company"), a development stage company, was incorporated in Nevada on December 12, 2006. The Company offers media, inks, printing and graphic design services to the large format digital printing industry. At September 30, 2007, the Company has commenced business operations. The Company's fiscal year ends on December 31st.

CASH AND CASH EQUIVALENTS

The Company considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

EARNINGS PER SHARE

The Company computes earnings per share in accordance with Statement of Accounting Standards No. 128, "Earnings per Share ("SFAS No. 128"). Under the provisions of SFAS No. 128, basic earnings per share is computed by dividing the net income (loss) for the period by the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed by dividing the net income (loss) for the period by the weighted average number of common and potentially dilutive common shares outstanding during the period. There were no potentially dilutive common shares outstanding during the period.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

INVENTORY

Inventory is valued at the lower of cost or market on the first in, first out basis. The inventory at September 30 2007 consisted entirely of finished goods.

DEPRECIATION

The cost of computers and furniture is depreciated over the estimated useful life of the related assets from 3 to 7 years.

INCOME TAXES

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes." Under the asset and liability method of Statement 109, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled.

PRINTING COMPONENTS INC.
(A DEVELOPMENT STAGE COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007
(UNAUDITED)

REVENUE RECOGNITION

Revenue from sale of printing products is reported on the accrual basis of accounting, whereby the sale is recorded upon the delivery or transfer of title of the goods.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company considers that the carrying amount of financial instruments, including accounts payable, approximates fair value because of the short maturity of these instruments.

RECENT ACCOUNTING PRONOUNCEMENTS

The Company does not expect the adoption of recent accounting pronouncements to have a material impact on its financial condition or results of operations.

GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The amounts of assets and liabilities in the financial statements do not purport to represent realizable or settlement values. However, the Company has incurred an operating loss. Such loss may impair its ability to obtain additional financing.

This factor raises substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. The Company has met its historical working capital requirements from sale of capital shares. Owners of the shares, in order not to burden the Company, have agreed to provide funding to the Company to pay its annual audit fees, filing costs and legal fees as long as the board of directors deems it necessary. However, there can be no assurance that such financial support shall be ongoing or available on terms or conditions acceptable to the Company.

INTERIM FINANCIAL INFORMATION

The interim financial statements of Printing Components, Inc. are unaudited. However, in the opinion of management, the interim data includes all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of the results for the interim period. The results of operations for the period ended September 30, 2007 are not necessarily indicative of the operating results for the entire year.

PRINTING COMPONENTS INC.
(A DEVELOPMENT STAGE COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007
(UNAUDITED)

NOTE 2 - SHAREHOLDERS' EQUITY

On December 12, 2006, the Company issued 5,000,000 shares of common stock, par value \$0.00001 per share, to its initial shareholders in exchange for \$50 in cash. In the period ending June 30, 2007, the company sold 490,500 shares of common stock at \$0.25 per share for total proceeds of \$122,625.

NOTE 3 - RELATED PARTY TRANSACTIONS

A shareholder/officer has provided funding to pay for the initial operating expenses of the Company.

NOTE 4 - DUE TO SHAREHOLDER

Amounts due to shareholder are non-interest bearing and have no definite terms of repayment.

NOTE 5- EQUIPMENT

	Cost	Accumulated Depreciation	Net Book Value September 30, 2007
Furniture	\$ 8,694	\$ 320	\$ 8,374
Computers	5,724	500	5,224
	\$ 14,418	\$ 820	\$ 13,598

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

This section of the report includes a number of forward-looking statements that reflect our current views with respect to future events and financial performance. Forward-looking statements are often identified by words like: believe, expect, estimate, anticipate, intend, project and similar expressions, or words which, by their nature, refer to future events. You should not place undue certainty on these forward-looking statements, which apply only as of the date of this report. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or our predictions.

We are a start-up stage corporation and expect to start operations and generate revenue from our business operations during the next quarter.

Our auditors have issued a going concern opinion. This means that our auditors believe there is substantial doubt that we can continue as an on-going business for the next twelve months unless we obtain additional capital to pay our bills. This is because we have not generated any revenues and do not anticipate generating revenue until we complete the development of our website and engage suppliers and customers to buy our products. Our only other source for cash at this time is investments by others in our company. Accordingly, we have raised a total of \$122,625 in gross proceeds in our recent public offering and we are using the proceeds to implement our project and begin operations. We do not know how long the money will last, however, we are being operations.

We have opened our office, purchased furniture and computers, installed phone lines and acquired finished goods for resale and made our first sale in the amount of \$7,800.00. Suppliers have been secured and initial inventory has been purchased at cost allowing for resale at reasonable margins. We have negotiated with our suppliers a four day delivery timetable which minimizes the amount of inventory required on hand to meet sales demand. In addition, the inventory turnover should minimize our cash requirement in the near term.

At the present time, we have not made any arrangements to raise additional cash,. If we need additional cash and cannot raise it we will either have to suspend operations until we do raise the cash, or cease operations entirely. The amount we raised in our public offering should be enough to last one year, but with limited funds available to develop growth strategy.

Plan of Operation

Our specific goal is to profitably sell a comprehensive supply of products on our Internet website to the printing industry. We intend to accomplish the foregoing by the following steps:

1. By attending Trade Shows, we are able to observe firsthand which new products are introduced and the interest generated by print shop owner/operators in the printing industry.

Each show we attend provides us the opportunity to meet personally with key management of small and medium size manufactures to discuss the opportunity of marketing and distributing their products on an exclusive basis. This has proven to be a valuable tool providing us a current list of suppliers, key management contacts and insight into upcoming products being released to the industry. We can also ascertain what the manufactures deem to be the key advantages of their products.

To date we have selected two potential manufactures of products that we believe we can negotiate contracts for the exclusive distribution of their product.

2. We have revised our initial approach to Marketing and Advertising and will focus on exposing our website to product managers through direct contact with key management at as many trade shows as we are able to attend in the upcoming months. Through management contacts and current purchasing agents, and obtain valuable information as to the products currently being used as a valuable tool in tailoring the website to meet the client's needs.

Once this information is compiled, we will enter it into our database: contact person, date we met, location of the meeting, and create a personalized approach for emailing, telemarketing, direct mailing and/or personal visits. Where possible, we will

Limited operating history; need for additional capital

There is no historical financial information about us upon which to base an evaluation of our performance. We are in start-up stage operations and have not generated any revenues. We cannot guarantee we will be successful in our business operations. Our business is subject to risks inherent in the establishment of a new business enterprise, including limited capital resources and possible cost overruns due to price increases in services and products.

To become profitable and competitive, we have to locate and negotiate agreements with manufacturers to offer their products for sale to us at pricing that will enable us to establish and sell the products to our clientele.

We have no assurance that future financing will be available to us on acceptable terms. If financing is not available on satisfactory terms, we may be unable to continue, develop or expand our operations. Equity financing could result in additional dilution to existing shareholders.

Results of operations

From Inception on December 12, 2006 to September 30, 2007

During the period, we incorporated the company, hired the attorney, and hired the auditor for the preparation of our SB-2 registration statement. We contracted 1610650 Ontario Inc. to create an Internet website with the domain name **Awww.printingcomponents.com@**. Our loss since inception is \$75,388. We have started our proposed business operations and we have completed our public offering.

Since inception, we sold 5,000,000 shares of common stock to our officers and directors for \$50 and 490,500 shares of common stock at \$0.25 per share for \$122,625.

Liquidity and capital resources

As of the date of this report, we have Generated \$7,800.00 in revenues from our business operations.

In December 2006, we issued 5,000,000 shares of common stock pursuant to the exemption contained in Reg. S of the Securities Act of 2007. This was accounted for as a sale of common stock.

On June 25, 2007, we completed our public offering of 490,500 shares of common stock at an offering price of \$0.25 per share. We raised \$122,625.

As of September 30, 2007, our total assets were \$86,927 in cash, inventory and fixed assets and our total liabilities were \$39,640 comprised of \$39,640 owing to Herb Adams for advances made by Mr. Adams.

ITEM 3. CONTROLS AND PROCEDURES.

Under the supervision and with the participation of our management, including the Principal Executive Officer and Principal Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures as required by Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based on that evaluation, the Principal Executive Officer and Principal Financial Officer have concluded that these disclosure controls and procedures are effective.

PART II OTHER INFORMATION

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS.

On April 2, 2007, the Securities and Exchange Commission declared our Form SB-2 Registration Statement effective (File number 333-141057) permitting us to offer up to 800,000 shares of common stock at \$0.25 per share. There was no underwriter involved in our public offering.

On June 25, 2007, we sold 490,500 shares of common stock at \$0.25 per share for cash proceeds of \$122,625. As of the date of this report, we spent the money raised from this offering as follows: \$17,663 on travel, \$36,636 on professional fees, \$10,948 on meals and entertainment, \$5,600 on web page design, \$4792 on rent, \$1755 on office, \$628 on bank charges, and \$446 for registration fees

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ITEM 6. EXHIBITS.

The following Exhibits are attached hereto:

Exhibit No.	Document Description
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- | | |
|------|---|
| 31.1 | Certification of Principal Executive Officer pursuant to Rule 13a-15(e) and 15d-15(e), promulgated under the Securities and Exchange Act of 1934, as amended. |
| 31.2 | Certification of Principal Financial Officer pursuant to Rule 13a-15(e) and 15d-15(e), promulgated under the Securities and Exchange Act of 1934, as amended. |
| 32.1 | Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer). |
| 32.2 | Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Financial Officer). |

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SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on this 13th day of November, 2007.

PRINTING COMPONENTS INC.

BY: HERB ADAMS

Herb Adams, President, Principal Executive Officer, and a member of the Board of Directors

BY: JOHN DOW

John Dow, Treasurer, Principal Financial Officer, Principal Accounting Officer and a member of the Board of Directors

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EXHIBIT INDEX

Exhibit No. Document Description

- | | |
|------|---|
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