

Printing Components Inc.
Form 10QSB
August 13, 2007

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 JUNE 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)

98-0542529

(IRS Employer Identification Number)

2795 Barton Street, East
Unit 5
Hamilton, Ontario
Canada L8E 2J8

(Address of principal executive offices)

(905) 399-5862

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

PART I. FINANCIAL INFORMATION

ITEM 1. INTERIM FINANCIAL STATEMENTS

PRINTING COMPONENTS INC.
(A DEVELOPMENT STAGE COMPANY)

Balance Sheet

	June 30, 2007 (unaudited)	Dec 31, 2006
ASSETS		
Current assets:		
Cash and equivalents	\$ 87,690	\$ 1,550
Inventory	12,840	-
	<u>100,530</u>	<u>1,550</u>
Total Current Assets	100,530	1,550
Fixed Assets, net (\$0 accumulated depreciation)	14,418	-
	<u>14,418</u>	<u>-</u>
Total Assets	<u>\$ 114,948</u>	<u>\$ 1,550</u>
 LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities:		
Accrued liabilities	\$ -	\$ 3,500
Due to officer/shareholder	59,919	16,500
	<u>59,919</u>	<u>20,000</u>
Total Liabilities	59,919	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 June 30, 2007 and December 31, 2006	55	50
Additional Paid-In-Capital	122,620	-
Accumulated Deficit	(67,646)	(18,500)
	<u>55,029</u>	<u>(18,450)</u>
Total Shareholders' Equity (Deficiency)	55,029	(18,450)
Total Liabilities and Shareholders' Deficiency	<u>\$ 114,948</u>	<u>\$ 1,550</u>

SEE ACCOMPANYING CONDENSED NOTES TO INTERIM FINANCIAL STATEMENTS.

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PRINTING COMPONENTS INC.
(A DEVELOPMENT STAGE COMPANY)

STATEMENTS OF OPERATIONS

		April 1, 2007 to June 30, 2007 (unaudited)	Jan 1, 2007 to June 30, 2007 (unaudited)	Dec 12, 2006 (inception) to June 30, 2007 (unaudited)
REVENUE:	\$	-	\$ -	\$ -
COST OF SALES				
Inventory - beginning of year		-	-	-
Purchases		12,840	12,840	12,840
		<u>12,840</u>	<u>12,840</u>	<u>12,840</u>
Inventory - end of year		12,840	12,840	12,840
		<u>12,840</u>	<u>12,840</u>	<u>12,840</u>
		-	-	-
EXPENSES:				
Travel		15,849	17,162	17,162
Professional fees		10,760	10,760	29,260
Meals and entertainment		10,594	10,772	10,772
Web page design		5,600	5,600	5,600
Rent		1,442	3,254	3,254
Office		439	690	690
Bank charges		334	461	462
Registration fees		320	447	446
		<u> </u>	<u> </u>	<u> </u>
Net Loss	\$	(45,338)	\$ (49,146)	\$ (67,646)

Basic and diluted net loss per share	\$	-	\$	-
		<u> </u>		<u> </u>
Weighted average shares used in calculating Basic and diluted net loss per share		5,344,015		5,172,958
		<u> </u>		<u> </u>

SEE ACCOMPANYING CONDENSED NOTES TO INTERIM FINANCIAL STATEMENTS.

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PRINTING COMPONENTS INC.
(A DEVELOPMENT STAGE COMPANY)

STATEMENT OF CASH FLOWS

	Jan 1, 2007 to June 30, 2007 (unaudited)	Dec 12, 2006 (inception) to June 30, 2007 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (49,146)	\$ (67,646)
Changes In Operating Assets and Liabilities		
Decrease in accounts payable	(3,500)	-
Increase in inventory	(12,840)	(12,840)
	<u> </u>	<u> </u>
Net cash used in operations	(65,486)	(80,486)
Cash Flows From Investing Activities		
Purchase of fixed assets	(14,418)	-
Cash Flows From Financing Activities:		
Directors advances	43,419	45,501
Proceeds from issuance of common stock	122,625	122,675
	<u> </u>	<u> </u>
Net increase in cash	164,274	168,176
Cash-Beginning of period	1,550	-
	<u> </u>	<u> </u>

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Cash-End of period	\$	87,690	\$	87,690
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
JUNE 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 intends to offer media, inks, printing and graphic design services to the large format digital printing industry. At June 30, 2007, the Company had not yet commenced any formal business operations and all activity to date related to the Company formation, capital stock issuance, professional fees with regard to a proposed Securities and Exchange Commission filing and identification of businesses. 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 June 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.

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PRINTING COMPONENTS INC.
(A DEVELOPMENT STAGE COMPANY)

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

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 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 June 30, 2007 are not necessarily indicative of the operating results for the entire year.

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.

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 the coming quarter from our business operations.

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 no revenues are anticipated until we complete the development of our website, source out suppliers for products to sell and source out customers to buy our products. Accordingly, we must raise cash from sources other than operations. Our only other source for cash at this time is investments by others in our company. We must raise cash to implement our project and begin our operations. Even if we raise the maximum amount of money in this offering, we do not know how long the money will last, however, we do believe it will last twelve months. We will not begin operations until we raise money from our public offering.

We have opened our office, purchased furniture and computers, installed phone lines and acquired finished goods for resale. Our website is in the process of being completed and should be fully operational within 45 days. 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.

To meet our need for cash we have raised money from our public offering. We believe we have raised enough money through our public offering to begin operations. At the present time, we have not made any arrangements to raise additional cash, other than through our public offering. 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. If we raise the minimum amount of money from our public offering, it will last a year but with limited funds available to develop growth strategy. If we raise the maximum amount, we believe the money will last a year and also provide funds for 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:

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1. 1610650 Ontario Inc. completed the initial development of our website - the process of developing the website will be an ongoing effort. 1610650 Ontario Inc. is an unrelated third party. We expect to spend an additional \$15,000 to \$20,000 towards creating more graphics and links from our site. We also have to began sourcing out suppliers to offer their products for sale on our website and/or to provide a direct link from our site to theirs. We intend to locate and negotiate with large industry leaders such as Avery and 3M, among others, to offer the best products and pricing on our website. We also started to locate smaller, new manufacturers to offer their products on a more exclusive basis. In

addition to offering an ever-changing and continually growing array of products for sale, the website will also feature industry information that will enhance the operations knowledge of printing owners and operators. We will also source out and identify printing owners, operators and purchasing agents who may become potential buyers of products from our website. The process of sourcing suppliers and customers may consist of telephone surveys and may contain questions which would determine the marketing approach and acceptability of specific products. It will also involve research into existing databases available via the Internet to target and extract the applicable names and contacts to create our own customized database. We intend to look into the databases of printing suppliers, trade magazines as well as telephone directories. The cost to source and analyze all of the material to identify suitable candidates to develop and maintain the database is estimated to cost up to \$20,000 and could take up to four months.

2. Marketing and advertising will be focused on promoting our website to prospective product manufacturers and printing owners/operators and purchasing agents based on the list of prospects developed from our database and market survey. The advertising campaign may also include the design and printing of various sales material. We intend to market our website through traditional sources such as advertising in magazines, newspapers, attending conferences and conventions telephone directories and preparing and sending out flyers and mailers both through the regular mail and via email. Advertising and promotion will be an ongoing effort but the initial cost of developing the campaign is estimated to cost between \$15,000 to \$35,000.

3. Once the website is fully functional and we have located and negotiated agreements with a suitable number of suppliers to offer their products for sale, we intend to hire one or two part-time salesperson(s) to call on printing owners/operators and purchasing agents to introduce them to our website. The salesperson(s) will also call on various printing product manufacturers to continue to source new products to offer for sale.

We anticipate that we will generate revenues in the coming quarter since we will be able to offer products for sale on our website. This will happen once we negotiate agreements with one or two large manufacturers or suppliers to offer their products for sale on our website or to enable us to provide a direct link from our website to theirs with a pre-arranged fee structure in place. We expect to be profitable within 12 months of completion of our public offering.

We will not be conducting any research. We are not going to buy or sell any plant or significant equipment during the next twelve months.

If we cannot generate sufficient revenues to continue operations, we will suspend or cease operations. If we cease operations, we do not know what we will do and we do not have any plans to do anything.

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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 a 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 and cost 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 June 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 "www.printingcomponents.com". Our loss since inception is \$67,646. We have started our proposed business operations and we have completed our public offering. We expect to begin operations thirty days after we complete 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 yet to generate any 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 June 30, 2007, our total assets were \$114,948 in cash, inventory and fixed assets and our total liabilities were \$59,919 comprised of \$59,919 owing to Herb Adams for advances made by Mr. Adams.

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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 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, the Company has spent the money raised from this offering as follows: \$17,162 on travel, \$29,260 to professional fees, \$10,772 to meals and entertainment, \$5,600 web page design, \$3,254 to rent, \$690 to office, \$462 to bank charges, \$446 to registration fees

ITEM 6. EXHIBITS.

The following Exhibits are attached hereto:

Exhibit No.	Document Description
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 August, 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

