

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

/X/ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1995

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 1-9789

TECH/OPS SEVCON, INC.

(Exact name of registrant as specified in its charter)

Delaware

04-2985631

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

One Beacon Street, Boston, Massachusetts, 02108

(Address of principal executive offices and zip code)

(617) 523-2030

(Registrant's telephone number, including area code:)

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 X No
--- ---

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at August 1, 1995
-----	-----
Common stock, par value \$.10	1,523,340

1

TECH/OPS SEVCON, INC.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Consolidated Balance Sheets

ASSETS

June 30, September 30,

	1995 ----- (unaudited)	1994 ----- (derived from audited statements)
Current assets:		
Cash and cash equivalents	\$ 2,094,000	\$ 2,336,000
Accounts receivable, less allowances of \$168,000 at 6/30/95 and \$166,000 at 9/30/94	5,500,000	3,789,000
Inventories:		
Raw materials	1,767,000	950,000
Work-in-process	740,000	516,000
Finished goods	319,000	303,000
	-----	-----
	2,826,000	1,769,000
	-----	-----
Total current assets	10,420,000	7,894,000
	-----	-----
Property, plant and equipment, at cost	4,003,000	3,878,000
Less: Accumulated depreciation and amortization	2,710,000	2,721,000
	-----	-----
Net property, plant and equipment	1,293,000	1,157,000
	-----	-----
Cost of purchased businesses in excess of net assets acquired	1,435,000	1,435,000
Other assets	111,000	109,000
	-----	-----
	\$13,259,000	\$10,595,000
	=====	=====

The accompanying notes are an integral part of these financial statements.

2

TECH/OPS SEVCON, INC.

Consolidated Balance Sheets

LIABILITIES AND STOCKHOLDERS' INVESTMENT

	June 30, 1995 ----- (unaudited)	September 30, 1994 ----- (derived from audited statements)
Current liabilities:		
Accounts payable	\$ 2,216,000	\$ 1,287,000
Dividend payable	305,000	305,000
Accrued expenses	1,978,000	1,968,000
Accrued taxes on income	745,000	282,000
	-----	-----
Total current liabilities	5,244,000	3,842,000
	-----	-----
Deferred taxes on income	185,000	185,000
	-----	-----

Stockholders' investment (Note 3)

Preferred stock	-	-
Common stock	152,000	152,000
Premium paid in on common stock	3,146,000	3,140,000
Retained earnings	5,004,000	3,855,000
Cumulative translation adjustment	(472,000)	(579,000)
	-----	-----
Total stockholders' investment	\$ 7,830,000	\$ 6,568,000
	-----	-----
	\$13,259,000	\$10,595,000
	=====	=====

The accompanying notes are an integral part of these financial statements.

3

TECH/OPS SEVCON, INC.

Consolidated Statement of Income

(Unaudited)

(\$000, except for per share numbers)

	Three Months Ended		Nine Months Ended	
	June 30, 1995	July 2, 1994	June 30, 1995	July 2, 1994
	-----	-----	-----	-----
Net sales	\$ 6,177	\$ 4,358	\$17,116	\$11,724
Costs and expenses:				
Cost of sales	3,551	2,510	9,951	6,836
Selling, general and administrative	1,522	1,194	4,200	3,529
	-----	-----	-----	-----
	5,073	3,704	14,151	10,365
	-----	-----	-----	-----
Operating income	1,104	654	2,965	1,359
Other income net	12	2	78	10
	-----	-----	-----	-----
Income before income taxes	1,116	656	3,043	1,369
Income taxes	367	207	964	442
	-----	-----	-----	-----
Net income	\$ 749	\$ 449	\$2,079	\$ 927
	=====	=====	=====	=====
Net income per share	\$.47	\$.29	\$1.32	\$.60
	=====	=====	=====	=====
Average common and common equivalent shares outstanding	1,590	1,558	1,578	1,558
	=====	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

4

TECH/OPS SEVCON, INC.
Consolidated Statement of Cash Flows
(Unaudited)

	Nine Months Ended	
	June 30, 1995	July 2, 1994
Net cash flow from operating activities:		
Net income	\$ 2,079,000	\$ 927,000
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	228,000	212,000
Deferred tax provision	-	25,000
Increase (decrease) in cash resulting from changes in operating assets and liabilities:		
Receivables	(1,711,000)	(564,000)
Inventories	(1,057,000)	(60,000)
Accounts payable	930,000	30,000
Accrued compensation and expenses	8,000	(35,000)
Accrued and deferred taxes on income	463,000	5,000
Other assets	(2,000)	24,000
Net cash generated from operating activities	938,000	864,000
Cash flow used by investing activities		
Acquisition of property, plant, and equipment, net	(341,000)	(190,000)
Cash flow used by financing activities		
Exercise of stock options	(8,000)	(1,000)
Dividends paid	(913,000)	(571,000)
Net cash used by financing activities	(921,000)	(572,000)
Effect of exchange rate changes on cash	82,000	57,000
Net increase (decrease) in cash	(242,000)	159,000
Opening balance - cash and cash equivalents	2,336,000	1,973,000
Ending balance - cash and cash equivalents	\$2,094,000	\$2,132,000
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	\$ 421,000	\$ 215,000
Supplemental disclosure of non-cash financing activity:		
Dividend declared	\$ 305,000	\$ 190,000

The accompanying notes are an integral part of these financial statements.

5

TECH/OPS SEVCON, INC.

Notes to Consolidated Financial Statements - June 30, 1995

(Unaudited)

(1) Basis of Presentation

In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting of only normally recurring accruals) necessary to present fairly the financial position of Tech/Ops Sevcon as of June 30, 1995 and the results of operations and cash flows for the three months and nine months ended June 30, 1995 and July 2, 1994.

The accounting policies followed by Tech/Ops Sevcon are set forth in Note 1 to the financial statements in the 1994 Tech/Ops Sevcon, Inc. Annual Report filed on Form 10-K.

The results of operations for the three-month and nine-month periods ended June 30, 1995 and July 2, 1994 are not necessarily indicative of the results to be expected for the full year.

(2) Cash Dividends and Stock Split

On June 14, 1995, the Company declared a quarterly dividend of \$.20 per share for the third quarter of fiscal 1995, which was paid on July 13, 1995 to stockholders of record on June 28, 1995. The Company has paid regular quarterly cash dividends since the first quarter of fiscal 1990. The dividend was initially \$.075 per share, was increased to \$.125 per share in September 1992 and to \$.20 per share in September 1994.

On July 27, 1995, the Company declared a two-for-one stock split in the form of a 100% stock dividend payable on August 28, 1995 to shareholders of record on August 11, 1995. At the same time, the Company declared a 25% increase in its regular quarterly dividend to \$.125 per share for the fourth quarter of fiscal 1995. This dividend reflects the two-for-one stock split, and is payable on October 12, 1995 to shareholders of record on September 25, 1995. The cash dividend had been \$.10 per share for the previous four quarters on a post-split basis.

TECH/OPS SEVCON, INC.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Financial Condition

The Company has, since January 1990, maintained a program of regular cash dividends, which at present amount to \$304,500 per quarter. Tech/Ops Sevcon's resources, in the opinion of management, are adequate for projected operations and capital spending programs, as well as continuation of the cash dividend.

Results of Operations

Sales in the third fiscal quarter ended June 30, 1995 were \$6,177,000, compared to \$4,358,000 in the previous year, an increase of 42%. Over half of the revenue increase in this quarter was due to gains in business to new customers and shipments of new products, with the balance mainly due to continuing improvement in world-wide demand for fork lift truck controllers.

The gross profit percentage was almost identical in the two years (42.5% compared to 42.4%), but as a result of higher revenues, the gross profit increased by \$778,000. Operating expenses for the quarter increased at a much lower rate than sales and therefore, operating income of \$1,104,000 was 69% higher than the same period last year. Income before income taxes was \$1,116,000, compared to \$656,000 last year. Income taxes were 33% of pre-tax income compared to 32% in 1994.

Mainly due to the higher gross profit from increased sales, net income was \$749,000 compared to \$449,000 last year, an increase of 67%. Income per share was \$.47 compared to \$.29 in the third quarter of fiscal 1994, on a pre-split basis.

For the first nine months of fiscal 1995, sales were \$17,116,000 compared to \$11,724,000 last year, an increase of 46%. Currency fluctuations accounted for 7% of this increase, and the remaining 39% was due to increased physical volumes, including new products and business from new customers.

The gross profit increase for the nine months was \$2,277,000, which was a 47% gain over the prior year. Operating expenses grew at a much lower rate, and therefore, operating income for the nine month period increased by 118% to \$2,965,000. Income before income taxes was \$3,043,000 compared to \$1,369,000 last year, an increase of 122%. Income taxes were 32% of pre-tax income for both periods.

Principally due to the higher gross profit generated by higher sales, for the nine month period, net income was \$2,079,000, or \$1.32 per share, 2.2 times last year's results of \$927,000, or \$.60 per share, on a pre-split basis.

7

TECH/OPS SEVCON, INC.

PART II. OTHER INFORMATION

- Item 6. Exhibits and Reports on Form 8-K
- (a) Exhibits filed with this report.
 - (27) Financial Data Schedule (EDGAR Filing only)
 - (b) Reports on Form 8-K - There were no reports on Form 8-K during the quarter for which this report is filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TECH/OPS SEVCON, INC.

Date: August 10, 1995

By: /s/ Paul B. Rosenberg

Paul B. Rosenberg
Treasurer
(Chief Accounting Officer)

8

<ARTICLE> 5
<MULTIPLIER> 1000

<PERIOD-TYPE>	6-MOS	9-MOS
<FISCAL-YEAR-END>	SEP-30-1995	SEP-30-1995
<PERIOD-END>	MAR-31-1995	JUN-30-1995
<CASH>	1,774	2,094
<SECURITIES>	0	0
<RECEIVABLES>	5,211	5,668
<ALLOWANCES>	(171)	(168)
<INVENTORY>	2,584	2,826
<CURRENT-ASSETS>	9,398	10,420
<PP&E>	4,053	4,003
<DEPRECIATION>	(2,710)	(2,710)
<TOTAL-ASSETS>	12,288	13,259
<CURRENT-LIABILITIES>	4,610	5,224
<BONDS>	0	0
<COMMON>	152	152
<PREFERRED-MANDATORY>	0	0
<PREFERRED>	0	0
<OTHER-SE>	7,335	7,678
<TOTAL-LIABILITY-AND-EQUITY>	12,288	13,259
<SALES>	10,939	17,116
<TOTAL-REVENUES>	10,939	17,116
<CGS>	6,400	9,951
<TOTAL-COSTS>	6,400	9,951
<OTHER-EXPENSES>	2,678	4,200
<LOSS-PROVISION>	0	0
<INTEREST-EXPENSE>	0	0
<INCOME-PRETAX>	1,927	3,043
<INCOME-TAX>	(597)	(964)
<INCOME-CONTINUING>	1,330	2,079
<DISCONTINUED>	0	0
<EXTRAORDINARY>	0	0
<CHANGES>	0	0
<NET-INCOME>	1,330	2,079
<EPS-PRIMARY>	.85	1.32
<EPS-DILUTED>	.85	1.32