

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 December 31, 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 February 1, 1996
-----	-----
Common stock, par value \$.10	3,048,330

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TECH/OPS SEVCON, INC.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Consolidated Balance Sheets

ASSETS

Dec 31, Sept 30,
1995 1995

	----- (unaudited)	----- (derived from audited statements)
Current assets:		
Cash and cash equivalents	\$ 1,988,000	\$ 2,692,000
Accounts receivable, less allowances of \$134,000 at 12/31/95 and \$153,000 at 9/30/95	4,901,000	4,487,000
Inventories:		
Raw materials	1,614,000	1,643,000
Work-in-process	1,046,000	779,000
Finished goods	614,000	541,000
	-----	-----
	3,274,000	2,963,000
	-----	-----
Total current assets	10,163,000	10,142,000
	-----	-----
Property, plant and equipment, at cost	4,018,000	4,013,000
Less: Accumulated depreciation and amortization	2,716,000	2,664,000
	-----	-----
Net property, plant and equipment	1,302,000	1,349,000
	-----	-----
Cost of purchased businesses in excess of net assets acquired	1,435,000	1,435,000
Other assets	55,000	55,000
	-----	-----
	\$12,955,000	\$12,981,000
	=====	=====

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

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TECH/OPS SEVCON, INC.

Consolidated Balance Sheets

LIABILITIES AND STOCKHOLDERS' INVESTMENT

	Dec 31, 1995 ----- (unaudited)	Sept 30, 1995 ----- (derived from audited statements)
Current liabilities:		
Accounts payable	\$ 2,561,000	\$ 2,019,000
Dividend payable	381,000	387,000
Accrued expenses	1,679,000	1,849,000
Accrued taxes on income	409,000	423,000
	-----	-----
Total current liabilities	5,030,000	4,678,000
	-----	-----
Deferred taxes on income	174,000	178,000
	-----	-----

Stockholders' investment (Note 2)

Preferred stock	-	-
Common stock	310,000	310,000
Premium paid in on common stock	3,388,000	3,383,000
Retained earnings	5,135,000	4,926,000
Treasury stock, at cost	(529,000)	-
Cumulative translation adjustment	(553,000)	(494,000)
	-----	-----
Total stockholders' investment	\$ 7,751,000	\$ 8,125,000
	-----	-----
	\$12,955,000	\$12,981,000
	=====	=====

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

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TECH/OPS SEVCON, INC.

Consolidated Statement of Income

(Unaudited)

	Three Months Ended	
	December 31,	
	-----	-----
	1995	1994
	-----	-----
Net sales	\$ 5,798,000	\$ 4,774,000
Costs and expenses:		
Cost of sales	3,432,000	2,812,000
Selling, general and administrative	1,459,000	1,190,000
	-----	-----
	4,891,000	4,002,000
	-----	-----
Operating income	907,000	772,000
Other income, net	14,000	19,000
	-----	-----
Income before income taxes	921,000	791,000
Income taxes	305,000	238,000
	-----	-----
Net income	\$ 616,000	\$ 553,000
	=====	=====
Net income per share	\$.20	\$.18
	====	====
Average common and common equivalent shares outstanding	3,152,000	3,138,000
	=====	=====

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

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

	Three Months Ended	
	Dec 31, 1995	Dec 31, 1994
Net cash flow from operating activities:		
Net income	\$ 616,000	\$ 553,000
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	101,000	70,000
Deferred tax provision	(4,000)	(3,000)
Increase (decrease) in cash resulting from changes in operating assets and liabilities:		
Receivables	(414,000)	(203,000)
Inventories	(311,000)	(272,000)
Accounts payable	542,000	439,000
Accrued compensation and expenses	(160,000)	(420,000)
Accrued and deferred taxes on income	(24,000)	173,000
	-----	-----
Net cash generated from operating activities	346,000	337,000
Cash flow used by investing activities:		
Acquisition of property, plant, and equipment, net	(77,000)	(79,000)
	-----	-----
Cash flow used by financing activities:		
Exercise of stock options	(22,000)	-
Purchase of common stock	(529,000)	-
Dividends paid	(387,000)	(305,000)
	-----	-----
Net cash used by financing activities	(938,000)	(305,000)
Effect of exchange rate changes on cash	(35,000)	(15,000)
	-----	-----
Net increase (decrease) in cash	(704,000)	(62,000)
Opening balance - cash and cash equivalents	2,692,000	2,336,000
	-----	-----
Ending balance - cash and cash equivalents	\$1,988,000	\$2,274,000
	=====	=====
Supplemental disclosure of cash flow information		
Cash paid for income taxes	\$ 77,000	\$ 95,000
	-----	-----
Supplemental disclosure of non-cash financing activity:		
Dividend declared	\$ 381,000	\$ 305,000
	=====	=====

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

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TECH/OPS SEVCON, INC.

Notes to Consolidated Financial Statements - December 31, 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 December 31, 1995 and the results of operations and cash flows for the three months ended December 31, 1995 and 1994.

The accounting policies followed by Tech/Ops Sevcon are set forth in Note 1 to the financial statements in the 1995 Tech/Ops Sevcon, Inc. Annual Report filed on Form 10-K.

The results of operations for the three-month periods ended December 31, 1995 and 1994 are not necessarily indicative of the results to be expected for the full year.

(2) Stock Split and Cash Dividends

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. Per share information for the quarter ended December 31, 1994 has been restated to reflect the stock split.

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 was paid 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.

On December 13, 1995, the Company declared a quarterly dividend of \$.125 per share for the first quarter of fiscal 1996, which was paid on January 11, 1996 to stockholders of record on December 29, 1995. The Company has paid regular quarterly cash dividends since the first quarter of fiscal 1990.

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 \$381,000 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. In the quarter ended December 31, 1995, working capital declined by \$331,000, primarily because of the purchase of 52,500 shares of the Company's common stock for the treasury for \$529,000, to be issued when options are exercised.

Results of Operations

Sales in the first fiscal quarter ended December 31, 1995 were \$5,798,000, compared to \$4,774,000 in the same quarter of the previous year, an increase of 21%. The revenue increase in this quarter was due to gains in business to new customers, shipments of new products, and higher world-wide demand for fork lift truck

and aerial lift controllers.

The gross profit percentage was slightly lower this year (40.8% compared to 41.1%), but as a result of higher revenues, the gross profit increased by \$404,000. Operating expenses for the quarter were higher than 1994, reflecting higher volumes and increased spending on new product development.

Income before income taxes was \$921,000, compared to \$791,000 last year. Income taxes were 33% of pre-tax income compared to 30% in 1994 due to higher foreign tax rates and lower tax credits.

Mainly due to increased sales and higher operating costs, net income was \$616,000 compared to \$533,000 last year, an increase of 11%. Income per share was \$.20 compared to \$.18 in the first quarter of fiscal 1995, on a post-split basis.

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TECH/OPS SEVCON, INC.

PART II. OTHER INFORMATION

- Item 6. Exhibits and Reports on Form 8-K
- (a) Exhibits filed with this report.
 - (11) Calculation of earnings per share
 - (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: February 2, 1996

By: /s/ Paul B. Rosenberg

Paul B. Rosenberg
Treasurer

EXHIBIT 11

TECH/OPS SEVCON, INC.

Calculation of Earnings Per Share and Weighted Average Shares
Outstanding

(In thousands, except for per share amounts)

	Quarters ended	
	12/31/95	12/31/94
Net income	\$ 616	\$ 553
Weighted average shares outstanding	3,152	3,138
Net income per share	\$.20	\$.18
Shares outstanding - beginning	3,098	3,045
Weighted average - option exercises	2	-
Weighted average shares issued	3,100	3,045
Weighted average treasury shares purchased (30)	-	-
Weighted average shares outstanding	3,070	3,045
Effect of outstanding options on primary EPS using average market price for the period		
a. # of options less than average market price	137	224
b. \$ value of options	\$ 636	\$ 973
c. Average market price of stock	\$11.50	\$ 7.42
d. Shares "purchased" (b/c)	(55)	(131)
e. Common equivalent shares (a-d)	82	93
f. Average issued and outstanding shares	3,070	3,045
g. Total average common and common equivalent shares (f+e)	3,152	3,138

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