

TECH OPS SEVCON INC  
Form 10-Q  
February 12, 2008

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

FORM 10-Q

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

For the quarterly period ended December 29, 2007

☐ 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.)

155 Northboro Road, Southborough, Massachusetts, 01772  
(Address of principal executive offices and zip code)

(508) 281 5510  
(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 ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated Filer ☐  
Non accelerated filer ☒

Indicate by check mark whether the registrant is a shell company (as defined in rule 12b-2 of the Exchange Act).  
Yes ☐ No ☒

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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 12, 2008
Common stock, par value \$.10	3,270,702

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## Item 1 Financial Statements

## CONSOLIDATED BALANCE SHEETS

Tech/Ops Sevcon, Inc. and Subsidiaries

	(in thousands of dollars except per share data)	
	December 29, 2007	September 30, 2007
	(unaudited)	(derived from audited statements)
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 873	\$ 1,014
Receivables, net of allowances for doubtful accounts of \$ 187 at December 29, 2007 and \$180 at September 30, 2007	8,549	8,714
Inventories	5,734	5,422
Prepaid expenses and other current assets	887	916
Total current assets	16,043	16,066
Property, plant and equipment:		
At cost	12,297	12,265
Less: accumulated depreciation and amortization	8,501	8,497
Net property, plant and equipment	3,796	3,768
Long-term deferred tax asset	638	657
Goodwill	1,435	1,435
Total assets	\$ 21,912	\$ 21,926
<b>LIABILITIES AND STOCKHOLDERS' INVESTMENT</b>		
Current liabilities:		
Accounts payable	\$ 3,430	\$ 3,398
Dividend payable	98	97
Accrued expenses	2,863	3,162
Accrued and deferred taxes on income	651	530
Total current liabilities	7,042	7,187
Liability for pension benefits	2,208	2,244
Other long term liabilities	60	61
Total liabilities	9,310	9,492
Stockholder equity:		
Preferred stock, par value \$.10 per share - authorized - 1,000,000 shares; outstanding - none	-	-
Common stock, par value \$.10 per share - authorized - 8,000,000 shares; Outstanding 3,257,702 shares at December 29, 2007 and 3,238,702 shares at September 30, 2007	326	324
Premium paid in on common stock	4,696	4,623
Retained earnings	8,175	7,961
Cumulative other comprehensive loss	(595)	(474)
Total stockholder equity	12,602	12,434
Total liabilities and stockholder equity	\$ 21,912	\$ 21,926
The accompanying notes are an integral part of these consolidated financial statements		



# CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

Tech/Ops Sevcon, Inc. and Subsidiaries

(in thousands of dollars except per share data)			
Three months ended			
	December 29, 2007	December 30, 2006	
Net sales	\$ 10,243	\$ 8,226	
Cost of sales	6,361	5,228	
Gross Profit	3,882	2,998	
Selling, research and administrative expenses	3,297	2,794	
Operating income	585	204	
Interest expense	(30)	(5)	
Interest income	2	2	
Foreign currency loss	(75)	(67)	
Income before income taxes	482	134	
Income taxes	(169)	(46)	
Net income	\$ 313	\$ 88	
Basic income per share	\$ .10	\$ .03	