

SEVCON, INC.
Form 10-Q
February 12, 2013

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, 2012

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

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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in rule 12b-2 of the Exchange Act). Yes 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 12, 2013
Common stock, par value \$.10	3,475,306

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PART I. FINANCIAL INFORMATION

Item 1 Financial Statements

CONSOLIDATED BALANCE SHEETS

Sevcon, Inc. and Subsidiaries

	(in thousands of dollars except per share data)	
	December 29, 2012	September 30, 2012
	(unaudited)	(derived from audited Statements)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,289	\$ 2,823
Trade receivables, net of allowances for doubtful accounts of \$29 at December 29, 2012 and \$32 at September 30, 2012	5,070	5,289
Other receivables	306	569
Inventories	6,456	6,346
Prepaid expenses and other current assets	1,981	1,922
Total current assets	15,102	16,949
Property, plant and equipment, at cost:		
Land and improvements	23	23
Buildings and improvements	740	734
Equipment	10,757	10,576
	11,520	11,333
Less: accumulated depreciation and amortization	(9,370)	(9,188)
Net property, plant and equipment	2,150	2,145
Long-term deferred tax assets	3,008	3,002
Goodwill	1,435	1,435
Other-long term assets	22	30
Total assets	\$ 21,717	\$ 23,561
LIABILITIES AND STOCKHOLDERS' INVESTMENT		
Current liabilities:		
Current portion of long term debt	\$ 44	\$ 43
Accounts payable	2,572	3,198
Accrued expenses	1,624	1,803
Accrued and deferred taxes on income	-	-
Total current liabilities	4,240	5,044
Liability for pension benefits	10,312	10,264
Long term debt	1,763	1,774
Total liabilities	16,315	17,082
Stockholders' equity:		
Preferred stock, par value \$.10 per share - authorized - 1,000,000 shares; outstanding - none	-	-

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Common stock, par value \$.10 per share - authorized -
8,000,000 shares;

Outstanding 3,475,306 shares at December 29, 2012

and at

September 30, 2012	348	348
Premium paid in on common stock	5,563	5,492
Retained earnings	8,360	9,662
Accumulated other comprehensive loss	(8,869)	(9,023)
Total stockholders' equity	5,402	6,479
Total liabilities and stockholders' equity	\$ 21,717	\$ 23,561

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

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

Sevcon, Inc. and Subsidiaries

	(in thousands of dollars except per share data)	
	Three months ended	
	December 29, 2012	December 31, 2011
Net sales	\$ 6,640	\$ 8,515
Cost of sales	(4,400)	(5,533)
Gross profit	2,240	2,982
Selling, research and administrative expenses	(3,425)	(2,730)
Operating (loss) income	(1,185)	252
Interest expense	(24)	(56)
Interest income	-	23
Foreign currency (loss) gain	(201)	154
(Loss) income before income tax	(1,410)	373
Income tax benefit (provision)	108	(89)
Net (loss) income	\$ (1,302)	\$ 284
Basic (loss) income per share	\$ (.39	