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LINCOLN LOGS LTD
Form 10QSB
September 14, 2004

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

FORM 10-QSB

(Mark One)

(X) QUARTERLY REPORT UNDER SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the quarterly period ended July 31, 2004

() TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from to
Commission file number 0-12172

Lincoln Logs Ltd.

(Exact name of small business issuer as specified in its charter)

New York 14-1589242
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

5 Riverside Drive, Chestertown, New York 12817
(Address of principal executive offices)

(518) 494 - 5500
(Issuer's telephone number)

Neither name, address nor fiscal year has changed since last report
(Former name, former address and former fiscal year, if changed since last
report.)

Check whether the issuer (1) has filed all reports required to be filed by
Section 13 or 15(d) of the Exchange Act during the past 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 ()

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

Class	Outstanding at September 10, 2004
Common Stock, \$0.01 par value	9,040,059

Transitional Small Business Disclosure Format (Check one): Yes () No (X)

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LINCOLN LOGS LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JULY 31, 2004 AND JANUARY 31, 2004

ASSETS

	July 31, 2 0 0 4 (Unaudited) -----	January 31, 2 0 0 4 (Audited) -----
CURRENT ASSETS:		
Cash and cash equivalents	\$1,177,193	\$ 750,239
Trade accounts receivable, net of		

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allowance for doubtful accounts of \$20,199	630,532	337,166	
Inventories (raw materials)	2,086,710	2,032,050	
Work in process		593,644	477,389
Prepaid expenses and other current assets	733,304	564,883	
Income tax asset		45,000	---
Income taxes receivable	65,051	96,427	
Mortgage and note receivable	5,623	2,592	
	-----	-----	
Total current assets	5,337,057	4,260,746	
	-----	-----	
PROPERTY, PLANT AND EQUIPMENT:			
Land	1,012,347	1,020,347	
Buildings and improvements	2,889,297	3,047,979	
Machinery and equipment	1,952,896	1,926,152	
Furniture and fixtures	2,102,547	2,096,515	
Transportation equipment	493,066	472,350	
	-----	-----	
	8,450,153	8,563,343	
Less: accumulated depreciation	(4,080,915)	(3,983,816)	
	-----	-----	
Total property, plant and equipment - net	4,369,238	4,579,527	
	-----	-----	
OTHER ASSETS:			
Mortgage receivable	73,413	60,053	
Deposits and other assets	56,716	70,742	
Goodwill	1,336,839	1,319,970	
Other intangible assets, net of accumulated amortization of \$197,707 at July 31, 2004 and \$97,537 at January 31, 2004	1,455,036	1,546,032	
	-----	-----	
Total other assets	2,922,004	2,996,797	
	-----	-----	
TOTAL ASSETS	\$12,628,299	\$11,837,070	
	=====	=====	