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LINCOLN LOGS LTD  
Form 10QSB  
December 15, 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 October 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  
(State or other jurisdiction of  
incorporation or organization)

14-1589242  
(I.R.S. Employer  
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 December 13, 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

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

#### ASSETS

	October 31, 2 0 0 4 (Unaudited) -----	January 31, 2 0 0 4 -----
CURRENT ASSETS:		
Cash and cash equivalents	\$ 840,233	\$ 750,239
Trade accounts receivable, net of		

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allowance for doubtful accounts of \$20,199 at October 31, 2004 and January 31, 2004		540,130	337,166
Inventories (raw materials)	2,218,359	2,032,050	
Work in process	902,551		477,389
Prepaid expenses and other current assets	608,036	564,883	
Income taxes receivable	59,011	96,427	
Mortgage and notes receivable	5,623	2,592	
	-----	-----	
Total current assets	5,173,943	4,260,746	
	-----	-----	
PROPERTY, PLANT AND EQUIPMENT:			
Land	1,012,346	1,020,347	
Buildings and improvements	2,905,687	3,047,979	
Machinery and equipment	2,054,313	1,926,152	
Furniture and fixtures	2,177,219	2,096,515	
Transportation equipment	549,858	472,350	
	-----	-----	
	8,699,423	8,563,343	
Less: accumulated depreciation	(4,261,275)	(3,983,816)	
	-----	-----	
Total property, plant and equipment - net	4,438,148	4,579,527	
	-----	-----	
OTHER ASSETS:			
Mortgage and notes receivable	72,521	60,053	
Deposits and other assets	56,370	70,742	
Goodwill	1,353,271	1,319,970	
Other intangible assets, net of accumulated amortization of \$204,948 at October 31, 2004 and \$97,537 at January 31, 2004	1,447,795	1,546,032	
	-----	-----	
Total other assets	2,929,957	2,996,797	
	-----	-----	
TOTAL ASSETS	\$12,542,048	\$11,837,070	
	=====	=====	