

Edgar Filing: LINCOLN LOGS LTD - Form 10QSB

LINCOLN LOGS LTD
Form 10QSB
June 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 April 30, 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 June 11, 2004 |
|--------------------------------|------------------------------|
| Common Stock, \$0.01 par value | 9,040,059 |

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

Edgar Filing: LINCOLN LOGS LTD - Form 10QSB

INDEX

| | Page number |
|---|-------------|
| PART I. FINANCIAL INFORMATION | |
| ITEM 1. FINANCIAL STATEMENTS (UNAUDITED) | |
| Consolidated balance sheets as of April 30, 2004 and January 31, 2004 | 3 - 4 |
| Consolidated statements of operations for the three months ended April 30, 2004 and 2003 | 5 |
| Consolidated statements of changes in stockholders' equity for the three months ended April 30, 2004 and the twelve months ended January 31, 2004 | 6 |
| Consolidated statements of cash flows for the three months ended April 30, 2004 and 2003 | 7 |
| Notes to consolidated financial statements | 8 - 11 |
| ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS | 12 - 24 |
| ITEM 3. CONTROLS AND PROCEDURES | 24 |
| PART II. OTHER INFORMATION | 25 |
| SIGNATURES | 26 |

- 2 -

LINCOLN LOGS LTD. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS APRIL 30, 2004 AND JANUARY 31, 2004

ASSETS

| | April 30, 2 0 0 4 (Unaudited) ----- | January 31, 2 0 0 4 (Audited) ----- |
|---|--|--|
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 450,231 | \$ 750,239 |
| Trade accounts receivable, net of allowance for doubtful accounts of \$20,199 | 494,103 | 337,166 |
| Inventories (raw materials) | 2,362,034 | 2,032,050 |

Edgar Filing: LINCOLN LOGS LTD - Form 10QSB

| | | | |
|--|--------------|--------------|---------|
| Work in process | | 424,721 | 477,389 |
| Prepaid expenses and other current assets | 709,395 | 564,883 | |
| Income tax asset | | 300,000 | --- |
| Income taxes receivable | 76,354 | 97,427 | |
| Mortgage and note receivable | 2,592 | 2,592 | |
| | ----- | ----- | |
| Total current assets | 4,819,430 | 4,261,746 | |
| | ----- | ----- | |
| PROPERTY, PLANT AND EQUIPMENT: | | | |
| Land | 1,020,347 | 1,020,347 | |
| Buildings and improvements | 3,045,822 | 3,047,979 | |
| Machinery and equipment | 1,916,358 | 1,926,152 | |
| Furniture and fixtures | 2,115,570 | 2,096,515 | |
| Transportation equipment | 480,977 | 472,350 | |
| | ----- | ----- | |
| | 8,579,074 | 8,563,343 | |
| Less: accumulated depreciation | (4,112,237) | (3,983,816) | |
| | ----- | ----- | |
| Total property, plant and equipment - net | 4,466,837 | 4,579,527 | |
| | ----- | ----- | |
| OTHER ASSETS: | | | |
| Mortgage receivable | 59,450 | 60,053 | |
| Deposits and other assets | 61,570 | 70,742 | |
| Goodwill | 1,322,876 | 1,319,970 | |
| Intangible assets, net of accumulated amortization of \$156,677 at April 30, 2004 and \$97,537 at January 31, 2004 | 1,496,066 | 1,546,032 | |
| | ----- | ----- | |
| Total other assets | 2,939,962 | 2,996,797 | |
| | ----- | ----- | |
| TOTAL ASSETS | \$12,226,229 | \$11,838,070 | |
| | ===== | ===== | |