

GOLDEN ENTERPRISES INC
Form 10-Q
October 11, 2012

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 (thirteen weeks) period ended August 31, 2012

OR

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 0-4339

GOLDEN ENTERPRISES, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

63-0250005

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

One Golden Flake Drive
Birmingham, Alabama
(Address of Principle Executive Offices)

35205
(Zip Code)

(205) 458-7316

(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 (X) 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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes (X) 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 (as defined in Rule 12b-2 of the Act). (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer 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 September 28, 2012.

| Class | Outstanding at September 28, 2012 |
|------------------------------------|--------------------------------------|
| Common Stock, Par Value \$0.66 2/3 | 11,734,632 |

EXCHANGE ACT REPORTS AVAILABLE ON COMPANY WEBSITE

Under "SEC Filings" on the "Financial" page of the Company's website located at www.goldenflake.com, links to the following filings are made available as soon as reasonably practicable after they are electronically filed with or furnished to the Securities and Exchange Commission (the "SEC") the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, Proxy Statement on Schedule 14A related to the Company's Annual Shareholders Meeting, and any amendments to those reports or statements filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Act of 1934. You may also read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet website located at <http://www.sec.gov> that contains the information we file or furnish electronically with the SEC.

GOLDEN ENTERPRISES, INC.

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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS
GOLDEN ENTERPRISES, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS

| | (Unaudited) August 31, 2012 | (Audited) June 1, 2012 |
|---|-----------------------------------|------------------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 740,524 | \$ 1,893,816 |
| Receivables, net | 10,012,249 | 10,566,073 |
| Inventories: | | |
| Raw materials and supplies | 1,553,264 | 1,693,629 |
| Finished goods | 3,750,363 | 3,463,169 |
| | 5,303,627 | 5,156,798 |
| Prepaid expenses | 3,081,458 | 1,754,874 |
| Accrued income taxes | - | 59,894 |
| Deferred income taxes | 615,182 | 615,182 |
| Total current assets | 19,753,040 | 20,046,637 |
| Property, plant and equipment, net | 26,210,225 | 26,497,590 |
| Other assets | 2,263,751 | 2,209,399 |
| Total | \$ 48,227,016 | \$ 48,753,626 |
| LIABILITIES AND STOCKHOLDER'S EQUITY | | |
| CURRENT LIABILITIES | | |
| Checks outstanding in excess of bank balances | \$ 1,148,520 | \$ 1,710,417 |
| Accounts payable | 5,572,762 | 6,025,465 |
| Accrued income taxes | 418,872 | - |
| Current portion of long-term debt | 361,153 | 357,921 |
| Other accrued expenses | 4,913,977 | 4,472,079 |
| Salary continuation plan | 185,234 | 181,578 |
| Line of credit outstanding | 732,283 | 1,293,698 |
| Total current liabilities | 13,332,801 | 14,041,158 |
| LONG-TERM LIABILITIES | | |
| Notes payable - bank, non-current | 5,615,975 | 5,707,062 |
| Salary continuation plan | 1,067,061 | 1,097,655 |
| Deferred income taxes | 3,509,305 | 3,509,305 |
| Total long-term liabilities | 10,192,341 | 10,314,022 |
| STOCKHOLDER'S EQUITY | | |
| Common stock - \$.66-2/3 par value: 35,000,000 shares authorized | | |

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| | | |
|--|---------------|---------------|
| Issued 13,828,793 shares | 9,219,195 | 9,219,195 |
| Additional paid-in capital | 6,497,954 | 6,497,954 |
| Retained earnings | 19,910,484 | 19,607,056 |
| | 35,627,633 | 35,324,205 |
| Less: Cost of common shares in treasury (2,094,161 shares at August 31, 2012 and 2,094,161 shares at June 1, 2012) | (10,925,759) | (10,925,759) |
| Total stockholder's equity | 24,701,874 | 24,398,446 |
| Total | \$ 48,227,016 | \$ 48,753,626 |

See Accompanying Notes to Condensed Consolidated
Financial Statements

GOLDEN ENTERPRISES, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

| | Thirteen Weeks Ended August 31, 2012 | Thirteen Weeks Ended September 2, 2011 |
|---|---|---|
| Net sales | \$ 34,683,455 | \$ 33,245,190 |
| Cost of sales | 17,556,439 | 17,241,618 |
| Gross margin | 17,127,016 | 16,003,572 |
| Selling, general and administrative expenses | 15,934,807 | 14,930,692 |
| Operating income | 1,192,209 | 1,072,880 |
| Other income (expenses): | | |
| Gain on sale of assets | 19,409 | 84,342 |
| Interest expense | (59,953) | (75,235) |
| Other income | 22,637 | 36,840 |
| Total other income (expenses) | (17,907) | 45,947 |
| Income before income taxes | 1,174,302 | 1,118,827 |
| Income taxes | 504,166 | 419,256 |
| Net income | \$ 670,136 | \$ 699,571 |
| PER SHARE OF COMMON STOCK | | |
| Basic earnings | \$ 0.06 | \$ 0.06 |
| Diluted earnings | \$ 0.06 | \$ 0.06 |
| Weighted average number of common stock share outstanding: | | |
| Basic | 11,734,632 | 11,734,632 |
| Diluted | 11,734,632 | 11,734,632 |
| Cash dividends paid per share of common stock | \$ 0.0313 | \$ 0.0313 |

See Accompanying Notes to Condensed Consolidated Financial Statements

GOLDEN ENTERPRISES, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

| | Thirteen Weeks Ended August 31, 2012 | Thirteen Weeks Ended September 2, 2011 |
|--|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash received from customers | \$35,237,279 | \$32,763,356 |
| Miscellaneous income | (30,049) | 36,840 |
| Cash paid to suppliers and employees | (17,511,620) | (16,131,169) |
| Cash paid for operating expenses | (16,664,882) | (15,960,704) |
| Income taxes paid | (25,400) | (29,498) |
| Interest expenses paid | (59,953) | (75,235) |
| Net cash provided by operating activities | 945,375 | 603,590 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (550,207) | (1,142,955) |
| Proceeds from sale of property, plant and equipment | 29,414 | 109,285 |
| Net cash used in investing activities | (520,793) | (1,033,670) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Debt proceeds | 9,485,232 | 10,156,369 |
| Debt repayments | (10,134,501) | (10,533,098) |
| Change in checks outstanding in excess of bank balances | (561,897) | 504,272 |
| Cash dividends paid | (366,708) | (366,708) |
| Net cash used in financing activities | (1,577,874) | (239,165) |
| Net change in cash and cash equivalents | (1,153,292) | (669,245) |
| Cash and cash equivalents at beginning of period | 1,893,816 | 2,721,638 |
| Cash and cash equivalents at end of period | \$740,524 | \$2,052,393 |

GOLDEN ENTERPRISES, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED) - CONTINUED

RECONCILIATION OF NET INCOME TO NET CASH FROM OPERATING ACTIVITIES

| | Thirteen Weeks Ended August 31, 2012 | Thirteen Weeks Ended September 2, 2011 |
|---|---|---|
| Net Income | \$670,136 | \$699,571 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 827,566 | 851,029 |
| Gain on sale of property and equipment | (19,409) | (84,342) |
| Changes in operating assets and liabilities: | | |
| Change in receivables - net | 553,824 | (481,834) |
| Change in inventories | (146,829) | (439,358) |
| Change in prepaid expenses | (1,326,584) | (1,194,415) |
| Change in other assets | (54,352) | 189,397 |
| Change in accounts payable | (452,703) | 850,013 |
| Change in accrued expenses | 441,898 | (151,269) |
| Change in salary continuation | (26,938) | (24,960) |
| Change in accrued income taxes | 478,766 | 389,758 |
| Net cash provided by operating activities | \$945,375 | \$603,590 |

See Accompanying Notes to Condensed Consolidated Financial Statements

GOLDEN ENTERPRISES, INC. AND SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. The accompanying unaudited condensed consolidated financial statements of Golden Enterprises, Inc. (the “Company”) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for interim financial information and with the instructions to Form 10-Q and Article 10 to Regulation S-X. Accordingly, they do not include all information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting only of normal, recurring accruals) necessary for a fair presentation have been included. For further information, refer to the consolidated financial statements and footnotes included in the Company’s Annual Report on Form 10-K for year ended June 1, 2012 which can be found on our website at www.goldenflake.com/financial.html.
2. The consolidated results of operations for the thirteen weeks ended August 31, 2012 are not necessarily indicative of the results to be expected for the fifty-two week fiscal year ending May 31, 2013.
3. The following tables summarize the prepaid assets accounts at August 31, 2012 and June 1, 2012.

| | August 31, 2012 | June 1, 2012 |
|------------------------------|-----------------|--------------|
| Truck shop supplies | \$ 512,406 | \$ 576,673 |
| Insurance deposit | 82,959 | 82,959 |
| Prepaid marketplace spending | 175,470 | 227,382 |
| Deferred advertising fees | 1,063,125 | - |
| Prepaid insurance | 207,944 | 159,941 |
| Prepaid taxes/licenses | 105,402 | 168,110 |
| Prepaid dues/supplies | 881,644 | 499,905 |
| Other | 52,508 | 39,904 |
| | \$ 3,081,458 | \$ 1,754,874 |

4. The principal raw materials used in the manufacture of the Company’s snack food products are potatoes, corn, pork skin pellets, vegetable oils, and seasoning. The principal supplies used are flexible film, cartons, trays, boxes, and bags. These raw materials and supplies are generally available in adequate quantities in the open market from sources in the United States and are generally contracted up to a year in advance.
5. Inventories are stated at the lower of cost or market. Cost is computed on the first-in, first-out method.

6. The following table provides a reconciliation of the denominator used in computing basic earnings per share to the denominator used in computing diluted earnings per share for the thirteen weeks ended August 31, 2012 and September 2, 2011:

| | Thirteen Weeks Ended August 31, 2012 | Thirteen Weeks Ended September 2, 2011 |
|--|--|--|
| Weighted average number of common shares used in computing basic earnings per share | 11,734,632 | 11,734,632 |
| Effect of dilutive stock options | 0 | 0 |
| Weighted average number of common shares and dilutive potential common stock used in computing dilutive earnings per share | 11,734,632 | 11,734,632 |
| Stock options excluded from the above reconciliation because they are anti-dilutive | 0 | 329,000 |

7. The Company has a letter of credit in the amount of \$1,900,000 outstanding at August 31, 2012 compared to \$2,000,000 outstanding at September 2, 2011. The letter of credit supports the Company's commercial self-insurance program.

8. The Company has a line-of-credit agreement with a local bank that permits borrowing up to \$3,000,000. The line-of-credit is subject to the Company's continued credit worthiness and compliance with the terms and conditions of the loan agreement. The Company's line-of-credit debt as of August 31, 2012 was \$732,283 with an interest rate of 3.50%, leaving the Company with \$2,267,717 of credit availability. The Company's line-of-credit debt as of June 1, 2012 was \$1,293,698 with an interest rate of 3.50%, leaving the Company with \$1,706,302 of credit availability.

9. The Company has a note payable with a balance of \$6,000,000 as of August 31, 2012. The loan was established as a construction loan in March 2009 to help fund the construction of a process water treatment facility. In September 2009, the note converted to a 10-year fixed-rate note at 4.25% for \$4,000,000. In March 2011, the loan was modified by taking the remaining balance of \$3,532,700 and adding another \$2,900,000 to finance the purchase and implementation of a new Enterprise Resource Planning computer software system. At that time, the interest rate on the loan was adjusted to 3.52% and the terms were re-established at 15 years for the repayment of the loan. The Company has been making monthly payments on the note and intends to repay it at the earliest practicable date, as there are no prepayment penalties.

10. The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash equivalents and trade receivables.

The Company maintains deposit relationships with high credit quality financial institutions. The Company's trade receivables result primarily from its snack food operations and reflect a broad customer base, primarily large grocery store chains located in the Southeastern United States. The Company routinely assesses the financial strength of its

customers. As a consequence, concentrations of credit risk are limited.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have reviewed the accompanying condensed consolidated balance sheet of Golden Enterprises, Inc. and subsidiary as of August 31, 2012, and the related condensed consolidated statements of income for the thirteen week periods ended August 31, 2012 and September 2, 2011, and the related condensed statements of cash flows for the thirteen week periods ending August 31, 2012 and September 2, 2011. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the Public Company Accounting Oversight Board (United States). A review of interim financial statements consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We previously audited in accordance with the standards of the Public Company Accounting Oversight Board, the consolidated balance sheet as of June 1, 2012 and the related consolidated statements of income, changes in stockholders' equity and cash flows for the fiscal year then ended (not presented herein), and in our report dated August 2, 2012 we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of June 1, 2012, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

DUDLEY, HOPTON-JONES, SIMS & FREEMAN PLLP

Birmingham, Alabama
October 4, 2012

ITEM 2

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's discussion and analysis of our financial condition and results of operations are based upon the condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. This discussion should be read in conjunction with our recent SEC filings, including Form 10-K for the year ended June 1, 2012. The preparation of these financial statements requires us to make estimates and judgments about future events that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosures. Future events and their effects cannot be determined with absolute certainty. Therefore, management's determination of estimates and judgments about the carrying values of assets and liabilities requires the exercise of judgment in the selection and application of assumptions based on various factors, including historical experience, current and expected economic conditions and other factors believed to be reasonable under the circumstances. We routinely evaluate our estimates including those considered significant and discussed in detail in Form 10-K for the year ended June 1, 2012. Actual results may differ from these estimates under different assumptions or conditions and such differences may be material.

Overview

The Company manufactures and distributes a full line of high quality salted snack items, such as potato chips, tortilla chips, corn chips, fried pork skins, baked and fried cheese curls, onion rings, and puff corn. The products are all packaged in flexible bags or other suitable wrapping material. The Company also sells canned dips, pretzels, peanut butter crackers, cheese crackers, dried meat products, and nuts packaged by other manufacturers using the Golden Flake label.

No single product or product line accounts for more than 50% of the Company's sales, which affords some protection against loss of volume due to a crop failure of major agricultural raw materials or failure to procure an adequate supply of pork skin pellets. Raw materials used in manufacturing and processing the Company's snack food products are purchased on the open market and under contract through brokers and directly from growers. A large part of the raw materials used by the Company consists of farm commodities which are subject to precipitous changes in supply and price. Weather varies from season to season and directly affects both the quality and supply of farm commodities available. The Company has no control of the agricultural aspects and its profits are affected accordingly.

The Company sells its products through its own sales organization and independent distributors to commercial establishments that sell food products primarily in the Southeastern United States. The products are distributed through the independent distributors and route representatives who are supplied with selling inventory by the Company's trucking fleet. All of the route representatives are employees of the Company and use the Company's direct-store delivery system.

Liquidity and Capital Resources

At August 31, 2012 and June 1, 2012, working capital was \$6,420,239 and \$6,005,479, respectively.

The Company did not purchase shares of treasury stock this quarter. The Company's current ratio was 1.48 to 1.00 at August 31, 2012 compared to 1.43 to 1.00 at June 1, 2012.

Accounts Receivable and Allowance for Doubtful Accounts

At August 31, 2012 and June 1, 2012 the Company had accounts receivables in the amount of \$10,012,249 and \$10,566,073 respectively, net of an allowance for doubtful accounts of \$70,000.

Other Commitments

Available cash, cash from operations and available credit under the line-of-credit are expected to be sufficient to meet anticipated cash expenditures and normal operating requirements for the foreseeable future.

Operating Results

For the thirteen weeks ended August 31, 2012, net sales increased 4.3% from the thirteen weeks ended September 2, 2012. This year's first quarter cost of sales was 50.6% of net sales compared to 51.9% for last year's first quarter. This year's first quarter, selling, general and administrative expenses were 46.0% of net sales compared to 44.9% for last year's first quarter.

The following tables compare manufactured products to resale products:

Manufactured Products-Resale Products

| | Thirteen Weeks Ended August 31, 2012 | | | Thirteen Weeks Ended September 2, 2011 | | |
|-----------------------|---|--|---------|---|--|---------|
| | | | % | | | % |
| Sales | | | | | | |
| Manufactured Products | \$ 27,290,219 | | 78.7 % | \$ 25,727,780 | | 77.4 % |
| Resale Products | 7,393,236 | | 21.3 % | 7,517,410 | | 22.6 % |
| Total | \$ 34,683,455 | | 100.0 % | \$ 33,245,190 | | 100.0 % |
| Gross Margin | | | % | | | % |
| Manufactured Products | \$ 14,563,639 | | 53.4 % | \$ 13,421,183 | | 52.2 % |
| Resale Products | 2,563,377 | | 34.7 % | 2,582,389 | | 34.4 % |
| Total | \$ 17,127,016 | | 49.4 % | \$ 16,003,572 | | 48.1 % |

The Company's gain on sale of assets for the thirteen weeks ended August 31, 2012 in the amount of \$19,409 was from the sale of used transportation equipment.

For last year's thirteen weeks, the gain on sale of assets was \$84,342 from i) the sale of property in Pensacola, Florida to Verizon Wireless Personal Communications LP for \$74,950 and ii) the sale of used transportation equipment for \$9,392.

The Company's effective tax rate for the thirteen weeks was 42.9% compared to 37.5% for the last year's thirteen weeks.

Market Risk

The principal market risks (i.e., the risk of loss arising from adverse changes in market rates and prices), to which the Company is exposed, are interest rates on its cash equivalents and bank loans, fuel costs, and commodity prices affecting the cost of its raw materials.

The Company is subject to market risk with respect to commodities because its ability to recover increased costs through higher pricing may be limited by the competitive environment in which it operates. The Company purchases its raw materials on the open market and under contract through brokers or directly from growers. Future contracts have been used occasionally to hedge immaterial amounts of commodity purchases, but none are presently being used.

Inflation

Certain costs and expenses of the Company are affected by inflation. The Company's prices for its products over the past several years have remained relatively flat. The Company will contend with the effect of further inflation through efficient purchasing, improved manufacturing methods, pricing, and by monitoring and controlling expenses.

Environmental Matters

Golden Flake's waste water treatment plant is an environmentally-friendly way to dispose of process water at the Birmingham plant. The treatment plant has allowed Golden Flake to release the processing water into a neighboring creek which has improved the flow of water in the creek and has positively impacted the environment in the area surrounding the plant. This treatment plant has also helped to reduce expenses associated with sewer charges by the elimination of the disposal of process water through the public sewer system.

Subsequent Event

Not applicable.

Forward-Looking Statements

This discussion contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from those forward-looking statements. Factors that may cause actual results to differ materially include, but are not limited to, price competition, industry consolidation, raw material costs, and effectiveness of sales and marketing activities, as described in the Company's filings with the Securities and Exchange Commission.

ITEM 3

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Pursuant to Item 305(e) of Regulation S-K (Section 229.305(e)) the Company is not required to provide the Information under this item, as it is a "Smaller Reporting Company" as defined by Rule 229.10(f)(1).

ITEM 4

MINE SAFETY DISCLOSURES

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), as of the end of the period covered by this report. Any controls and procedures, no matter how well designed and operated can provide only reasonable assurance of achieving the desired control objectives. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures provided reasonable assurance that the disclosure controls and procedures were effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act and in accumulating and communicating such information to management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the Company's internal control over financial reporting to determine whether any changes occurred during the Company's first fiscal quarter ended August 31, 2012 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. Based on that evaluation, there has been no such change during the period covered by this report.

PART II OTHER INFORMATION

ITEM 1

LEGAL PROCEEDINGS

There are no material pending legal proceedings against the Company or its subsidiary other than routine litigation incidental to the business of the Company and its subsidiary.

ITEM 1-A

RISK FACTORS

The Company, as a "Smaller reporting company", is not required to provide the information under this item.

ITEM 2

UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The Company did not sell any equity securities during the period covered by this report.

Registrant Purchases of Equity Securities.

The Company did not purchase any shares of treasury stock for the quarterly period ended August 31, 2012.

ITEM 3

DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4

SUBMISSION OF MATTERS TO
A VOTE OF SECURITY HOLDERS

Not applicable.

ITEM 5

OTHER INFORMATION

Not applicable.

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ITEM 6

EXHIBITS

- (3) Articles of Incorporation and By-laws of Golden Enterprises, Inc.
- 3.1 Certificate of Incorporation of Golden Enterprises, Inc. (originally known as “Golden Flake, Inc.”) dated December 11, 1967 (incorporated by reference to Exhibit 3.1 to Golden Enterprises, Inc. May 31, 2004 Form 10-K filed with the Commission).
- 3.2 Certificate of Amendment of Certificate of Incorporation of Golden Enterprises, Inc. dated December 22, 1976 (incorporated by reference to Exhibit 3.2 to Golden Enterprises, Inc. May 31, 2004 Form 10-K filed with the Commission).
- 3.3 Certificate of Amendment of Certificate of Incorporation of Golden Enterprises, Inc. dated October 2, 1978 (incorporated by reference to Exhibit 3 to Golden Enterprises, Inc. May 31, 1979 Form 10-K filed with the Commission).
- 3.4 Certificate of Amendment of Certificate of Incorporation of Golden Enterprises, Inc. dated October 4, 1979 (incorporated by reference to Exhibit 3 to Golden Enterprises, Inc. May 31, 1980 Form 10-K filed with the Commission).
- 3.5 Certificate of Amendment of Certificate of Incorporation of Golden Enterprises, Inc. dated September 24, 1982 (incorporated by reference to Exhibit 3.1 to Golden Enterprises, Inc. May 31, 1983 Form 10-K filed with the Commission).
- 3.6 Certificate of Amendment of Certificate of Incorporation of Golden Enterprises, Inc. dated September 22, 1983 (incorporated by reference to Exhibit 19.1 to Golden Enterprises, Inc. Form 10-Q Report for the quarter ended November 30, 1983 filed with the Commission).
- 3.7 Certificate of Amendment of Certificate of Incorporation of Golden Enterprises, Inc. dated October 3, 1985 (incorporated by reference to Exhibit 19.1 to Golden Enterprises, Inc. Form 10-Q Report for the quarter ended November 30, 1985 filed with the Commission).
- 3.8 Certificate of Amendment of Certificate of Incorporation of Golden Enterprises, Inc. dated September 23, 1987 (incorporated by reference to Exhibit 3.1 to Golden Enterprises, Inc. May 31, 1988 Form 10-K filed with the Commission).
- 3.9 By-Laws of Golden Enterprises, Inc. (incorporated by reference to Exhibit 3.4 to Golden Enterprises, Inc. May 31, 1988 Form 10-K filed with the Commission).

(10) Material Contracts.

- 10.1 A Form of Indemnity Agreement executed by and between Golden Enterprises, Inc. and Each of its Directors (incorporated by reference as Exhibit 19.1 to Golden Enterprises, Inc. Form 10-Q Report for the quarter ended November 30, 1987 filed with the Commission).
- 10.2 Amended and Restated Salary Continuation Plans for John S. Stein (incorporated by reference to Exhibit 19.1 to Golden Enterprises, Inc. May 31, 1990 Form 10-K filed with the Commission).
- 10.3 Indemnity Agreement executed by and between the Company and S. Wallace Nall, Jr. (incorporated by reference as Exhibit 19.4 to Golden Enterprises, Inc. May 31, 1991 Form 10-K filed with the Commission).
- 10.4 Salary Continuation Plans - Retirement Disability and Death Benefits for F. Wayne Pate (incorporated by reference to Exhibit 19.1 to Golden Enterprises, Inc. May 31, 1992 Form 10-K filed with the Commission).
- 10.5 Indemnity Agreement executed by and between the Registrant and F. Wayne Pate (incorporated by reference as Exhibit 19.3 to Golden Enterprises, Inc. May 31, 1992 Form 10-K filed with the Commission).
- 10.9 Amendment to Salary Continuation Plans, Retirement and Disability for F. Wayne Pate dated April 9, 2002 (incorporated by reference to Exhibit 10.2 to Golden Enterprises, Inc. May 31, 2002 Form 10-K filed with the Commission).
- 10.10 Amendment to Salary Continuation Plans, Retirement and Disability for John S. Stein dated April 9, 2002 (incorporated by reference to Exhibit 10.3 to Golden Enterprises, Inc. May 31, 2002 Form 10-K filed with the Commission).
- 10.11 Amendment to Salary Continuation Plan, Death Benefits for John S. Stein dated April 9, 2002 (incorporated by reference to Exhibit 10.4 to Golden Enterprises, Inc. May 31, 2002 Form 10-K filed with the Commission).
- 10.12 Retirement and Consulting Agreement for John S. Stein dated April 9, 2002 (incorporated by reference to Exhibit 10.5 to Golden Enterprises, Inc. May 31, 2002 Form 10-K filed with the Commission).
- 10.13 Salary Continuation Plan for Mark W. McCutcheon dated May 15, 2002 (incorporated by reference to Exhibit 10.6 to Golden Enterprises, Inc. May 31, 2002 Form 10-K filed with the Commission).
- 10.14 Trust Under Salary Continuation Plan for Mark W. McCutcheon dated May 15, 2002 (incorporated by reference to Exhibit 10.7 to Golden Enterprises, Inc. May 31, 2002 Form 10-K filed with the Commission).
- 10.20 Amendment to Salary Continuation Plan for Mark W. McCutcheon dated December 30, 2008 (incorporated by reference to Exhibit 10.20 Golden

Enterprises, Inc. February 27, 2009 Form 10-Q filed with the Commission).

10.24

A Form of Indemnity Agreement to be executed by and between Golden Enterprises, Inc. and the following directors: Mark W. McCutcheon, Joann F. Bashinsky, John S. Stein, III, William B. Morton, Jr., Paul R. Bates and David A. Jones (incorporated by reference to Exhibit 10.24 to Golden Enterprises, Inc. January 13, 2011 Form 10-Q filed with the Commission).

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- 10.25 A Purchase and Sales Agreement was executed by and between Golden Flake Snack Foods, Inc. as Seller, and Verizon Wireless Personal Communications LP as Purchaser, with a transfer date of June 17, 2011, for the sale of approximately 1 acre of land located adjacent to the Company's central warehouse in Pensacola, Florida (incorporated by reference to Exhibit 10.25 to Golden Enterprises, Inc. June 3, 2011 Form 10-K filed with the Commission).
- 14.1 Golden Enterprises, Inc.'s Code of Conduct and Ethics adopted by the Board of Directors on April 8, 2004 (incorporated by reference to Exhibit 14.1 to Golden Enterprises, Inc. May 31, 2004 Form 10-K with the Commission).
- 21 Subsidiaries of the Registrant (incorporated by reference to Exhibit 21 to Golden Enterprises, Inc. May 31, 2004 Form 10-K filed with the Commission)
- (31) Certifications
- 31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes Oxley Act of 2002.
- 31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes Oxley Act of 2002.
- 32.1 Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes Oxley Act of 2002.
- 32.2 Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- (99) Additional Exhibits
- 99.1 A copy of excerpts of the Last Will and Testament and Codicils thereto of Sloan Y. Bashinsky, Sr. and of the SYB Common Stock Trust created by Sloan Y. Bashinsky, Sr. providing for the creation of a Voting Committee to vote the shares of common stock of Golden Enterprises, Inc. held by SYB, Inc. and the Estate/Testamentary Trust of Sloan Y. Bashinsky, Sr. (Incorporated by reference to Exhibit 99.1 to Golden Enterprises, Inc. May 31, 2005 Form 10-k filed with the Commission).
- 101.INS XBRL Instance Document
- 101.SCH XBRL Taxonomy Extension Schema Document
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GOLDEN ENTERPRISES, INC.
(Registrant)

Dated: October 11, 2012

/s/ Mark W. McCutcheon
Mark W. McCutcheon
Chairman of the Board,
President and
Chief Executive Officer

Dated: October 11, 2012

/s/ Patty Townsend
Patty Townsend
Vice-President and
Chief Financial Officer
(Principal Accounting Officer)