

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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FILER

GOLDEN ENTERPRISES INC

CIK: **42228** | IRS No.: **630250005** | State of Incorporation: **DE** | Fiscal Year End: **0531**
Type: **10-Q** | Act: **34** | File No.: **000-04339** | Film No.: **13525513**
SIC: **2090** Miscellaneous food preparations & kindred products

Mailing Address

ONE GOLDEN FLAKE DRIVE
BIRMINGHAM AL 35205

Business Address

ONE GOLDEN FLAKE DRIVE
BIRMINGHAM AL 35205
205 323 6161

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 November 30, 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

(State or other jurisdiction of
incorporation or organization)

63-0250005

(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 ()

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 (X)



Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of December 31, 2012.

Class
Common Stock, Par Value \$0.66 2/3

Outstanding at
December 31, 2012
11,732,632

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)	(Audited)
	November	June 1,
	30,	2012
	<u>2012</u>	<u>2012</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 847,994	\$ 1,893,816
Receivables, net	9,979,758	10,566,073
Inventories:		
Raw materials and supplies	2,393,483	1,693,629
Finished goods	<u>3,438,326</u>	<u>3,463,169</u>
	<u>5,831,809</u>	<u>5,156,798</u>
Prepaid expenses	2,479,929	1,754,874
Accrued income taxes	-	59,894
Deferred income taxes	<u>615,182</u>	<u>615,182</u>
Total current assets	<u>19,754,672</u>	<u>20,046,637</u>
Property, plant and equipment, net	26,160,186	26,497,590
Other assets	<u>2,011,617</u>	<u>2,209,399</u>
Total	<u>\$ 47,926,475</u>	<u>\$ 48,753,626</u>
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Checks outstanding in excess of bank balances	\$ 1,491,443	\$ 1,710,417
Accounts payable	5,347,119	6,025,465
Accrued income taxes	647,993	-
Current portion of long-term debt	364,381	357,921
Other accrued expenses	4,432,589	4,472,079
Salary continuation plan	188,963	181,578
Line of credit outstanding	<u>614,075</u>	<u>1,293,698</u>
Total current liabilities	<u>13,086,563</u>	<u>14,041,158</u>
LONG-TERM LIABILITIES		
Notes payable - bank, non-current	5,524,191	5,707,062
Salary continuation plan	1,035,852	1,097,655
Deferred income taxes	<u>3,509,305</u>	<u>3,509,305</u>
Total long-term liabilities	<u>10,069,348</u>	<u>10,314,022</u>
STOCKHOLDER'S EQUITY		
Common stock - \$.66-2/3 par value:		
35,000,000 shares authorized		
Issued 13,828,793 shares	9,219,195	9,219,195
Additional paid-in capital	6,497,954	6,497,954
Retained earnings	<u>19,986,034</u>	<u>19,607,056</u>
	<u>35,703,183</u>	<u>35,324,205</u>

Less: Cost of common shares in treasury (2,096,161 shares at November 30, 2012 and 2,094,161 shares at June 1, 2012)	<u>(10,932,619)</u>	<u>(10,925,759)</u>
Total stockholder's equity	<u>24,770,564</u>	<u>24,398,446</u>
Total	<u>\$ 47,926,475</u>	<u>\$ 48,753,626</u>

See Accompanying Notes to Condensed Consolidated Financial Statements

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

	Thirteen Weeks Ended November 30, 2012	Thirteen Weeks Ended December 2, 2011	Twenty-Six Weeks Ended November 30, 2012	Twenty-Six Weeks Ended December 2, 2011
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net sales	\$ 33,208,620	\$ 33,230,663	\$ 67,892,075	\$ 66,475,853
Cost of sales	<u>17,163,576</u>	<u>17,478,476</u>	<u>34,720,015</u>	<u>34,720,094</u>
Gross margin	16,045,044	15,752,187	33,172,060	31,755,759
Selling, general and administrative expenses	<u>15,145,750</u>	<u>14,987,933</u>	<u>31,080,557</u>	<u>29,918,625</u>
Operating income	<u>899,294</u>	<u>764,254</u>	<u>2,091,503</u>	<u>1,837,134</u>
Other income (expenses):				
Gain on sale of assets	31,000	8,043	50,409	92,385
Interest expense	(56,298)	(73,328)	(116,251)	(148,563)
Other income	<u>20,996</u>	<u>29,003</u>	<u>43,633</u>	<u>65,843</u>
Total other income (expenses)	<u>(4,302)</u>	<u>(36,282)</u>	<u>(22,209)</u>	<u>9,665</u>
Income before income taxes	894,992	727,972	2,069,294	1,846,799
Income taxes	<u>452,735</u>	<u>275,887</u>	<u>956,901</u>	<u>695,143</u>
Net income	<u>\$ 442,257</u>	<u>\$ 452,085</u>	<u>\$ 1,112,393</u>	<u>\$ 1,151,656</u>
PER SHARE OF COMMON STOCK				
Basic and Diluted earnings	\$ 0.04	\$ 0.04	\$ 0.10	\$ 0.10
Weighted average number of common stock share outstanding:				
Basic and Diluted	11,734,061	11,734,632	11,734,346	11,734,632
Cash dividends paid per share of common stock	\$ 0.0313	\$ 0.0313	\$ 0.0625	\$ 0.0625

See Accompanying Notes to Condensed Consolidated Financial Statements

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

	<u>Twenty-Six Weeks Ended November 30, 2012</u>	<u>Twenty-Six Weeks Ended December 2, 2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 68,478,390	\$ 66,376,636
Miscellaneous income	43,633	65,843
Cash paid to suppliers and employees	(34,788,027)	(34,002,689)
Cash paid for operating expenses	(31,336,262)	(30,003,516)
Income taxes paid	(249,014)	(268,989)
Interest expenses paid	(116,251)	(148,563)
Net cash provided by operating activities	<u>2,032,469</u>	<u>2,018,722</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,328,125)	(2,564,251)
Proceeds from sale of property, plant and equipment	65,119	128,560
Net cash used in investing activities	<u>(1,263,006)</u>	<u>(2,435,691)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Debt proceeds	19,738,588	18,403,341
Debt repayments	(20,594,623)	(18,973,556)
Change in checks outstanding in excess of bank balances	(218,974)	638,747
Cash dividends paid	(733,416)	(733,416)
Purchase of treasury shares	(6,860)	-
Net cash used in financing activities	<u>(1,815,285)</u>	<u>(664,884)</u>
Net change in cash and cash equivalents	(1,045,822)	(1,081,853)
Cash and cash equivalents at beginning of period	1,893,816	2,721,638
Cash and cash equivalents at end of period	<u>\$ 847,994</u>	<u>\$ 1,639,785</u>

See Accompanying Notes to Condensed Consolidated Financial Statements

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

RECONCILIATION OF NET INCOME TO NET CASH FROM OPERATING ACTIVITIES

	Twenty-Six Weeks Ended November 30, 2012	Twenty-Six Weeks Ended December 2, 2011
Net Income	\$ 1,112,393	\$ 1,151,656
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,650,821	1,670,752
Gain on sale of property and equipment	(50,409)	(92,385)
Changes in operating assets and liabilities:		
Change in receivables - net	586,315	(99,217)
Change in inventories	(675,011)	(1,003,494)
Change in prepaid expenses	(725,055)	(684,300)
Change in other assets	197,782	232,587
Change in accounts payable	(678,346)	350,247
Change in accrued expenses	(39,490)	117,144
Change in salary continuation	(54,418)	(50,422)
Change in accrued income taxes	707,887	426,154
Net cash provided by operating activities	\$ 2,032,469	\$ 2,018,722

See Accompanying Notes to Condensed Consolidated Financial Statements

GOLDEN ENTERPRISES, INC. AND SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

- 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.
- 1.
 2. The consolidated results of operations for the twenty-six weeks ended November 30, 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 November 30, 2012 and June 1, 2012.

	November 30, 2012	June 1, 2012
Truck shop supplies	\$ 503,297	\$ 576,673
Insurance deposit	82,959	82,959
Prepaid marketplace spending	205,082	227,382
Deferred advertising fees	708,750	-
Prepaid insurance	487,207	159,941
Prepaid taxes/licenses	92,745	168,110
Prepaid dues/supplies	281,570	499,905
Other	118,319	39,904
	\$ 2,479,929	\$ 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 Company has a letter of credit in the amount of \$1,900,000 outstanding at November 30, 2012 compared to \$2,000,000 outstanding at December 2, 2011. The letter of credit supports the Company's commercial self-insurance program.

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.

7. The Company's line-of-credit debt as of November 30, 2012 was \$614,075 with an interest rate of 3.50%, leaving the Company with \$2,385,925 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.

The Company has a note payable with a balance of \$5,888,572 as of November 30, 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.

8.

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

9. 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 November 30, 2012, and the related condensed consolidated statements of income for the thirteen week and twenty-six week periods ended November 30, 2012 and December 2, 2011, and the related condensed statements of cash flows for the twenty-six week periods ending November 30, 2012 and December 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
January 10, 2013

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 November 30, 2012 and June 1, 2012, working capital was \$6,668,109 and \$6,005,479, respectively.

The Company purchased 2,000 shares of treasury stock this quarter in the amount of \$6,860.00. The Company's current ratio was 1.51 to 1.00 at November 30, 2012 compared to 1.43 to 1.00 at June 1, 2012.

Accounts Receivable and Allowance for Doubtful Accounts

At November 30, 2012 and June 1, 2012 the Company had accounts receivables in the amount of \$9,979,758 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 November 30, 2012, net sales decreased 0.1% from the comparable period in fiscal 2012. For the twenty-six weeks ended November 30, 2012, net sales increased 2.1% from the comparable period in fiscal 2012. This year's second quarter cost of sales was 51.7% of net sales compared to 52.6% for last year's second quarter. This year's cost of sales year to date was 51.1% of net sales compared to 52.2% for last year's year to date. This year's second quarter, selling, general and administrative expenses were 45.6% of net sales compared to 45.1% for last year's second quarter. This year's selling, general and administrative expenses year to date were 45.8% of net sales compared to 45.0% for last year's year to date.

The following tables compare manufactured products to resale products:

Manufactured Products-Resale Products

	Thirteen Weeks Ended November 30, 2012		Thirteen Weeks Ended December 2, 2011	
		%		%
Sales				
Manufactured Products	\$ 28,033,747	84.4%	\$ 25,087,989	75.5%
Resale Products	5,174,873	15.6%	8,142,674	24.5%
Total	<u>\$ 33,208,620</u>	<u>100.0%</u>	<u>\$ 33,230,663</u>	<u>100.0%</u>
Gross Margin				
Manufactured Products	\$ 14,839,670	52.9%	\$ 12,974,209	51.7%
Resale Products	1,205,374	23.3%	2,777,978	34.1%
Total	<u>\$ 16,045,044</u>	<u>48.3%</u>	<u>\$ 15,752,187</u>	<u>47.4%</u>
	Twenty-Six Weeks Ended November 30, 2012		Twenty-Six Weeks Ended December 2, 2011	
		%		%
Sales				
Manufactured Products	\$ 55,323,966	81.5%	\$ 50,813,771	76.4%
Resale Products	12,568,109	18.5%	15,662,082	23.6%
Total	<u>\$ 67,892,075</u>	<u>100.0%</u>	<u>\$ 66,475,853</u>	<u>100.0%</u>
Gross Margin				
Manufactured Products	\$ 29,403,309	53.1%	\$ 26,395,049	51.9%
Resale Products	3,768,751	30.0%	5,360,710	34.2%
Total	<u>\$ 33,172,060</u>	<u>48.9%</u>	<u>\$ 31,755,759</u>	<u>47.8%</u>

The Company's gain on sale of assets for the thirteen weeks ended November 30, 2012 in the amount of \$31,000 was from the sale of used transportation equipment.

For last year's thirteen weeks, the gain on sale of assets in the amount of \$8,043 was from the sale of used transportation equipment.

The Company's effective tax rate for the thirteen weeks was 50.6% compared to 37.9% for the last year's thirteen weeks. The Company's effective tax rate for the twenty-six weeks ended November 30, 2012 was 46.2% and 37.7% for the comparable period last year.

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 to the extent possible 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

CONTROLS AND PROCEDURES

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 second fiscal quarter ended November 30, 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 1A

RISK FACTORS

As a “Smaller reporting company”, the 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 purchased 2,000 shares of treasury stock for the quarterly period ended November 30, 2012 in the amount of \$6,860.00.

ISSUER PURCHASES OF EQUITY SECURITIES

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
September 1 to September 28	-0-	-0-	-0-	-0-
September 29 to November 2	-0-	-0-	-0-	-0-
November 3 to November 30	(1) 2,000	3.43	-0-	-0-
Total First Quarter	2,000	3.43	-0-	-0-

- (1) On November 5, 2012, the Company purchased 2,000 of its shares through a private purchase settled on November 5, 2012. The price paid for such shares was the average for the high and low prices paid for the stock on the settlement date.

ITEM 3

DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4

MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5

OTHER INFORMATION

Not applicable.

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).
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: January 11, 2013

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

Dated: January 11, 2013

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

CERTIFICATION BY MARK W. MCCUTCHEON PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark W. McCutcheon, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Golden Enterprises, Inc. for the second quarter ended November 30, 2012;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize, and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Dated: January 11, 2013

/s/ Mark W. McCutcheon

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

CERTIFICATION BY PATTY TOWNSEND PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Patty Townsend, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Golden Enterprises, Inc. for the second quarter ended November 30, 2012;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize, and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: January 11, 2013

/s/ Patty Townsend

Patty Townsend

Vice-President and Chief Financial Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Golden Enterprises, Inc. (the "Company") on Form 10-Q for the second quarter ended November 30, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark W. McCutcheon, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ' 1350, as adopted pursuant to ' 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: January 11, 2013

/s/ Mark W. McCutcheon

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

A signed original of this written statement required by Section 906 has been provided to Golden Enterprises, Inc. and will be retained by Golden Enterprises, Inc. and furnished to the Securities and Exchange Commission, or its staff, upon request.

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Golden Enterprises, Inc. (the “Company”) on Form 10-Q for the second quarter ended November 30, 2012, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Patty Townsend, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ' 1350, as adopted pursuant to ' 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: January 11, 2013

/s/ Patty Townsend

Patty Townsend

Vice-President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Golden Enterprises, Inc. and will be retained by Golden Enterprises, Inc. and furnished to the Securities and Exchange Commission, or its staff, upon request.

Raw Materials and Supplies

6 Months Ended

Nov. 30, 2012

Raw Materials and Supplies

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.

Prepaid Assets

6 Months Ended Nov. 30, 2012

Prepaid Assets

3. The following tables summarize the prepaid assets accounts at November 30, 2012 and June 1, 2012.

	November 30, 2012	June 1, 2012
Truck shop supplies	\$ 503,297	\$ 576,673
Insurance deposit	82,959	82,959
Prepaid marketplace spending	205,082	227,382
Deferred advertising fees	708,750	-
Prepaid insurance	487,207	159,941
Prepaid taxes/licenses	92,745	168,110
Prepaid dues/supplies	281,570	499,905
Other	118,319	39,904
	<u>\$ 2,479,929</u>	<u>\$ 1,754,874</u>

**CONDENSED
CONSOLIDATED
BALANCE SHEETS (USD
\$)**

	Nov. 30, 2012	Jun. 01, 2012
<u>CURRENT ASSETS</u>		
<u>Cash and cash equivalents</u>	\$ 847,994	\$ 1,893,816
<u>Receivables, net</u>	9,979,758	10,566,073
<u>Inventories:</u>		
<u>Raw materials and supplies</u>	2,393,483	1,693,629
<u>Finished goods</u>	3,438,326	3,463,169
<u>Inventories</u>	5,831,809	5,156,798
<u>Prepaid expenses</u>	2,479,929	1,754,874
<u>Accrued income taxes</u>		59,894
<u>Deferred income taxes</u>	615,182	615,182
<u>Total current assets</u>	19,754,672	20,046,637
<u>Property, plant and equipment, net</u>	26,160,186	26,497,590
<u>Other assets</u>	2,011,617	2,209,399
<u>Total</u>	47,926,475	48,753,626
<u>CURRENT LIABILITIES</u>		
<u>Checks outstanding in excess of bank balances</u>	1,491,443	1,710,417
<u>Accounts payable</u>	5,347,119	6,025,465
<u>Accrued income taxes</u>	647,993	
<u>Current portion of long-term debt</u>	364,381	357,921
<u>Other accrued expenses</u>	4,432,589	4,472,079
<u>Salary continuation plan</u>	188,963	181,578
<u>Line of credit outstanding</u>	614,075	1,293,698
<u>Total current liabilities</u>	13,086,563	14,041,158
<u>LONG-TERM LIABILITIES</u>		
<u>Notes payable - bank, non-current</u>	5,524,191	5,707,062
<u>Salary continuation plan</u>	1,035,852	1,097,655
<u>Deferred income taxes</u>	3,509,305	3,509,305
<u>Total long-term liabilities</u>	10,069,348	10,314,022
<u>STOCKHOLDER'S EQUITY</u>		
<u>Common stock - \$.66-2/3 par value: 35,000,000 shares authorized Issued 13,828,793 shares</u>	9,219,195	9,219,195
<u>Additional paid-in capital</u>	6,497,954	6,497,954
<u>Retained earnings</u>	19,986,034	19,607,056
<u>Stockholders equity before treasury stock</u>	35,703,183	35,324,205
<u>Less: Cost of common shares in treasury (2,096,161 shares at November 30, 2012 and 2,094,161 shares at June 1, 2012)</u>	(10,932,619)	(10,925,759)
<u>Total stockholder's equity</u>	24,770,564	24,398,446
<u>Total</u>	\$ 47,926,475	\$ 48,753,626

Basis of Accounting

**6 Months Ended
Nov. 30, 2012**

[Basis of Accounting](#)

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.

**Consolidated Results of
Operations**

[Consolidated Results of
Operations](#)

**6 Months Ended
Nov. 30, 2012**

2. The consolidated results of operations for the twenty-six weeks ended November 30, 2012 are not necessarily indicative of the results to be expected for the fifty-two week fiscal year ending May 31, 2013.

**CONDENSED
CONSOLIDATED
BALANCE SHEETS
(Parenthetical) (USD \$)**

Nov. 30, 2012 Jun. 01, 2012

<u>Common stock, par value</u>	\$ 0.667	\$ 0.667
<u>Common stock, shares authorized</u>	35,000,000	35,000,000
<u>Common stock, shares issued</u>	13,828,793	13,828,793
<u>Treasury stock, shares</u>	2,096,161	2,094,161

Letters of Credit (Detail)
(USD \$)

Nov. 30, 2012 Dec. 02, 2011

Line of Credit Facility [Line Items]

Letter of credit outstanding \$ 1,900,000 \$ 2,000,000

**Document and Entity
Information**

**6 Months Ended
Nov. 30, 2012**

Dec. 31, 2012

Document Information [Line Items]

<u>Document Type</u>	10-Q	
<u>Amendment Flag</u>	false	
<u>Document Period End Date</u>	Nov. 30, 2012	
<u>Document Fiscal Year Focus</u>	2013	
<u>Document Fiscal Period Focus</u>	Q2	
<u>Trading Symbol</u>	GLDC	
<u>Entity Registrant Name</u>	GOLDEN ENTERPRISES INC	
<u>Entity Central Index Key</u>	0000042228	
<u>Current Fiscal Year End Date</u>	--05-31	
<u>Entity Filer Category</u>	Smaller Reporting Company	
<u>Entity Common Stock, Shares Outstanding</u>		11,732,632

**Line-of-Credit (Detail) (USD
\$)**

Nov. 30, 2012 Jun. 01, 2012

Line of Credit Facility [Line Items]

<u>Line-of-credit agreement, maximum borrowing capacity</u>	\$ 3,000,000	\$ 3,000,000
<u>Line-of-credit, outstanding debt</u>	614,075	1,293,698
<u>Line-of-credit, interest rate</u>	3.50%	3.50%
<u>Line-of-credit, available credit</u>	\$ 2,385,925	\$ 1,706,302

**CONDENSED
CONSOLIDATED
STATEMENTS OF
INCOME (UNAUDITED)
(USD \$)**

	3 Months Ended		6 Months Ended	
	Nov. 30, 2012	Dec. 02, 2011	Nov. 30, 2012	Dec. 02, 2011
<u>Net sales</u>	\$ 33,208,620	\$ 33,230,663	\$ 67,892,075	\$ 66,475,853
<u>Cost of sales</u>	17,163,576	17,478,476	34,720,015	34,720,094
<u>Gross margin</u>	16,045,044	15,752,187	33,172,060	31,755,759
<u>Selling, general and administrative expenses</u>	15,145,750	14,987,933	31,080,557	29,918,625
<u>Operating income</u>	899,294	764,254	2,091,503	1,837,134
<u>Other income (expenses):</u>				
<u>Gain on sale of assets</u>	31,000	8,043	50,409	92,385
<u>Interest expense</u>	(56,298)	(73,328)	(116,251)	(148,563)
<u>Other income</u>	20,996	29,003	43,633	65,843
<u>Total other income (expenses)</u>	(4,302)	(36,282)	(22,209)	9,665
<u>Income before income taxes</u>	894,992	727,972	2,069,294	1,846,799
<u>Income taxes</u>	452,735	275,887	956,901	695,143
<u>Net income</u>	\$ 442,257	\$ 452,085	\$ 1,112,393	\$ 1,151,656
<u>PER SHARE OF COMMON STOCK</u>				
<u>Basic and Diluted earnings</u>	\$ 0.04	\$ 0.04	\$ 0.10	\$ 0.10
<u>Weighted average number of common stock share outstanding:</u>				
<u>Basic and Diluted</u>	11,734,061	11,734,632	11,734,346	11,734,632
<u>Cash dividends paid per share of common stock</u>	\$ 0.0313	\$ 0.0313	\$ 0.0625	\$ 0.0625

Line-of-Credit Agreement

**6 Months Ended
Nov. 30, 2012**

[Line-of-Credit Agreement](#)

7. 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 November 30, 2012 was \$614,075 with an interest rate of 3.50%, leaving the Company with \$2,385,925 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.

Letter of Credit

6 Months Ended

Nov. 30, 2012

[Letter of Credit](#)

6. The Company has a letter of credit in the amount of \$1,900,000 outstanding at November 30, 2012 compared to \$2,000,000 outstanding at December 2, 2011. The letter of credit supports the Company's commercial self-insurance program.

Notes Payable (Detail) (USD **1 Months Ended**
) **Mar. 31, 2011** **Sep. 30, 2009** **Nov. 30, 2012**

Debt Instrument [Line Items]

<u>Notes payable</u>	\$ 3,532,700		\$ 5,888,572
<u>Equipment note, term</u>	15 years	10 years	
<u>Equipment note, interest rate</u>	3.52%	4.25%	
<u>Equipment note, face amount</u>	\$ 2,900,000	\$ 4,000,000	

Prepaid Assets (Tables)

6 Months Ended Nov. 30, 2012

Schedule of Prepaid Assets

3. The following tables summarize the prepaid assets accounts at November 30, 2012 and June 1, 2012.

	November 30, 2012	June 1, 2012
Truck shop supplies	\$ 503,297	\$ 576,673
Insurance deposit	82,959	82,959
Prepaid marketplace spending	205,082	227,382
Deferred advertising fees	708,750	-
Prepaid insurance	487,207	159,941
Prepaid taxes/licenses	92,745	168,110
Prepaid dues/supplies	281,570	499,905
Other	118,319	39,904
	<u>\$ 2,479,929</u>	<u>\$ 1,754,874</u>

Notes Payable

**6 Months Ended
Nov. 30, 2012**

Notes Payable

8. The Company has a note payable with a balance of \$5,888,572 as of November 30, 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.

Concentration of Credit Risk

Concentration of Credit Risk

6 Months Ended

Nov. 30, 2012

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

9. 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.

Prepaid Expenses (Detail)
(USD \$)

Nov. 30, 2012 Jun. 01, 2012

Deferred Costs, Capitalized, Prepaid, and Other Assets Disclosure [Line Items]

<u>Truck shop supplies</u>	\$ 503,297	\$ 576,673
<u>Insurance deposit</u>	82,959	82,959
<u>Prepaid marketplace spending</u>	205,082	227,382
<u>Deferred advertising fees</u>	708,750	
<u>Prepaid insurance</u>	487,207	159,941
<u>Prepaid taxes/licenses</u>	92,745	168,110
<u>Prepaid dues/supplies</u>	281,570	499,905
<u>Other</u>	118,319	39,904
<u>Prepaid assets</u>	\$ 2,479,929	\$ 1,754,874

**CONDENSED
CONSOLIDATED
STATEMENTS OF CASH
FLOWS (UNAUDITED)
(USD \$)**

6 Months Ended

**Nov. 30,
2012 Dec. 02,
2011**

CASH FLOWS FROM OPERATING ACTIVITIES

<u>Cash received from customers</u>	\$	\$
	68,478,390	66,376,636
<u>Miscellaneous income</u>	43,633	65,843
<u>Cash paid to suppliers and employees</u>	(34,788,027)	(34,002,689)
<u>Cash paid for operating expenses</u>	(31,336,262)	(30,003,516)
<u>Income taxes paid</u>	(249,014)	(268,989)
<u>Interest expenses paid</u>	(116,251)	(148,563)
<u>Net cash provided by operating activities</u>	2,032,469	2,018,722

CASH FLOWS FROM INVESTING ACTIVITIES

<u>Purchase of property, plant and equipment</u>	(1,328,125)	(2,564,251)
<u>Proceeds from sale of property, plant and equipment</u>	65,119	128,560
<u>Net cash used in investing activities</u>	(1,263,006)	(2,435,691)

CASH FLOWS FROM FINANCING ACTIVITIES

<u>Debt proceeds</u>	19,738,588	18,403,341
<u>Debt repayments</u>	(20,594,623)	(18,973,556)
<u>Change in checks outstanding in excess of bank balances</u>	(218,974)	638,747
<u>Cash dividends paid</u>	(733,416)	(733,416)
<u>Purchase of treasury shares</u>	(6,860)	
<u>Net cash used in financing activities</u>	(1,815,285)	(664,884)
<u>Net change in cash and cash equivalents</u>	(1,045,822)	(1,081,853)
<u>Cash and cash equivalents at beginning of period</u>	1,893,816	2,721,638
<u>Cash and cash equivalents at end of period</u>	847,994	1,639,785

RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

<u>Net Income</u>	1,112,393	1,151,656
<u>Adjustments to reconcile net income to net cash provided by operating activities:</u>		
<u>Depreciation and amortization</u>	1,650,821	1,670,752
<u>Gain on sale of property and equipment</u>	(50,409)	(92,385)
<u>Changes in operating assets and liabilities:</u>		
<u>Change in receivables - net</u>	586,315	(99,217)
<u>Change in inventories</u>	(675,011)	(1,003,494)
<u>Change in prepaid expenses</u>	(725,055)	(684,300)
<u>Change in other assets</u>	197,782	232,587
<u>Change in accounts payable</u>	(678,346)	350,247
<u>Change in accrued expenses</u>	(39,490)	117,144
<u>Change in salary continuation</u>	(54,418)	(50,422)
<u>Change in accrued income taxes</u>	707,887	426,154
<u>Net cash provided by operating activities</u>	\$ 2,032,469	\$ 2,018,722

Inventory Valuation

**6 Months Ended
Nov. 30, 2012**

Inventory Valuation

5. Inventories are stated at the lower of cost or market. Cost is computed on the first-in, first-out method.