GOLDEN ENTERPRISES INC
Form 10-Q
April 14, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly (fourteen and forty weeks) period ended March 4, 2011

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	35205
(Address of Principle Executive Offices)	(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 ( ) 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	X

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 March 31, 2011.

Class	Outstanding at March 31, 2011
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.

INDEX

3

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

	(Unaudited) March 4, 2011	(Audited) May 28, 2010
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 458,269	$ 1,443,801
Receivables, net	9,764,095	9,534,542
Inventories:		
Raw materials and supplies	1,363,771	1,580,379
Finished goods	3,407,243	3,320,286
	4,771,014	4,900,665
Prepaid expenses	2,187,561	1,573,253
Deferred income taxes	580,154	580,154
Total current assets	17,761,093	18,032,415
Property, plant and equipment, net	24,271,628	22,279,624
Other assets	2,299,169	2,431,321
Total	$ 44,331,890	$ 42,743,360
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Checks outstanding in excess of bank balances	$ 698,590	$ 1,083,512
Accounts payable	7,561,271	6,137,412
Accrued income taxes	14,552	238,031
Current portion of long-term debt	361,324	350,304
Other accrued expenses	4,188,086	4,465,977
Salary continuation plan	164,353	154,812
Line of credit outstanding	2,266,431	1,781,996
Total current liabilities	15,254,607	14,212,044
LONG-TERM LIABILITIES		
Notes payable - bank, non-current	3,207,240	3,479,879
Salary continuation plan	1,236,841	1,317,251
Deferred income taxes	1,586,833	1,586,833
Total long-term liabilities	6,030,914	6,383,963
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		18,254,979		17,319,003
		33,972,128		33,036,152
Less: Cost of common shares in treasury (2,094,161 shares at March 4, 2011 and 2,082,161 shares at May 28, 2010)		(10,925,759)		(10,888,799)
Total stockholder's equity		23,046,369		22,147,353
Total	$	44,331,890	$	42,743,360

See Accompanying Notes to Condensed Consolidated Financial Statements

4

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

	Fourteen Weeks Ended March 4, 2011	Thirteen Weeks Ended February 26, 2010	Forty Weeks Ended March 4, 2011	Thirty-Nine Weeks Ended February 26, 2010
Net sales	$34,085,864	$31,348,255	$96,952,341	$95,392,485
Cost of sales	18,093,815	16,081,587	50,186,487	49,217,690
Gross margin	15,992,049	15,266,668	46,765,854	46,174,795
Selling, general and administrative expenses	15,276,576	13,758,294	43,424,267	41,955,461
Operating income	715,473	1,508,374	3,341,587	4,219,334
Other (expenses) income:				
Gain on sale of assets	8,157	145,172	59,942	189,477
Interest expense	(84,530)	(94,238)	(280,127)	(231,244)
Other income	30,868	59,221	154,525	118,206
Total other (expenses) income	(45,505)	110,155	(65,660)	76,439
Income before income taxes	669,968	1,618,529	3,275,927	4,295,773
Income taxes	254,993	604,297	1,239,152	1,557,649
Net income	$414,975	$1,014,232	$2,036,775	$2,738,124
PER SHARE OF COMMON STOCK				
Basic earnings	$0.03	$0.08	$0.17	$0.23
Diluted earnings	$0.03	$0.08	$0.17	$0.23
Weighted average number of common stock share outstanding:				
Basic	11,734,632	11,746,632	11,736,303	11,746,632
Diluted	11,734,632	11,746,632	11,736,303	11,746,632
Cash dividends paid per share of common stock	$0.0313	$0.0313	$0.0938	$0.0938

See Accompanying Notes to Condensed Consolidated Financial Statements

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

	Forty Weeks Ended March 4, 2011	Thirty-Nine Weeks Ended February 26, 2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$96,722,788	$95,082,923
Miscellaneous income	154,525	118,206
Cash paid to suppliers and employees	(46,703,613)	(45,745,849)
Cash paid for operating expenses	(43,830,642)	(42,661,970)
Income taxes paid	(1,462,631)	(1,125,930)
Interest expenses paid	(280,127)	(231,244)
Net cash provided by operating activities	4,600,300	5,436,136
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,363,502)	(8,095,255)
Proceeds from sale of property, plant and equipment	77,535	227,938
Net cash used in investing activities	(4,285,967)	(7,867,317)
CASH FLOWS FROM FINANCING ACTIVITIES		
Debt proceeds	26,765,492	16,828,882
Debt repayments	(26,542,676)	(14,287,520)
Change in checks outstanding in excess of bank balances	(384,922)	366,454
Cash dividends paid	(1,100,799)	(1,102,193)
Purchases of treasury shares	(36,960)	-
Net cash (used in) provided by financing activities	(1,299,865)	1,805,623
Net change in cash and cash equivalents	(985,532)	(625,558)
Cash and cash equivalents at beginning of period	1,443,801	1,178,060
Cash and cash equivalents at end of period	$458,269	$552,502

See Accompanying Notes to Condensed Consolidated Financial Statements

6

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

RECONCILIATION OF NET INCOME TO NET CASH FROM OPERATING ACTIVITIES
FOR THE FORTY WEEKS ENDED MARCH 4, 2011 AND THIRTY-NINE WEEKS ENDED FEBRUARY 26, 2010

	Forty Weeks Ended March 4, 2011	Thirty-Nine Weeks Ended February 26, 2010
Net Income	$2,036,775	$2,738,124
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,353,905	1,805,894
Gain on sale of property and equipment	(59,942)	(189,477)
Changes in operating assets and liabilities:		
Change in receivables - net	(229,553)	(309,562)
Change in inventories	129,651	453,202
Change in prepaid expenses	(614,308)	(375,341)
Change in other assets	132,152	64,687
Change in accounts payable	1,423,859	1,729,922
Change in accrued expenses	(277,891)	(847,169)
Change in salary continuation	(70,869)	(65,863)
Change in accrued income taxes	(223,479)	431,719
Net cash provided by operating activities	$4,600,300	$5,436,136

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 May 28, 2010.

2. The consolidated results of operations for the forty weeks ended March 4, 2011 are not necessarily indicative of the results to be expected for the fifty-three week fiscal year ending June 03, 2011.

3. The following tables summarize the prepaid assets accounts at March 4, 2011 and May 28, 2010.

	March 4, 2011	May 28, 2010
Truck shop supplies	$ 653,398	$ 670,278
Insurance deposit	138,959	138,959
Slotting fees	231,285	179,579
Deferred advertising fees	294,046	-
Prepaid insurance	330,863	210,528
Prepaid taxes/licenses	193,602	220,127
Prepaid dues/supplies	302,451	114,723
Other	42,957	39,059
	$ 2,187,561	$ 1,573,253

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 forty weeks ended March 4, 2011 and thirty-nine weeks ended February 26, 2010:

	Forty Weeks Ended March 4, 2011	Thirty-Nine Weeks Ended February 26, 2010
Weighted average number of common shares used in computing basic earnings per share	11,736,303	11,746,632
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	11,736,303	11,746,632
Stock options excluded from the above reconciliation because they are anti-dilutive	329,000	329,000

7. The Company has a letter of credit in the amount of $2,000,000 outstanding at March 4, 2011 compared to $2,057,014 at May 28, 2010. 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 million. During the quarter ended 11/27/2009, this line of credit was renewed and the limit was increased from $2 million to $3 million. The line-of-credit is subject to the Company's continued credit worthiness and compliance with the terms and conditions of the advance application. The Company's line-of-credit debt as of March 4, 2011 was $2,266,431 with an interest rate of 4.00%, leaving the Company with $733,569 of credit availability. The Company's line-of-credit debt as of May 28, 2010 was $1,781,996 with an interest rate of 4.00%, leaving the Company with $1,218,004 of credit availability.

9. The Company has a note payable with a balance of $3.6 million as of March 4, 2011. 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 $4.0 million. 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.

11. The 401(k) Salary Reduction Plan was amended effective September 1, 2010 as follows:

The name of Golden Flake Snack Foods, Inc. 401(k) Salary Reduction Plan changed to Golden Flake Snack Foods, Inc. 401(k) Retirement Savings Plan (the “Plan”). On August 31, 2010, the Golden Flake Snack Foods, Inc. Amended and Restated Employee Stock Ownership Plan and Trust (ESOP) merged into the Plan. The ESOP Plan merged into Golden Flake Snack Foods, Inc. 401(k) Retirement Savings Plan and will no longer accept any new contributions. All assets were fully vested in the ESOP. Immediately after the merger each participant in the ESOP had their account balances in the ESOP prior to the merger added to their account balances in the Plan. Years of service accrued through August 31, 2010, under the Golden Flake Snack Foods, Inc. Amended and Restated Employee Stock Ownership Plan and Trust were recognized under the Golden Flake Snack Foods, Inc. 401(k) Retirement Savings Plan.

Additionally, the Plan’s trustee was changed from New York Life Trust Company to State Street Bank and Trust Company effective September 1, 2010.

Lastly, the Company appointed Diversified Investment Advisors to provide recordkeeping and general administrative services for the Plan, effective September 1, 2010.

12. The Amended and Restated Employee Stock Ownership Plan (“ESOP”) was amended effective September 1, 2010 as follows:

The ESOP Plan merged into the Plan on August 31, 2010. The ESOP Plan will no longer accept any new contributions and all account balances became fully vested upon such merger. Immediately after the merger, each participant in the ESOP had their account balances in the ESOP prior to the merger added to their account balances in the Plan. Years of service accrued through August 31, 2010 under the Plan will be recognized under the Plan.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have reviewed the accompanying condensed consolidated balance sheet of Golden Enterprises, Inc. and subsidiary as of March 4, 2011, and the related condensed consolidated statements of income for the fourteen week and forty week periods and thirteen and thirty-nine week periods ended March 4, 2011 and February 26, 2010, and the related condensed statements of cash flows for the forty and thirty-nine week periods ending March 4, 2011 and February 26, 2010. 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 May 28, 2010 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 5, 2010 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 May 28, 2010, 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
April 7, 2011

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 May 28, 2010. 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 May 28, 2010. 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 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 a line of cakes and cookie items, 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 March 4, 2011 and May 28, 2010, working capital was $2,506,486 and $3,820,371, respectively.

The Company did not purchase shares of treasury stock this quarter. The Company's current ratio was 1.16 to 1.00 at March 4, 2011 compared to 1.27 to 1.00 at May 28, 2010.

Accounts Receivable and Allowance for Doubtful Accounts

At March 4, 2011 and May 28, 2010 the Company had accounts receivables in the amount of $9,764,095 and $9,534,542, net of an allowance for doubtful accounts of $70,000 and $76,790, respectively.

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 fourteen weeks ended March 4, 2011, net sales increased 8.7% from the thirteen weeks ended February 26, 2010. This year's period included fourteen weeks of snack food sales and costs. Without the extra week, total revenues would have been up 1.7%. This year's fourteen weeks cost of sales was 53.1% of net sales compared to 51.3% for the thirteen weeks ended February 26, 2010, and selling, general and administrative expenses were 44.8% of net sales for the fourteen weeks ended March 4, 2011 and 43.9% for the 13 weeks ended February 26, 2010.

For the year-to-date net sales increased 1.6% in this year's forty week period from last year's thirty-nine week period. Cost of sales was 51.8% of net sales compared to 51.6% last year. Selling, general and administrative expenses were 44.8% of net sales this year, and 44.0% last year.

The following tables compare manufactured products to resale products:

	Fourteen Weeks Ended March 4, 2011			Thirteen Weeks Ended February 26, 2010		
Sales		%			%	
Manufactured Products	$26,030,081	76.4	%	$24,628,048	78.6	%
Resale Products	8,055,783	23.6	%	6,720,207	21.4	%
Total	$34,085,864	100.0	%	$31,348,255	100.0	%
Gross Margin		%			%	
Manufactured Products	$13,198,994	50.7	%	$12,897,151	52.4	%
Resale Products	2,793,055	34.7	%	2,369,517	35.3	%
Total	$15,992,049	46.9	%	$15,266,668	48.7	%

	Forty Weeks Ended March 4, 2011			Thirty-Nine Weeks Ended February 26, 2010		
Sales		%			%	
Manufactured Products	$74,764,974	77.1	%	$75,346,269	79.0	%
Resale Products	22,187,367	22.9	%	20,046,216	21.0	%
Total	$96,952,341	100.0	%	$95,392,485	100.0	%
Gross Margin		%			%	
Manufactured Products	$38,946,545	52.1	%	$38,977,965	51.7	%
Resale Products	7,819,309	35.2	%	7,196,830	35.9	%
Total	$46,765,854	48.2	%	$46,174,795	48.4	%

The Company's gain on sale of assets for the fourteen weeks ended March 4, 2011 in the amount of $8,157 was from the sale of used transportation equipment.

For last year's thirteen weeks, the gain on sale of assets was $145,172 from the (i) sale of used transportation equipment for $9,034 and (ii) from the sale of warehouse property at Jacksonville, Florida for $136,138.

The Company's effective tax rate for the fourteen weeks ended March 4, 2011 was 38.1% compared to 37.3% for the thirteen weeks ended February 26, 2010 and 37.8% for the forty weeks ended March 4, 2011 and 36.3% for the thirty-nine weeks ended February 26, 2010.

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 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

There have been no material effects of compliance with governmental provisions regulating discharge of materials into the environment.

Subsequent Event

In the fourth quarter, the Company will begin implementing an Enterprise Resource Planning ("ERP") software system that will provide greater efficiencies. An ERP system is an integrated information system that serves all departments within the Company. It includes software for manufacturing, order entry, accounts receivable, accounts payable, general ledger, purchasing, transportation and human resources. The new system will reduce manual processes and provide better monitoring of all manufacturing and delivery costs. The project is expected to be completed in the next 12 months.

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 third fiscal quarter ended March 4, 2011 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

There are no material changes in our risk factors from those disclosed in our 2010 Annual Report on Form 10-K.

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 March 4, 2011.

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
November 27 to December 31	-0-	-0-	-0-	-0-
January 01 to February 04	-0-	-0-	-0-	-0-
February 05 to March 04	-0-	-0-	-0-	-0-
Total Third Quarter	-0-	-0-	-0-	-0-

16

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.

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 l0-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).
10.6	Golden Enterprises, Inc. 1996 Long-Term Incentive Plan (incorporated by reference as Exhibit 10.1 to Golden Enterprises, Inc. May 31, 1997 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).
10.15	Lease of aircraft executed by and between Golden Flake Snack Foods, Inc., a wholly-owned subsidiary of Golden Enterprises, Inc., and Joann F. Bashinsky dated February 1, 2006 (incorporated by reference to Exhibit 10.15 to Golden Enterprises, Inc. June 2, 2006 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).
10.21	Purchase and Sale Agreement executed by and between Golden Flake Snack Foods, Inc., as Seller, and Rodney D. Evans and Everett James Crowell, as Purchasers, with an effective date of December 14, 2009, for the sale of land and improvements located in Duval County, at 4771 Phyllis St., Jacksonville, Florida (incorporated by reference to Exhibit 10.21 Golden Enterprises, Inc. November 27, 2009 Form 10-Q filed with the Commission).
10.22	Purchase and Sale Agreement executed by and between Golden Flake Snack Foods, Inc., as Seller, and Airmasters, Inc., as Purchaser, with an effective date of April 22, 2010, for the sale of a Cessna 551 aircraft, s/n 551-0556 (incorporated by reference to Exhibit 10.22 to Golden Enterprises, Inc. May 28, 2010 Form 10-K filed with the Commission).
10.23	Termination of aircraft lease executed by and between Golden Flake Snack Foods, Inc., a wholly-owned subsidiary of Golden Enterprises, Inc., and Joann F. Bashinsky dated April 22, 2010 (incorporated by reference to Exhibit 10.23 to Golden Enterprises, Inc. May 28, 2010 Form 10-K 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).
(18)	Letter Re: Change in Accounting Principles
18.1	Letter from the Registrant's Independent Accountant dated August 12, 2005 indicating a change in the method of applying accounting practices followed by the Registrant for the fiscal year ended June 3, 2005 (incorporated by reference to Exhibit 18.1 to Golden Enterprises, Inc. June 3, 2005 Form 10-K filed 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: April 14, 2011	/s/	Mark W. McCutcheon Mark W. McCutcheon Chairman of the Board, President and Chief Executive Officer
Dated: April 14, 2011	/s/	Patty Townsend Patty Townsend Vice-President and Chief Financial Officer (Principal Accounting Officer)

21