

UNITED ENERGY CORP /NV/
Form 10-Q
August 14, 2008

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 period ended June 30, 2008

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 No. 000-30841

UNITED ENERGY CORP.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

22-3342379

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

600 Meadowlands Parkway #20, Secaucus, N.J. 07094

(Address of principal executive offices)

(800) 327-3456

(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 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 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. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

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Non-accelerated filer (Do not check if a smaller reporting company) 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

As of the close of business on August 14, 2008, 31,030,115 shares of common stock, par value \$.01 per share, were outstanding.

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Item 1. Financial Statements**UNITED ENERGY CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS**

	June 30, 2008 (Unaudited)	March 31, 2008
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 472,868	\$ 858,575
Accounts receivable, net of allowance for doubtful accounts of \$25,756 and \$25,329, respectively	341,697	247,747
Inventory	160,917	141,667
Prepaid expenses and other current assets	139,094	162,255
Loan receivable, net of reserve of \$25,000	25,000	25,000
Total current assets	1,139,576	1,435,244
PROPERTY AND EQUIPMENT, net of accumulated depreciation and amortization of \$439,630 and \$435,377 respectively		
	48,157	51,356
OTHER ASSETS:		
Goodwill, net	15,499	15,499
Patents, net of accumulated amortization of \$202,957 and \$193,330, respectively	382,846	386,687
Loans receivable	5,735	5,023
Deposits	1,385	1,385
Total assets	\$ 1,593,198	\$ 1,895,194

The accompanying notes are an integral part of these consolidated financial statements

UNITED ENERGY CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	June 30, 2008 (Unaudited)	March 31, 2008
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 214,531	\$ 167,913
Accrued expenses	82,677	113,698
Due to related parties	244,141	244,141
Total current liabilities	541,349	525,752
STOCKHOLDERS' EQUITY:		
Preferred Stock: 100,000 shares authorized; Series A Convertible		
Preferred Stock: \$8,000 stated value, 3 shares issued and outstanding as of June 30, 2008 and March 31, 2008		
	24,000	24,000
Common stock: \$0.01 par value 100,000,000 shares authorized; 31,030,115 shares issued and outstanding as of June 30, 2008 and March 31, 2008		
	310,301	310,301
Additional paid-in capital	21,781,646	21,775,204
Accumulated deficit	(21,064,098)	(20,740,063)
Total stockholders' equity	1,051,849	1,369,442
Total liabilities and stockholders' equity	\$ 1,593,198	\$ 1,895,194

The accompanying notes are an integral part of these consolidated financial statements

UNITED ENERGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Three Months Ended June 30, 2008 2007 (Unaudited)	
REVENUES, net	\$ 213,638	\$ 276,240
COST OF GOODS SOLD	108,534	117,490
Gross profit	105,104	158,750
OPERATING EXPENSES:		
Selling, general and administrative	416,709	656,035
Depreciation and amortization	12,271	18,600
Total operating expenses	428,980	674,635
Loss from operations	(323,876)	(515,885)
OTHER INCOME (EXPENSE), net:		
Interest income	802	28,876
Interest expense	(601)	(884)
Total other income (expense), net	201	27,992
Net loss	(323,675)	(487,893)
Preferred dividends	(360)	(446)
Net loss applicable to common shareholders	\$ (324,035)	\$ (488,339)
BASIC AND DILUTED LOSS PER SHARE:		
Total basic and diluted loss per share	\$ (0.01)	\$ (0.02)
WEIGHTED AVERAGE NUMBER OF SHARES, OUTSTANDING,		
basic and diluted	31,030,115	31,030,115

The accompanying notes are an integral part of these consolidated financial statements.

UNITED ENERGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED JUNE 30, 2008 (UNAUDITED)

	Common Stock Shares	Common Stock Amount	Preferred Stock	Additional Paid-In Capital	Accumulated Deficit	Total
BALANCE, April 1, 2008	31,030,115	\$ 310,301	\$ 24,000	\$ 21,775,204	\$ (20,740,063)	\$ 1,369,442
Compensation expense associated with options	—	—	-	6,442	—	6,442
Dividends accrued on preferred shares	—	—	—	—	(360)	(360)
Net loss	—	—	—	—	(323,675)	(323,675)
BALANCE, June 30, 2008	31,030,115	\$ 310,301	\$ 24,000	\$ 21,781,646	\$ (21,064,098)	\$ 1,051,849

The accompanying notes are an integral part of these consolidated financial statements.

UNITED ENERGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED JUNE 30, 2008 AND 2007

	2008	2007
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss from continuing operations	\$ (323,675)	\$ (487,893)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	13,880	22,686
Compensation expense associated with options	6,442	58,109
Changes in operating assets and liabilities		
Increase in accounts receivable, net	(93,949)	(198,120)
Increase in inventory, net	(19,249)	(5,353)
Decrease in prepaid expenses and other current assets	23,160	8,565
Increase in accounts payable and accrued expenses	15,597	66,173
Net cash used in continuing operations	(377,794)	(535,833)
CASH FLOWS FROM DISCONTINUED OPERATIONS:		
Decrease in accounts receivable, net	-	31
Net cash provided by discontinuing operations	-	31
Net cash used in operating activities	(377,794)	(535,802)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Employee loans	(713)	(4,721)
Payments for acquisition of property and equipment	(1,054)	(4,896)
Payments for patents	(5,786)	(16,624)
Cash used in investing activities	(7,553)	(26,241)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Preferred stock dividend	(360)	(360)
Net cash used in financing activities	(360)	(360)
Net decrease in cash and cash equivalents	(385,707)	(562,403)
CASH AND CASH EQUIVALENTS, beginning of period	858,575	2,863,906
CASH AND CASH EQUIVALENTS, end of period	\$ 472,868	\$ 2,301,503

The accompanying notes are an integral part of these consolidated financial statements.

**UNITED ENERGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED JUNE 30, 2008 AND 2007**

2008 **2007**
(Unaudited)

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid during the period