FORM 10KSB40

Annual and transition reports of small business issuers [Section 13 or 15(d), S-B Item 405]

Filing Date: **1999-03-26** | Period of Report: **1998-12-31**
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FILER

CADEMA CORP

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SIC: **3564** Industrial & commercial fans & blowers & air purifing equip

Business Address
209 BURLINGTON RD
BEDFORD MA 01730
6172719300

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

FORM 10-KSB

X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the fiscal year ended December 31, 1998.

--- TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the transition period from ________ to ________.

Commission File No. 0-9614

CADEMA CORPORATION

(Name of small business issuer in its charter)

DELAWARE	88-0160741
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

c/o Number One Corporation
50 Washington Street, Norwalk CT 06854

(Address of Principal Executive Offices) (Zip Code)

Issuer's telephone number, including area code: (203) 854-6711

Securities registered under Section 12(b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange Act:
(Title of class) Common Stock, $0.01 Par Value

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-B is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. (X)

State issuer's revenues for its most recent fiscal year $ 0 . As of February 28, 1999, the aggregate market value of common stock held by non-affiliates of the registrant, based on the average of the bid and asked prices of such stock as reported by the National Association of Securities Dealers, Inc. on such date, was approximately $ 109,055.

There were 10,905,549 shares of the Registrant's common stock outstanding as of February 26, 1999.

Documents incorporated by reference: None

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

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Except for the historical information contained herein, the matters discussed in this Annual Report are forward-looking statements which involve risks and uncertainties, including but not limited to economic, competitive, governmental and other factors affecting the Company's revenues and operations and other factors discussed in the Company's various filings with the Securities and Exchange Commission.

PART I

ITEM 1. DESCRIPTION OF BUSINESS

GENERAL DEVELOPMENT

Cadema Corporation (the "Company") finances and operates business enterprises that have the potential to generate profits and positive cash flow.

The predecessor of the Company (Nevada Resources, Inc.) was incorporated in Nevada in 1980, at which time it acquired certain mining equipment and interests in undeveloped mining properties. The Company has been publicly held since 1980. In 1985, the Company decided to diversify its operations and, in September 1986, effected a merger with Cadema, Inc., a privately held company. Although the Company originally was engaged in mineral exploration, the 1986 acquisition of Cadema, Inc. changed the Company's primary business to the commercialization of medical technology. All mining interests have been sold or have been allowed to lapse. The Company was re-incorporated in Delaware in December 1986 and changed its name to Cadema Corporation.

From 1986 until July 1992, the Company's business had been the sale of medical products cleared by the Food and Drug Administration (FDA) and the development of new products for which FDA clearance was sought. In 1987, the Company raised approximately $3,900,000 in net proceeds through the public sale of preferred stock to finance these operations. The Company left the medical products business with the sale of its medical product lines in 1990 and 1992.

On July 15, 1992, the Company acquired SuperCads, Inc. (known by its business name of "Cognition") and its primary business changed to computer software products. Cognition was sold in May 1993, and with this sale the Company no longer engaged in the computer software business.

On December 31, 1993, the Company entered into a Joint Venture Agreement with Global Environmental Corp. which created Global Environmental Offshore Company ("Global") which previously engaged in contracting for the design and installation of air pollution control equipment and facilities in areas located outside the United States. Global previously provided design, assembly and project management services related to the construction of air pollution control systems. Global's business was inactive during fiscal 1998. Cadema owns 51% of Global.

Unless the context otherwise indicates, all references herein to Cadema or the Company include Cadema Corporation and its subsidiary and predecessors.

The Company is still exploring other possible acquisitions and mergers, as it has done in the past, seeking to enter into new operating businesses and to use the Company's liquid assets in connection therewith.

The Company has also used available cash to purchase, hold and dispose of equity interests in various high technology companies as outlined in a plan approved by stockholders in 1988. Securities transactions in 1998 netted a loss of $ 220,969. The Company intends to continue to invest in trading securities, including but not limited to stocks, bonds, options and warrants. The Company previously invested, and expects in the future to invest, primarily in stocks of smaller, lesser known and often more speculative companies, which while entailing above average risk, offer the potential of above average return on investment. See Note 4 to Consolidated Financial Statements.

NUMBER OF EMPLOYEES

The Company's Chief Executive Officer and President, Mr. Roger D. Bensen, was the sole employee as of December 31, 1998 and was not compensated for serving in such capacity.

ITEM 2. DESCRIPTION OF PROPERTY

The Company does not currently own or lease any real property.

ITEM 3. LEGAL PROCEEDINGS

No material legal proceedings are pending to which the Company is a party or to which any of its property is subject.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no meetings of stockholders during the fourth quarter of 1998 nor were any matters submitted for vote.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Common Stock ("Common Stock") and the Series A 8% Cumulative Convertible Preferred Stock ("Preferred Stock") of the Company trade on the Nasdaq Bulletin Board under the symbols CDMA and CDMAP, respectively. Effective May 25, 1993 these shares commenced trading on the Nasdaq Bulletin Board System. Previously these shares had traded on the Nasdaq Small Cap Market but were removed from this market due to failure to meet administrative requirements. The following Table sets forth, for the respective periods indicated, the prices of the Common Stock and Preferred Stock in the over-the-counter market, based upon inter-dealer high and low bid prices, without retail mark-up, mark-down, commissions or adjustments (and may not represent actual transactions), as reported and summarized by the National Association of Securities Dealers Automated Quotation Service.

	COMMON		PREFERRED	
	HIGH	LOW	HIGH	LOW
4th Quarter 1998	$.02	$.01	$.34	$.30
3rd Quarter 1998	$.03	$.01	$.34	$.30
2nd Quarter 1998	$.03	$.01	$.34	$.30
1st Quarter 1998	$.03	$.01	$.34	$.30
4th Quarter 1997	$.03	$.02	$.34	$.34
3rd Quarter 1997	$.03	$.02	$.34	$.34
2nd Quarter 1997	$.03	$.01	$.34	$.34
1st Quarter 1997	$.02	$.01	$.34	$.34

The approximate number of stockholders of record of the Company's Common Stock and Preferred Stock as of February 28, 1999, were 1,000 and 300 respectively, as set forth on the books of the transfer agent/registrar of the Company. The Company believes that a substantial number of additional stockholders hold their shares in nominee name.

DIVIDENDS

The Company has not paid any dividends on its Common Stock since inception and plans to retain any earnings for the future development of its business. Future dividends on the Common Stock, if any, will be dependent upon the Company's earnings, financial condition, and other relevant factors as determined by its Board of Directors. Annual cumulative dividends of $0.40 per share of Preferred Stock are payable semi-annually in cash or common stock unless they are deferred by the Board of Directors. The dividends that were payable during 1993 through 1998 were deferred and have accumulated for possible payment at a later date.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Company's primary focus in 1998 was to seek additional joint venture partners since its existing Joint Venture partner, Global Environmental Offshore Company, generated no revenues in 1998. Global was set up to provide pollution control services for international customers.

The Company continues in its principal business of seeking and financing business enterprises with the potential to generate profits and positive cash flow. New opportunities were evaluated in 1998 but none were deemed appropriate to enter into. The Company's previous entry into the pollution control business is part of this strategy.

The Company intends to continue using its available funds to purchase, invest in and sell securities as outlined in a plan approved by stockholders in 1988.

In the near future, the Company will need to restructure its joint venture, Global Environmental Offshore Company. During 1996, Global Environmental Corp., the other party to the joint venture, disposed of one of its subsidiaries which produced products of the type the Joint Venture was intending to sell internationally. Therefore, the Company is currently reevaluating its Joint Venture's status and plans. In connection with the formation of the Joint Venture, the Joint Venture loaned $345,000 to Global Environmental Corp., which was due to be repaid on December 31, 1996. Global Environment Corp. does not presently have available funds to make such a repayment. Global Environmental Corp. has offered to exchange its stock for the note. The Company has established a 75% reserve against the carrying value of the aforementioned note in recognition of the potential costs involved in liquidating any noncash settlement of this investment. Negotiations are continuing to resolve this issue.

During 1998, Cadema reviewed several potential acquisitions, as it continues to move toward its goal to become a larger company. All negotiations failed, however, because of a continuing problem with the existence of the Company's Preferred Stock. Originally issued 11 years ago, the Preferred Stock initially paid dividends in cash, and then paid them in shares of Common Stock, as provided for in its certificate of Designation for the Preferred Stock. This practice was continued for many years until Cadema's liquidity was impaired by the losses brought on by the Cognition acquisition and its subsequent disposal. Over the past several years, Preferred Stock dividends have been accrued rather than paid, because the Company has been unable to pay dividends.

Management believes that investors understand the practical limitation on payment of dividends by a company the size of Cadema. If the Company were to issue more shares of Common Stock, in lieu of a cash dividend, at the past year's price of $.01, stockholders would be substantially diluted. Management is reviewing this situation.

In Cadema's case, all stockholders have a common interest in the value of the Common Stock. Even individuals who only purchased the Preferred Stock now have Common Stock because of dividends they received in Common Stock. Management is working toward a solution to resolve this matter pertaining to the Preferred Stock.

The Company has determined that the impact, if any, of the Year 2000 issue on the Company's operations is not significant. Cadema does not perform any electronic data processing in-house and has no information to indicate that because of Year 2000 compliance problems, a significant service provider may be unable to provide services to the Company.

RESULTS OF OPERATIONS

FISCAL 1998 COMPARED TO FISCAL 1997

In 1998, Global generated no revenues. Therefore operating results present Cadema's administrative expenses and marketable securities activity.

REVENUES

Global generated no orders in 1998 and so revenues were $0 the same as in 1997. The Joint Venture continues to seek revenue opportunities.

GENERAL AND ADMINISTRATIVE

General and administrative expenses, costs incurred in maintaining the Company, were $47,470 in 1998, up slightly from 1997's $46,273.

In 1998, the Company took an additional $18,000 reserve against the note receivable from the Joint Venture whereas in 1997 an additional $70,000 reserve was established.

TRADING SECURITIES TRANSACTIONS

Trading securities investment activity generated a realized loss of $86,420 in 1998 compared to a realized gain of $75,339 in 1997. The securities portfolio also generated an unrealized loss of $134,549 in 1998, compared to the 1997 unrealized loss of $211,054. The performance of individual stocks comprising the trading securities holdings are the cause of these results.

FISCAL 1997 COMPARED TO FISCAL 1996

In 1997, Global generated no revenues. Therefore operating results present Cadema's administrative expenses and marketable securities activity.

REVENUES

Global generated no orders in 1997 and so revenues were $0 the same as in 1996. The Joint Venture continued to seek revenue opportunities.

GENERAL AND ADMINISTRATIVE

General and administrative expenses were $46,273 in 1997, representing expenses related to maintaining the Company and were up slightly from 1996's expenses of $44,933.

In 1997, the company took an additional $70,000 reserve against the note receivable from the joint venture. In 1996 a $172,250 reserve was established against the same note receivable. These transactions were

FISCAL 1997 COMPARED TO FISCAL 1996 (CONT.)

included in Loss on Joint Venture category in the accompanying Statement of Operations.

TRADING SECURITIES TRANSACTIONS

Trading securities investment activity generated a realized gain of $75,339 in 1997 compared to a realized gain of $184,410 in 1996. The securities portfolio also generated an unrealized loss of $211,054 in 1997, compared to the 1996 unrealized gain of $61,271. The performance of individual stocks comprising the trading securities holdings are the cause of these results. (See Note 4., Notes to Consolidated Financial Statements.)

LIQUIDITY AND CAPITAL RESOURCES

Working capital was $269,045 at the end of 1998, down from $535,880 in 1997. Management believes this resource is sufficient for funding the Company's anticipated needs in 1999.

SELECTED FINANCIAL DATA

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER 31,		
Operating Data:	1998	1997	1996
<S>	<C>	<C>	<C>
Revenue	--	--	--
Cost of Goods Sold	--	--	--
Operating Expenses	$ 65,470	$ 116,273	$ 236,032

Other Income (Expense)	(219,365)	(132,498)	247,612
Income (Loss) Before Income Taxes	(284,835)	(248,771)	11,580
Provision for Income Taxes	--	--	--
Preferred Dividends Earned	(169,781)	(169,781)	(169,781)
Net Loss Applicable to Common Stockholders	(454,616)	(418,552)	(158,201)
Net Loss per Common Share - Basic and Diluted	(.04)	(.04)	(.01)
Weighted Average Common Shares Outstanding	10,905,549	10,905,549	10,905,549
BALANCE SHEET DATA:			
Working Capital	269,045	535,880	714,652
Total Assets	366,795	651,630	900,402
Total Current Liabilities	13,000	13,000	13,000
Stockholders' Equity (Deficiency)	(672,188)	(217,572)	200,980

</TABLE>

ITEM 7. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Incorporated herein by reference are the Consolidated Financial Statements and Schedules of the Company and its Subsidiary filed with and made a part of this report. (Also see Item 13 of this Report.)

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

Not applicable.

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

The Directors and Executive Officers of the Company are as follows:

<TABLE>
<CAPTION>

Name	Age	Position	Director or Officer Since
Roger D. Bensen	63	Chairman of the Board, Chief Executive Officer and President/Director	1983
Richard B. Ames	60	Director	1985

</TABLE>

All directors and officers of Cadema serve for a term of one year and until their respective successors are duly elected and qualified. There are no family relationships among any officers and directors.

ROGER D. BENSEN has been Chairman of the Board of Directors of Cadema since February 12, 1983. He is Chief Executive Officer of Cadema and was President of the Company from September 1990 until July 1992 and became President again in May 1993 until present. Mr. Bensen has been President of the Number One Corporation, a privately held financial consulting firm based in Norwalk, Connecticut, for 25 years. He is also the President of Roundel Petroleum Exploration Company, Inc., a privately held company that is engaged in the exploration and production of oil and gas. Mr. Bensen devotes such time as is necessary to perform his duties as an officer and director of Cadema.

RICHARD B. AMES became a director of Cadema in February 1985. Mr. Ames is President of Ames and Associates, an independent investment consulting company in Eureka, California. From 1981 until the formation of his present company, Mr. Ames was Associate Vice President for Dean Witter Reynolds, Inc., a member of the New York Stock Exchange, at their Eureka office.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

All necessary reports required to be filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 have been filed on a timely basis. In making these statements, the Company has relied on representations of its incumbent directors and officers (and its ten percent holders) and copies of the reports that they have filed with the Securities and Exchange Commission.

ITEM 10. EXECUTIVE COMPENSATION

Roger D. Bensen received no salary or compensation in the last three fiscal years. No officer received compensation of more than $100,000 in any of the last three fiscal years.

STOCK OPTION PLANS:

1986 PLAN

In November 1986, the Board of Directors of the Company adopted the Company's 1986 Stock Option Plan (the "1986 Plan") and the plan was approved by the Company's stockholders on December 15, 1986. Options intended to qualify as incentive stock options and nonqualified options may be granted under the 1986 Plan. The aggregate number of shares which may be issued under the 1986 Plan may not exceed 600,000 shares of Common Stock. The purpose of the 1986 Plan is to provide eligible employees, officers and directors of the Company with an opportunity to acquire or increase their equity interest in the Company, and thereby to induce them to remain in the Company's service. In 1998, 1997 and 1996, no options were granted and no options expired. As of December 31, 1998, no options were outstanding and options covering 600,000 shares of Common Stock were available under the 1986 Plan.

OTHER STOCK OPTIONS

In 1998, 1997, and 1996 no options were granted, exercised or terminated. In 1996, 250,000 options expired. As of December 31, 1998 there were no options outstanding.

OTHER EXECUTIVE PLANS

The Company has no long term incentive or pension plans.

COMPENSATION OF DIRECTORS

In 1998, 1997 and 1996, the directors did not receive compensation for their services. Currently there are no standard arrangements for the compensation of directors for their services.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following Table sets forth information as of the February 26, 1999, regarding the voting securities of the Company owned by each person who owns of record, or is known by the Company to own beneficially, more than five percent of any class of voting securities and by each director of the Company and all directors and officers of the Company as a group. None of the directors or officers are holders of record of Preferred Stock.

<TABLE>
<CAPTION>

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class (1)	Percent of Voting Stock
<S>	<C>	<C>	<C>	<C>
Common	Roger D. Bensen 50 Washington Street Norwalk, CT 06854	2,620,352 shares (2)(3)	23.6	22.5
Common	Richard B. Ames 730 7th Street Eureka, CA 95501	87,406 shares (4)	.8	.7
Common	All Directors and Officers as a Group (2 Persons)	2,707,758 shares	24.4	23.3
Preferred	Anne W. Bensen 69 Dandy Drive Cos Cob, CT 06807	30,000 shares (5)(6)	6.2	--

</TABLE>

(1) Shares of Common Stock which a person has the right to acquire within 60 days after February 26, 1999 are deemed to be outstanding in calculating the percentage ownership of the person, but are not deemed to be outstanding as to any other person.

(2) Includes shares owned of record by Roundel Petroleum Exploration Company, Inc., (which is a privately held company controlled by Mr. Bensen). Also includes warrants currently exercisable by Roundel Petroleum Exploration Company, Inc. to purchase 180,000 shares of Common Stock.

(3) Includes 140,352 shares of Common Stock held by Anne Bensen, Mr. Bensen's wife, as to which Mr. Bensen disclaims beneficial ownership and as to which he has no voting or investment powers. Does not include a total of 30,000 shares of Preferred Stock held by Mr. Bensen's wife as to which he disclaims beneficial ownership and as to which he has no voting or investment powers.

(4) Includes warrants currently exercisable by Mr. Ames to purchase 1,000 shares of Common Stock. Includes 13,713 shares of Common Stock held by Mr. Ames' wife, as to which Mr. Ames disclaims beneficial ownership and as to which he has no voting or investment powers.

(5) The Preferred Stock is the Series A 8% Cumulative Convertible Preferred Stock, which has one vote per share, voting together with the Common Stock, and is currently convertible into 1.79 shares of Common Stock for each share of Preferred Stock.

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(6) Does not include 2,300,000 shares of Common Stock held by Roger D. Bensen, Mrs. Bensen's husband, as to which Mrs. Bensen disclaims beneficial ownership and as to which she has no voting or investment powers. Mrs. Bensen also owns 140,352 shares of common stock.

Anne W. Bensen is the wife of Roger D. Bensen.

By virtue of his ownership of shares of Common Stock and his service as Chief Executive Officer and a Director, Mr. Bensen controls the management and affairs of the Company.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Although Mr. Bensen does not receive compensation for his services to the Company, he may receive compensation in the future as determined by the Board of Directors.

PART IV

ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K

A. FINANCIAL STATEMENTS.

Incorporated herein by reference are Consolidated Financial Statements and Schedules of the Company and its Subsidiary filed with and made a part of this report

B. EXHIBITS

<TABLE>
<CAPTION>

Exhibit Number	Description
<S> <C>	<C>
3.1	Certificate of Incorporation, as amended (2)
3.2	Bylaws of the Company (1)
3.3	Form of Certificate of Designation of Series A Preferred Stock (2)
3.4	Form of Certificate of Designation of Series B Preferred Stock (2)
10.1	1986 Stock Option Plan (1)
10.2	Form of Indemnity Agreement (2)
10.3	Stock Purchase Agreement SuperCads, Inc., dated as of July 15, 1992. (3)
10.4	Securities Exchange Agreement dated as of May 27, 1993(4)
10.5	Global Environmental Offshore Company Joint Venture Agreement dated as of December 31, 1993 (5)
21.0	Subsidiary of Registrant (2)
27.0	Financial Data Schedule

</TABLE>

(1) Filed as Exhibits to the Company's Form 10-KSB for the fiscal year ended December 31, 1986 and incorporated herein by reference.

(2) Filed as Exhibits to the Company's Registration Statement on Form S-1 (File No. 33-14459) declared effective July 20, 1987 and incorporated herein by reference.

(3) Filed as Exhibit to the Company's Form 8-K dated July 15, 1992 and incorporated herein by reference.

(4) Filed as Exhibit to the Company's Form 8-K dated May 28, 1993 and incorporated herein by reference.

(5) Filed as Exhibit to the Company's From 10-KSB dated December 31, 1995 and incorporated herein by reference.

REPORTS ON FORM 8-K

No reports on Form 8-K were filed during the last quarter of the fiscal year ended December 31, 1998.

ITEM 7 - FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

CADEMA CORPORATION

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

<TABLE>
<CAPTION>

</TABLE>

Schedules not listed above are omitted since they are either not applicable or the required information is presented in the financial statements or related notes thereto.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

Board of Directors
Cadema Corporation
Norwalk, Connecticut

We have audited the accompanying consolidated balance sheets of Cadema Corporation and Subsidiary as of December 31, 1998 and 1997, and the related consolidated statements of operations, changes in stockholders' equity (deficiency) and cash flows for each of the three years in the period ended December 31, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Cadema Corporation and Subsidiary as of December 31, 1998 and 1997, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1998, in conformity with generally accepted accounting principles.

/s/ Rudolph, Palitz LLP

Blue Bell, PA
February 28, 1999

CADEMA CORPORATION AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

ASSETS	DECEMBER 31,1998	DECEMBER 31,1997
<S>	<C>	<C>
CURRENT ASSETS:		
Cash and cash equivalents	$ 13,829	$ 48,682
Trading securities (Cost $701,321 in	267,067	499,148

1998 and $798,853 in 1997) (Notes 2 and 4)		
Other current assets	1,149	1,050
TOTAL CURRENT ASSETS	282,045	548,880
NOTE RECEIVABLE less allowance for bad debt of $260,250 in 1998 and $242,250 in 1997 (Note 3)	84,750	102,750
TOTAL ASSETS	$ 366,795	$ 651,630

LIABILITIES AND STOCKHOLDERS' DEFICIENCY

CURRENT LIABILITIES:		
Accrued liabilities	$ 13,000	$ 13,000
TOTAL CURRENT LIABILITIES	13,000	13,000
Accrued dividends on preferred stock (Note 6)	1,018,687	848,906
Minority Interest in Subsidiary (Note 3)	7,296	7,296
TOTAL LIABILITIES	1,038,983	869,202
STOCKHOLDERS' DEFICIENCY (Notes 2,6 and 7)		
Series A 8% Cumulative Convertible	4,851	4,851
Preferred Stock, par value $.01 per share; authorized 5,000,000 shares; issued 485,123 shares in 1998 and 1997	--	--
Series B 8% Cumulative Convertible Preferred Stock, par value, $.01 per	--	--
Share; authorized, 150,000 shares, none issued		
Common Stock, par value, $.01 per share; authorized 50,000,000 shares, issued 10,935,549 shares in 1998 and 1997	109,356	109,356
Additional paid-in capital	7,765,904	7,765,904
Accumulated deficit	(8,455,929)	(8,001,313)
Less: Treasury stock at cost		
Common shares	(75,000)	(75,000)
Preferred shares	(21,370)	(21,370)
TOTAL STOCKHOLDERS'DEFICIENCY	(672,188)	(217,572)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY	$ 366,795	$ 651,630

</TABLE>

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

CADEMA CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR EACH OF THE THREE YEARS IN THE PERIOD ENDED DECEMBER 31, 1998

<TABLE>
<CAPTION>

<S>	1998 <C>	1997 <C>	1996 <C>
REVENUE	--	--	--
COST OF GOODS SOLD	--	--	--
GROSS PROFIT	--	--	--

OPERATING EXPENSES: (Notes 1 and 2)			
General and administrative	$ 47,470	$ 46,273	44,933
Loss on Joint Venture (Note 3)	18,000	70,000	191,099
Total operating expenses	65,470	116,273	236,032
Loss from operations	(65,470)	(116,273)	(236,032)
OTHER INCOME (EXPENSE):			
Trading Securities Transactions (Notes 2 and 4)			
Realized gains (losses)	(86,420)	75,339	184,410
Unrealized gains (losses)	(134,549)	(211,054)	61,271
Dividend income	1,604	3,217	1,931
Total other income (expense)	(219,365)	(132,498)	247,612
INCOME (LOSS) BEFORE INCOME TAXES	(284,835)	(248,771)	11,580
PROVISION FOR INCOME TAXES (Note 5)	--	--	--
NET INCOME (LOSS) (Notes)	(284,835)	(248,771)	11,580
PREFERRED DIVIDENDS EARNED (NOTE 6)	(169,781)	(169,781)	(169,781)
NET LOSS APPLICABLE TO COMMON STOCKHOLDERS (Notes 2 and 6)	$ (454,616)	$ (418,552)	$ (158,201)
WEIGHTED AVERAGE COMMON SHARES	10,905,549	10,905,549	10,905,549
OUTSTANDING (Notes 2 and 6)			
LOSS PER COMMON SHARE BASIC AND DILUTED (Notes 2 and 6):	$ (0.04)	$ (0.04)	$ (0.01)

</TABLE>

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

CADEMA CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIENCY
FOR EACH OF THE THREE YEARS IN THE PERIOD ENDED DECEMBER 31, 1998

<TABLE>
<CAPTION>

	PREFERRED STOCK		COMMON STOCK					
	Number of Shares	Amount	Number of Shares	Amount	Additional Paid-in capital	Accumulated Deficit	Treasury Stock, at Cost	Total Stockholders' Equity (Deficiency)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
BALANCE, December 31, 1995	485,123	$4,851	10,935,549	$109,356	$7,765,904	$(7,424,560)	$(96,370)	$ 359,181
Preferred dividend accrued (Note 6)	--	--	--	--	--	(169,781)	--	(169,781)
Net Income - 1996	--	--	--	--	--	11,580	--	11,580
BALANCE, December 31, 1996	485,123	$4,851	10,935,549	$109,356	$7,765,904	$(7,582,761)	$(96,370)	$ 200,980
Preferred dividend accrued								

(Note 6)	--	--	--	--	--	(169,781)	--	(169,781)
Net Loss - 1997	--	--	--	--	--	(248,771)	--	(248,771)
BALANCE, December 31, 1997	485,123	$4,851	10,935,549	$109,356	$7,765,904	$(8,001,313)	$(96,370)	$(217,572)
Preferred dividend accrued (Note 6)	--	--	--	--	--	(169,781)	--	(169,781)
Net Loss - 1998	--	--	--	--	--	(284,835)	--	(284,835)
BALANCE, December 31, 1998	485,123	$4,851	10,935,549	$109,356	$7,765,904	$(8,455,929)	$(96,370)	$(672,188)

</TABLE>

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

CADEMA CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR EACH OF THE THREE YEARS IN THE PERIOD ENDED DECEMBER 31, 1998

<TABLE>
<CAPTION>

CASH FLOWS FROM OPERATING ACTIVITIES	1998	1997	1996
<S>	<C>	<C>	<C>
Net income (loss)	$(284,835)	$(248,771)	$ 11,580
Adjustments to reconcile net income (loss) to net cash (used in)operating activities			
Provision for uncollectible note receivable	18,000	70,000	172,250
Write-off of uncollectible accounts receivable	--	--	18,807
Realized loss (gain) on sale of trading securities	86,420	(75,339)	(184,410)
Unrealized loss (gain) in value of trading securities	134,549	211,054	(61,271)
Decrease (Increase) in other current assets	(99)	(282)	(56)
Net cash used in operating activities	(45,965)	(43,338)	(43,100)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of marketable securities	(74,336)	(290,553)	(447,383)
Proceeds from sale of marketable securities	85,448	375,256	484,623
Net cash provided by investing activities	11,112	84,703	37,240
Net increase (decrease) in cash	(34,853)	41,365	(5,860)
Cash - Beginning of Year	48,682	7,317	13,177
Cash - End of Year	$ 13,829	$ 48,682	$ 7,317

SUPPLEMENTAL DISCLOSURES OF NON-CASH

INVESTING AND FINANCING ACTIVITIES			
Preferred Stock Dividends Accrued	$ 169,781	$ 169,781	$ 169,781
	=========	=========	=========

</TABLE>

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

CADEMA CORPORATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR EACH OF THE THREE YEARS ENDED DECEMBER 31, 1998

(1) NATURE OF BUSINESS AND CURRENT OPERATING ENVIRONMENT:

The principal business of Cadema Corporation (the "Company") is the financing and operating of business enterprises with the potential to generate profits and cash flow. Currently the Company is exploring possible acquisitions and mergers throughout the United States and abroad, as it has done in the past, seeking to enter into new operating businesses and to use the Company's liquid assets in connection therewith. As part of this strategy, the Company entered into a joint venture agreement with Global Environmental, Inc. in December 1993. The Company did not generate any revenues from operations in 1996, 1997 or 1998, and is currently pursuing additional business opportunities.

While the principal business of the Company is the financing and operating of business enterprises with the potential to generate profits and cash flow, it still intends to invest in and sell marketable securities as outlined in a plan approved by stockholders in 1988.

The Company intends to continue to invest in trading securities, including but not limited to stocks, bonds, options and warrants.

The Company now holds and currently expects to invest primarily in the stock of smaller, lesser known and often more speculative companies, which while entailing above-average risk, offer the potential of above-average reward.

There are significant risk factors affecting the Company, including potential operating losses it may incur from operating ventures, the volatility of market values of its investment securities portfolio, and the possible need for additional capital. These and other factors may adversely affect the Company's future operations.

(2) SIGNIFICANT ACCOUNTING POLICIES

TRADING SECURITIES

In accordance with Statement of Financial Accounting Standards (SFAS) No. 115, Accounting for Certain Investments in Debt and Equity Securities, the Company classifies marketable securities as trading and records them at fair market value, with unrealized gains and losses reported as a component of net income (loss).

Realized gains and losses are determined on a first-in, first-out basis.

(2) SIGNIFICANT ACCOUNTING POLICIES: (CONT.)

LOSS PER COMMON SHARE

The Company adopted Statement of Financial Accounting Standards No. 128 (SFAS No. 128). Earnings per Share during the year ended December 31, 1997. SFAS No.128 replaced the previously reported primary and fully diluted earnings per share with basic and diluted earnings per share, respectively. Unlike the previously reported primary earnings per share, basic earnings per share excludes the dilutive effects of stock options. Diluted earnings per share is similar to the previously reported fully diluted earnings per share. All convertible preferred stock series, options and warrants outstanding presently have an anti-dilutive effect and, accordingly, no calculations of diluted loss per share have been presented. Loss per share amounts for all periods presented have been calculated in accordance with the requirements of SFAS No. 128 (Note 6) and determined by dividing the net loss by the weighted average number of common shares outstanding during the period. There were 10,905,549 weighted average number of shares outstanding during 1998, 1997 and 1996.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

STOCK-BASED COMPENSATION

In October 1995, FASB issued SFAS No. 123, "Accounting for Stock-Based Compensation", ("Statement") which provides an alternative method of accounting for stock-based compensation arrangements, based on fair value of the stock-based compensation utilizing various assumptions regarding the underlying attributes of the options and the Company's stock, rather than the existing method of accounting for stock-based compensation which is provided in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued To Employees" (APB No. 25). FASB encourages entities to adopt the fair value-based method but does not require adoption of this method. SFAS No. 123 became effective for fiscal years beginning after December 15, 1995. The Company is continuing its current accounting policy and has adopted the "disclosure only" provisions of SFAS No. 123. SFAS No. 123 had no impact on the Company's financial position or results of operations for 1996, 1997 and 1998.

(3) JOINT VENTURE:

On December 31, 1993 the Company entered into a Joint Venture Agreement with Global Environmental, Corp., a New York corporation, to create the Joint Venture entity Global Environmental Offshore Company ("Global" or "Joint Venture"). The Joint Venture Company engages in contracting for the design and installation of Air Pollution Control equipment and facilities in areas located outside the United States. Under the terms of the Joint Venture Agreement, the Company contributed $350,000 and received 51% of control of the Joint Venture.

Under the Joint Venture Agreement, Global Environmental, Corp. has the right to acquire the Company's interest in the Joint Venture for, at the Company's option, 875,000 shares of Global stock or the greater of $350,000 or the Company's existing capital account. The Company has the option to convert its Joint Venture interest into 875,000 shares of Global Environmental, Corp.'s common stock.

The financial statements of the Joint Venture are consolidated with the Company's results in the accompanying financial statements. The portion of the Joint Venture's income that is not applicable to the Company is recorded as Minority Interest on the Statement of Operations. That income along with Global Environmental Corp.'s capital contribution to the Joint Venture is recorded under the caption Minority Interest in Subsidiary on the Balance Sheet. All significant intercompany accounts and transactions have been eliminated in consolidation.

The Note payable issued by Global Environmental Corp. to the Joint Venture is carried on the Balance Sheet as a Note Receivable (the "Note") and was due on December 31, 1996. Negotiations are in process for the refinancing of this note receivable. Global Environmental Corp. does not have funds available to repay the Note in full in cash and has offered to exchange its common stock for the Note. Since collection of the Note in 1999 is not likely, the Note has been classified as long term.

The Company has established a 75% reserve against the carrying value of the Note in recognition of the potential costs involved in liquidating any noncash settlement of this Note. Although the Company believes such 75% reserve to be adequate, the reserve is an estimate based on information presently available. The Company's estimate could change, which would result in a change in the reserve in the future.

(4) TRADING SECURITIES:

In July, 1988, the Company received stockholder approval to establish an investment program in marketable securities utilizing the excess funds generated by the proceeds of the 1987 Series A 8% Cumulative Preferred Stock offering.

The aggregate cost and market value of trading securities at December 31, 1998 were:

<TABLE>
<CAPTION>

Title of Issue	Aggregate Cost	Unrealized Gains	Unrealized Losses	Market Value
<S>	<C>	<C>	<C>	<C>
COMMON STOCK AND EQUIVALENTS:				
Children's Broadcast	75,363	--	(38,644)	36,719
Cover-All Tech	93,001	23,283	--	116,284
Galagen	28,500	14,626	--	43,126
Photran Corp.	39,523	--	(16,273)	23,250
Reuter Mfg	186,384	--	(164,384)	22,000
Syntech	103,737	--	(103,674)	63
Temtex	118,150	--	(92,525)	25,625
Vista Tech. Inc.	56,663	--	(56,663)	--
Total	$ 701,321	$ 37,909	$(472,163)	$ 267,067

</TABLE>

The aggregate cost and market value of trading securities at December 31, 1997 were:

<TABLE>
<CAPTION>

Title of Issue	Aggregate Cost	Unrealized Gains	Unrealized Losses	Market Value
<S>	<C>	<C>	<C>	<C>
COMMON STOCK AND EQUIVALENTS:				
Chief Consol. Mining	$ 55,780	--	$ (4,780)	$ 51,000
Children's Broadcast	175,801	--	(84,384)	91,417
Cover-All Tech	72,214	116,810	--	189,024
Insignia Systems	15,650	--	(10,526)	5,124
Photran Corp.	14,474	11,776	--	26,250
Reuter Mfg	186,384	--	(78,864)	107,520
Syntech	103,737	--	(103,674)	63
Temtex	118,150	--	(89,400)	28,750
Vista Tech. Inc.	56,663	--	(56,663)	--

Total	$ 798,853	$ 128,586	$(428,291)	$ 499,148
	=========	=========	=========	=========

</TABLE>

Proceeds from sales of trading securities during 1998 were $85,448. Gross gains on those sales were $0 and gross losses were $86,420. During 1998 net unrealized losses on trading securities of $134,549 were credited to 1998 earnings. In 1997, proceeds from sales of trading securities were $375,256. Gross gains on those sales were $75,339 and gross losses were $0. During 1997 net unrealized loss on trading securities of $211,054 were charged against to 1997 earnings.

(5) INCOME TAXES:

As of December 31, 1998, the Company had available net operating loss carryforwards of approximately $4,700,000 which may be carried forward to reduce future taxable income. These carryforwards expire in varying amounts from 1999 to 2018. Approximately $1,200,000 of these carryforwards were generated prior to a 1986 merger (with Cadema, Inc.) and may not be fully utilized by the Company unless certain conditions are met.

The Company accounts for income taxes to comply with Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes". A requirement of SFAS No. 109 is that deferred tax assets and liabilities be recorded for any temporary differences between the financial statement and tax bases of assets and liabilities, using the currently enacted tax rate expected to be in effect when the taxes are actually paid or recovered.

Total income tax expense (benefit) amounted to $ -0- in 1998, 1997 and 1996 (effective tax rates of 0% in each year) compared to income tax expense benefit of ($91,000), ($85,000) and $4,000 and computed by applying the statutory rate of 34.0% to income (loss) before income taxes. These differences are accounted for as follows:

<TABLE>
<CAPTION>

	1998	
	Amount	Percent of Pretax Income (Loss)
<S>	<C>	<C>
Computed expected tax benefit	$(91,000)	(34.0%)
Decrease in benefit due to valuation allowance provided for deferred tax assets	91,000	34.0%
	--------	-----
	--	0%
	========	=====

	1997	
	Amount	Percent of Pretax Income (Loss)
Computed expected tax benefit	$(85,000)	(34.0%)
Decrease in benefit due to valuation allowance provided for deferred tax assets	85,000	34.0%
	--------	-----
	--	0%
	========	=====

	1996	
	Amount	Percent of Pretax Income
Computed expected tax expense	$ 4,000	34.0%
Decrease in expense due to valuation allowance provided for deferred tax assets	(4,000)	(34.0%)
	--------	-----
	$ --	0%

======== =====

</TABLE>

Deferred income tax assets (liabilities) result from net operating loss carryforwards and differences in the recognition of expenses for income tax and financial reporting purposes.

(5) INCOME TAXES: (CONT.)

The net deferred tax asset at December 31, 1998 and 1997, includes the following:

<TABLE>
<CAPTION>

<S>	1998 <C>	1997 <C>
Deferred tax asset	$ 1,832,000	$ 1,837,000
Valuation allowance for deferred tax asset	(1,832,000)	(1,837,000)
	$ 0	$ 0

</TABLE>

The Company has recorded a valuation allowance for its entire net deferred tax asset at December 31, 1998 and 1997 since management believes that it is more likely than not that the deferred tax asset will be not realized.

The tax effect of major temporary differences that gave rise to the Company's net deferred tax asset at December 31, 1998 and 1997 is as follows:

<TABLE>
<CAPTION>

<S>	1998 <C>	1997 <C>
Net operating loss carryforward	$1,597,000	$1,652,000
Unrealized losses on marketable securities	148,000	102,000
Allowance for uncollectible note receivable	87,000	83,000
	$1,832,000	$1,837,000

</TABLE>

(6) NET LOSS AND STOCKHOLDERS' DEFICIENCY:

LOSS PER COMMON SHARE

The following is a reconciliation of the numerator and denominator of the Basic and Diluted loss per share computation.

<TABLE>
<CAPTION>

<S>	1998 <C>	1997 <C>	1996 <C>
Numerator for Basic and Diluted Loss Per Share:			
Net Income (Loss)	$ (284,835)	$ (248,771)	$ 11,580
Less Preferred Stock Dividends	(169,781)	(169,781)	(169,781)
Net loss applicable to			

common shareholders	$ (454,616)	$ (418,552)	$ (158,201)
Denominator for Basic And Diluted Loss Per Share:			
Weighted average shs.	10,905,549	10,905,549	10,905,549
Basic and Diluted loss per share	$ (.04)	$ (.04)	$ (.01)

</TABLE>

(6) STOCKHOLDERS' EQUITY: (CONT.)

PUBLIC OFFERING - PREFERRED STOCK

In 1987, the Company completed a public offering of 1,000,000 shares of Series A 8% Cumulative Convertible Preferred Stock ("Series A Preferred Stock"). The preferred stock is convertible into common stock, at any time, at the option of the holder, beginning January 28, 1988. The conversion ratio is based upon the original price of the preferred stock of $5.00 in relation to the conversion price of $2.00 (initial conversion ratio of 2.5 to 1) which increased to $2.40 on July 28, 1989 (conversion ratio 2.08 to 1) and increased to $2.80 on July 28, 1991, (conversion ratio of 1.79 to 1) subject to adjustment under certain conditions. Each share of the preferred stock is entitled to one vote and an annual cumulative dividend of $.40 per share, which is payable semiannually in cash or common stock. The first year's dividend was paid in cash from proceeds of the offering. Subsequent dividends through December 1992 were paid in common stock of the Company. Dividends accrued since January 1993 remain unpaid.

The Series A Preferred Stock is redeemable at the option of the Company at any time after July 28, 1989, in whole or in part, at a redemption price of $5.40 per share, subject to certain conditions. In addition, the Series A Preferred Stock is also redeemable, upon 30 days notice beginning July 28, 1988, if during any period of 30 consecutive trading days the market price for the Company's common stock is at least $3.00. At December 31, 1998, 514,877 shares have been converted into common stock or redeemed.

The Series B Preferred Stock has identical preferences and privileges to the Series A Preferred Stock, except that the Series B Preferred Stock is not subject to redemption by the Company. The Company has been authorized to issue up to 150,000 shares of Series B Preferred Stock. At December 31, 1998 and 1997, no shares of Series B Preferred Stock were issued and outstanding.

No dividends were declared in 1998, 1997 or 1996. However, dividends on Series A 8% Preferred Stock of $.40 per share payable in cash or Cadema Corporation common stock do accumulate and as such the accompanying 1998, 1997 and 1996 financial statements reflect the accrual of this dividend.

OTHER OPTIONS

The Company had also granted options to purchase a total of 250,000 shares of common stock to directors, which are not part of the 1986 Option Plan but have terms similar to the 1986 Plan. These options expired in June, 1996.

TREASURY STOCK

The Company held 30,000 and 60,670 shares of Common Stock and Series A Preferred Stock, respectively in its treasury as of December 31,1998. In 1995 the company acquired 41,000 shares of Series A Preferred Stock at the market price of $ 7,702. In connection with the 1995 purchase, accrued but unpaid dividends totaling $ 41,000 were credited to additional paid-in capital.

(6) STOCKHOLDERS' EQUITY: (CONT.)

1986 STOCK OPTION PLAN

In 1986, the shareholders and Board of Directors adopted and approved the

1986 Stock Option Plan ("1986 Plan") which reserves 600,000 shares of the Company's Common Stock for issuance to key employees and directors. The options are exercisable as determined by the 1986 Plan up to a period of 10 years from date of grant at an exercise price of not less than the fair market value at the date of grant. As of December 31, 1998, there were no options outstanding under the 1986 plan.

Information concerning options for the years ended December 31, 1998, 1997 and 1996 is summarized as follows:

<TABLE>
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	Other Options	Price Per Share	1986 Plan	Price Per Share
<S>	<C>	<C>	<C>	<C>
AT DECEMBER 31, 1998				
Shares under option	--	--	--	--
Shares exercisable	--	--	--	--
Shares available for future grant	600,000			
FOR THE YEAR ENDED DECEMBER 31, 1998				
Exercised	--		--	--
Granted	--	--	--	--
Terminated	--	--	--	--
AT DECEMBER 31, 1997				
Shares under option	--	--	--	--
Shares exercisable	--	--	--	--
Shares available for future grant	600,000			
FOR THE YEAR ENDED DECEMBER 31, 1997				
Exercised	--		--	--
Granted	--	--	--	--
Terminated	250,000	$.22	--	--
AT DECEMBER 31, 1996				
Shares under option	250,000	$.22	--	--
Shares exercisable	250,000	$.22	--	--
Shares available for future grant	600,000			
FOR THE YEAR ENDED DECEMBER 31, 1996				
Exercised	--	--	--	--
Granted	--	--	--	--
Terminated	--	--		

</TABLE>

(6) STOCKHOLDERS' EQUITY: (CONT.)

WARRANTS - In 1983, 744,900 stock purchase warrants were issued to stockholders of record. One warrant was issued for every five shares of common stock held by holders of 500 or more shares and were exercisable at the price of $5 per share. The warrants had an initial expiration date of November, 1984 which has been extended by the Company through June 30, 1999. None of these warrants have been exercised as of December 31, 1998.

As of December 31, 1998, the Company has reserved 2,420,772 shares of common stock for possible future issuance resulting from conversion of preferred stock and exercise of warrants and stock options.

(7) OPERATIONS AND MANAGEMENT'S PLANS

The Company did not earn any revenue for the year, incurred a net loss of approximately $285,000 and had a stockholders' deficiency of approximately $672,000 at year end. The Company's primary activities for 1998 related to trading of its investment portfolio, which generated a loss (both realized and unrealized) totaling approximately $220,000.

The Company continues in its principal business of seeking and financing business enterprises with the potential to generate profits and positive cash flow. New opportunities are evaluated on an ongoing basis. None were deemed appropriate to enter into during 1998. The Company's previous entry into the pollution control business is part of this strategy.

There is approximately $270,000 of working capital at year-end. Annual required cash outlays include only the payment of administrative expenses of approximately $47,000. The Company is also attempting to restructure its payment of dividends arrearages, a long-term liability, in light of its future plans.

The Company believes in its long-term prospects for revenue growth. However, the realization of this revenue growth cannot be assured.

SIGNATURES

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed in its behalf by the undersigned, thereto duly authorized.

CADEMA CORPORATION

Dated: March 9, 1999

By:/S/ ROGER D. BENSEN

Roger D. Bensen
President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/S/ ROGER D.BENSEN	MARCH 9, 1999
Roger D. Bensen Chairman of the Board and Chief Executive Officer and Director	
/S/ RICHARD AMES	MARCH 9, 1999
Richard B. Ames Director	

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