
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A No. 1

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) November 30,
1996

DYNAMICWEB ENTERPRISES, INC.
(Exact name of registrant as specified in its charter)

New Jersey	0-10039	22-2267658
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Ident. No.)

271 Route 46 West, Building F, Suite 209, Fairfield, New Jersey	07004
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (201) 244-1000

N/A
(Former name or former address, if changed since last report.)

Item 7. Financial Statements, Pro Forma Financial Information
and Exhibits.

- (a) The financial statements of Software Associates, Inc.,
the business acquired, are included herein at Exhibit
99.1 and 99.2.
- (b) The pro forma financial information is included herein
at Exhibit 99.3.
- (c) The following exhibits are filed herewith:

99.1 Audited Financial Statements of Software
Associates, Inc. for the Fiscal Years Ended
June 30, 1996 and 1995.

99.2 Unaudited Financial Statements of Software
Associates, Inc. for the Three Months Ended
September 30, 1996 and 1995.

99.3 Pro Forma Financial Information.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act
of 1934, the registrant has duly caused this Form 8-K/A to be
signed on its behalf by the undersigned hereunto duly authorized.

DYNAMICWEB ENTERPRISES, INC.

Dated: July 18, 1997

By /s/ Steve Vanechanos, Jr.

Steve Vanechanos, Jr.
President

EXHIBIT INDEX

Exhibit Number

- 99.1 Audited Financial Statements of Software Associates,
Inc. for the Fiscal Years Ended June 30, 1996 and 1995.
- 99.2 Unaudited Financial Statements of Software Associates,
Inc. for the Three Months Ended September 30, 1996 and
1995.
- 99.3 Pro Forma Financial Information.

REPORT OF INDEPENDENT AUDITORS

Board of Directors Software Associates, Inc.
Fairfield, New Jersey

We have audited the accompanying balance sheet of Software Associates, Inc. as at June 30, 1996 and the related statements of operations, changes in stockholder's equity and cash flows for the years ended June 30, 1996 and June 30, 1995. 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 financial statements enumerated above present fairly, in all material respects, the financial position of Software Associates, Inc. as at June 30, 1996 and the results of its operations and its cash flows for the years ended June 30, 1996 and June 30, 1995, in conformity with generally accepted accounting principles.

The Company has sustained a net loss in the year ended June 30, 1996 and has only minimal capital and working capital. Also, as indicated in Note A, on November 30, 1996, the Company was acquired by DynamicWeb Enterprises, Inc. a substantial portion of whose resources may be depleted before it markets and derives significant revenues from its products and services. These factors raise substantial doubt about the Company's ability to continue as a going concern. The acquiror's plan in regards to these matters are also described in Note A. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

Richard A. Eisner & Company, LLP

/s/ Richard A. Eisner & Company, LLP

New York, New York

SOFTWARE ASSOCIATES, INC.

BALANCE SHEET

AS AT JUNE 30, 1996

A S S E T S

Current assets:

Cash	\$12,455
Accounts receivable, less allowance for doubtful accounts of \$6,938	61,209
Total current assets	73,664
Equipment, less accumulated depreciation of \$4,000 . .	6,000
T O T A L	\$79,664

LIABILITIES AND STOCKHOLDER'S EQUITY

Current liabilities:	
Accounts payable	\$13,548
Accrued expenses and other	13,955
Current maturities of long-term debt (Note C)	3,350
Deferred taxes (Note D)	1,000
Total current liabilities	31,853
Long-term debt, less current maturities (Note C)	279
Total liabilities	32,132
Commitments and contingencies (Note F)	
Stockholder's equity (Note A):	
Common stock - no par value; 2,500 shares authorized, issued and outstanding	16,000
Additional paid-in capital	23,641
Retained earnings	7,891
Total stockholder's equity	47,532
T O T A L	\$79,664

Attention is directed to the foregoing accountants' report and to
the accompanying notes to financial statements.
SOFTWARE ASSOCIATES, INC.

STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

	Year Ended June 30,	
	1996	1995
<S>	<C>	<C>
Revenues (Note E[2]):		
System sales, net.	\$380,397	\$259,459
Services, net.	286,983	529,975
T o t a l	667,380	789,434
Cost of sales:		
System sales	108,361	78,680
Services	79,944	84,016
T o t a l	188,305	162,696
Gross profit	479,075	626,738
Selling, general and administrative.	555,660	610,407
Operating (loss) income before interest and taxes.	(76,585)	16,331
Interest expense	125	130
(Loss) income before (provision) benefit for income taxes	(76,710)	16,201
(Provision) benefit for income taxes	29,000	(11,000)
NET (LOSS) INCOME.	\$(47,710)	\$ 5,201

</TABLE>

Attention is directed to the foregoing accountants' report and to the accompanying notes to financial statements.
SOFTWARE ASSOCIATES, INC.

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
(Note A)

<TABLE>
<CAPTION>

<S>	Common Stock - No Par Value		Additional Paid-in Capital	Retained Earnings	Total
	<C> Shares	<C> Amount			
Balance - July 1, 1994 .	2,500	\$16,000	\$ 23,641	\$ 50,400	\$ 90,041
Net income				5,201	5,201
Balance - June 30, 1995.	2,500	16,000	23,641	55,601	95,242
Net (loss)				(47,710)	(47,710)
BALANCE - JUNE 30, 1996.	2,500	\$16,000	\$23,641	\$ 7,891	\$ 47,532

</TABLE>

Attention is directed to the foregoing accountants' report and to the accompanying notes to financial statements.
SOFTWARE ASSOCIATES, INC.

STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

<S>	Year Ended June 30,	
	<C> 1996	<C> 1995
Cash flows from operating activities:		
Net (loss) income	\$(47,710)	\$ 5,201
Adjustment to reconcile net (loss) income to net cash provided by (used in) operating activities:		

Depreciation	2,000	2,000
Deferred income taxes	(29,000)	11,000
Changes in operating assets and liabilities:		
Increase (decrease) in accounts receivable	83,065	(76,753)
Increase (decrease) in accounts payable	(13,305)	11,003
Increase in accrued expenses	5,342	7,024
Net cash provided by (used in) operating activities	392	(40,525)
Cash flows from financing activities:		
Payments of long-term debt	(3,350)	(3,021)
NET (DECREASE) IN CASH	(2,958)	(43,546)
Cash - beginning of year	15,413	58,959
CASH - END OF YEAR	\$ 12,455	\$ 15,413
Supplemental schedule of non-cash investing and financing activities:		
During the year ended June 30, 1995, the Company financed \$10,000 of equipment.		
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	\$ 125	\$ 130
Taxes	125	

</TABLE>

Attention is directed to the foregoing accountants' report and to the accompanying notes to financial statements.
SOFTWARE ASSOCIATES, INC.

NOTES TO FINANCIAL STATEMENTS

(NOTE A) - The Company:

Software Associates, Inc. (the "Company") is a New Jersey corporation incorporated in March 1985. The Company is an Electronic Data Interchange ("EDI") service bureau engaged in the business of helping companies realize the benefits of expanding their data processing and electronic communications infrastructures through the use of EDI. The Company also resells hardware and licensed software which is generally customized for its customers.

On November 30, 1996, the Company was acquired by DynamicWeb Enterprises, Inc. ("DynamicWeb"). DynamicWeb will utilize the Company's expertise in EDI to expand their business and product lines over the internet. A substantial portion of DynamicWeb's resources may be depleted before it markets and derives significant revenues from its products and services. DynamicWeb is planning to raise additional equity through a proposed public offering of stock, the net proceeds of which it intends to use, in part, to support future operations.

(NOTE B) - Summary of Significant Accounting Policies:

[1] Revenue recognition:

Revenues are recognized when products are shipped provided that no significant obligations remain, and collection of the resulting receivable is deemed probable by management. The Company provides customer support and revenues are recognized when services are provided. The Company also enters into

contracts with customers whereby revenues are earned based on a transaction fee.

[2] Depreciation:

Equipment is recorded at cost. Depreciation is provided using the straight-line method over five years.

[3] Income taxes:

The Company files its corporate income tax returns on a cash basis and accounts for income taxes on an accrual basis in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("SFAS No. 109"). SFAS No. 109 measures deferred income taxes by applying enacted statutory rates in effect at the balance sheet date to the differences between the tax bases of assets and liabilities and their reported amounts in the financial statements.

(NOTE B) - Summary of Significant Accounting Policies
(continued):

[4] Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

[5] Fair value of financial instruments:

The Company considers its financial instruments and obligations, which are carried at cost, to approximate fair value due to the near term due dates.

(NOTE C) - Long-Term Debt:

Long-term debt consists of a capitalized lease obligation as at June 30, 1996:

Equipment lease payable, due in July 1997; payable in monthly installments of \$291 including 4% interest	\$3,629
Less current maturities	3,350
Noncurrent portion.	\$ 279

* Collateralized by computer equipment with a net book value of approximately \$6,000.

Maturities of long-term debt are as follows:

June 30,	
1997	\$3,350
1998	279
T o t a l	\$3,629

(NOTE D) - Income Taxes:

[1] The Company has federal and state net operating loss carryforwards of approximately \$30,000 that expires from 2009 to 2010.

(NOTE D) - Income Taxes (continued):

The Tax Reform Act of 1986 contains provisions which limit the net operating loss carryforwards available for use in

any given year should certain events occur, including significant change in ownership interests. The utilization of the net operating loss may be limited due to the acquisition of the Company as described in Note A.

[2] The tax effects of principal temporary differences and net operating loss carryforwards are as follows as at June 30, 1996:

Asset:

Federal and state operating loss carryforwards . . . \$ 12,000

Liability:

Accrual basis to cash basis adjustment (13,000)

Net deferred tax liability \$ (1,000)

[3] The difference between the statutory federal income tax rate of 34% and the actual tax rate are as follows:

<TABLE>

<CAPTION>

	June 30,	
	1996	1995
<S>	<C>	<C>
Statutory rate (benefit)	\$ (26,018)	\$ 5,508
State taxes (benefit) net of federal		
income tax effect	(4,603)	972
Nondeductible items	3,305	3,305
Other	(1,684)	1,215
T o t a l	\$ (29,000)	\$ 11,000

</TABLE>

(NOTE E) - Concentration of Credit Risk:

[1] Accounts receivable:

The Company routinely evaluates the credit worthiness of its customers to limit its concentration of credit risk regarding its trade receivables.

(NOTE E) - Concentration of Credit Risk (continued):

[2] Significant customers:

The Company had one customer that accounted for 15% of revenue for the year ended June 30, 1996 and two customers that accounted for 22% and 19% of revenue for the year ended June 30, 1995.

(NOTE F) - Commitments and Contingencies:

[1] Lease and related party transaction:

On July 1, 1994, the Company signed an operating lease for office space with a partnership whose partner is the sole stockholder of the Company. The lease contains an annual increase of five percent and condominium maintenance fees. The Company has guaranteed the partnership's debt (United States Small Business Administration guaranteed loan) underlying the office space which was approximately \$250,000 as at June 30, 1996; the debt matures in August 2019. The following are the future annual rental payments:

Year Ending June 30,	
1997	\$ 41,000
1998	43,000
1999	45,000
2000	47,000

2001.	49,000
Thereafter.	1,333,000
T o t a l	\$1,558,000

Rent expense and related operating expense for the years ended June 30, 1996 and June 30, 1995 was approximately \$46,400 and \$44,400, respectively.

[2] Line of credit:

The Company has a line of credit of \$50,000. No balances are outstanding as at June 30, 1996. The stockholder of the Company has personally guaranteed the debt under the line of credit. In May 1997, the Company borrowed \$14,750 under the line of credit at a rate of 2% above the bank's lending rate.

(NOTE F) - Commitments and Contingencies (continued):

[3] Employment contract:

In connection with the acquisition of the Company as described in Note A, the Company entered into a five year employment contract with its then sole stockholder. The agreement provides for an annual salary of approximately \$136,000 and includes a discretionary bonus as determined by DynamicWeb's Board of Directors.

SOFTWARE ASSOCIATES, INC.

FINANCIAL STATEMENTS
(Unaudited)SEPTEMBER 30, 1996 AND SEPTEMBER 30, 1995
SOFTWARE ASSOCIATES, INC.

UNAUDITED CONDENSED BALANCE SHEET

AS AT SEPTEMBER 30, 1996

<TABLE>
<CAPTION>

A S S E T S	
<S>	<C>
Cash	\$ 11,376
Accounts receivable, net of allowance for doubtful accounts . .	67,769
Total current assets	79,145
Property and equipment, net of depreciation and amortization. .	5,500
T O T A L	\$ 84,645
L I A B I L I T I E S	
Accounts payable and accrued expenses	\$ 20,628
Lease obligation.	2,797
Deferred income taxes	7,000
Total current liabilities.	30,425
S T O C K H O L D E R ' S E Q U I T Y	
Common stock - no par value; 2,500 shares authorized, issued and outstanding	16,000
Additional paid-in capital.	23,641
Retained earnings	14,579
Total stockholder's equity	54,220
T O T A L	\$ 84,645

</TABLE>

The accompanying notes are an integral part of
these condensed statements.
SOFTWARE ASSOCIATES, INC.

UNAUDITED CONDENSED STATEMENTS OF OPERATION AND RETAINED EARNINGS

<TABLE>
<CAPTION>

	Three Months Ended September 30,	
	1996	1995
<S>	<C>	<C>
Net sales:		
System sales	\$ 55,517	\$ 44,766
Services	78,174	91,681
T o t a l	133,691	136,447
Cost of sales:		
System sales	16,645	5,763
Services	23,845	29,889
T o t a l	40,490	35,652
Gross profit.	93,201	100,795
Selling, general and administrative expenses.	80,513	179,707
Operating income (loss)	12,688	(78,912)
(Provision) benefit for income taxes.	(6,000)	29,000
NET INCOME (LOSS)	6,688	(49,912)
Retained earnings, beginning of period.	7,891	55,601
RETAINED EARNINGS, END OF PERIOD.	\$ 14,579	\$ 5,689

</TABLE>

The accompanying notes are an integral part of
these condensed statements.
SOFTWARE ASSOCIATES, INC.

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

	Three Months Ended September 30,	
	1996	1995
<S>	<C>	<C>
Cash flows from operating activities:		
Net income (loss)	\$ 6,688	\$ (49,912)

Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation	500	
Deferred income taxes	6,000	(29,000)
Changes in operating assets and liabilities:		
Accounts receivable	(6,560)	101,688
Accounts payable and accrued expenses	(6,875)	(20,224)
Net cash provided by (used in) operating activities	(247)	2,552
Cash flows (used in) financing activities:		
Payments of capital lease obligation	(832)	
NET (DECREASE) INCREASE IN CASH	(1,079)	2,552
Cash - beginning of period	12,455	15,413
CASH - END OF PERIOD	\$11,376	\$ 17,965

</TABLE>

The accompanying notes are an integral part of these condensed statements.

(NOTE A) - The Company:

Software Associates, Inc. (the "Company") is a New Jersey corporation incorporated in March 1985. The Company is an Electronic Data Interchange ("EDI") service bureau engaged in the business of helping companies realize the benefits of expanding their data processing and electronic communications infrastructures through the use of EDI. The Company also resells hardware and licensed software which is generally customized for its customers.

(NOTE B) - Basis of Presentation:

The unaudited condensed consolidated balance sheet and statement of operations should be read in conjunction with the audited financial statements of Software Associates, Inc. and notes thereto contained elsewhere herein. The information does not purport to represent the future financial position or results of operations of Software Associates, Inc. The interim financial statements include all necessary adjustments, consisting of normal recurring items, which in the opinion of management are necessary for a fair presentation of such financial information.

UNAUDITED PRO FORMA CONDENSED FINANCIAL STATEMENTS

The following pro forma unaudited financial information gives effect to the acquisition of Software Associates, Inc. on November 30, 1996. The unaudited pro forma condensed consolidated balance sheet as at September 30, 1996 combines the historical balance sheet of DynamicWeb Enterprises, Inc. as at September 30, 1996 with the historical balance sheet of Software Associates, Inc. as at June 30, 1996 as if the acquisition occurred on September 30, 1996. The unaudited pro forma condensed consolidated statement of operations for the year ended September 30, 1996 combines the operations of DynamicWeb Enterprises, Inc. for the year ended September 30, 1996 with the operations of Software Associates, Inc. for the year ended June 30, 1996 as if the acquisition occurred on October 1, 1995. The transaction is accounted for as a purchase in accordance with Accounting Principles Board Opinion No. 16.

The unaudited condensed pro forma consolidated balance sheet and statement of operations should be read in conjunction with the notes thereto and the audited financial statements of DynamicWeb Enterprises, Inc. and Software Associates, Inc. and notes thereto. The pro forma information is not necessarily indicative of what the financial position and results of operations would have been had the transaction occurred earlier, nor do they purport to represent the future financial position or results of operations of DynamicWeb Enterprises, Inc.

UNAUDITED PRO FORMA CONDENSED FINANCIAL STATEMENT ADJUSTMENTS

1) To record the preliminary allocation of the purchase price of Software Associates Inc. valued at \$885,000 including professional fees of \$25,000 and to expense purchased research and development as at October 1, 1995. The pro forma information does not reflect any contingently issuable shares, up to 1,140,000, that may be issued in the event that the average closing bid price of DynamicWeb Enterprises, Inc. common stock does not equal \$3.375 per share for the five trading days immediately prior to January 30, 1999.

2) To amortize intangible asset over five years.

3) To record the difference in salary based on an employment contract for the then shareholder of Software Associates, Inc.

4) Pro forma weighted average number of shares outstanding reflects shares issued for the acquisition as if they were outstanding for the entire period presented.

DYNAMICWEB ENTERPRISES, INC. AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATION

FOR THE YEAR ENDED SEPTEMBER 30, 1996

<TABLE>
<CAPTION>

	HISTORICAL		PRO FORMA	PRO FORMA
	DYNAMICWEB	SOFTWARE	ADJUSTMENTS	CONSOLIDATED
	ENTERPRISES, INC.	ASSOCIATES, INC.		RESULTS
	YEAR ENDED	YEAR ENDED		
	SEPTEMBER 30, 1996	JUNE 30, 1996		
<S>	<C>	<C>	<C>	<C>
Net sales:				
System sales	\$147,337	\$380,397		\$ 527,734
Services	312,730	286,983		599,713
Total	460,067	667,380		1,127,447

Cost of sales:				
System sales	71,205	108,361		179,566
Services	81,194	79,944		161,138
Total	152,399	188,305		340,704
Gross profit	307,668	479,075		786,743
Expenses:				
Selling, general and administrative	719,443	555,660	(2) \$ 20,000 (3) 28,000	1,323,103
Research and development	28,990			28,990
Total	748,433	555,660	48,000	1,352,093
Operating loss	(440,765)	(76,585)	(48,000)	(565,350)
Interest expense	(23,271)	(125)		(23,396)
Interest income	8,806			8,806
Loss before benefit for income taxes	(455,230)	(76,710)	(48,000)	(579,940)
Benefit for income taxes		29,000		29,000
Net loss	\$ (455,230)	\$ (47,710)	\$ (48,000)	\$ (550,940)
Pro forma net loss per pro forma weighted average number of shares outstanding				\$ (0.08)
Pro forma weighted average number of shares outstanding	6,382,873		(4) 860,000	7,242,873

DYNAMICWEB ENTERPRISES, INC. AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

SEPTEMBER 30, 1996

<TABLE>
<CAPTION>

FORMA CONSOLIDATED	HISTORICAL		PRO FORMA	PRO
	DYNAMICWEB ENTERPRISES, INC.	SOFTWARE ASSOCIATES, INC.	ADJUSTMENTS	
	AS AT SEPTEMBER 30, 1996	AS AT JUNE 30, 1996		
ASSETS				
<S>	<C>	<C>	<C>	<C>
Cash and cash equivalents	\$ 174,403	\$12,455		\$ 186,858
Accounts receivable, net of allowance for doubtful accounts	70,518	61,209		131,727
Prepaid and other current assets	32,068			32,068
Total current assets	276,989	73,664		350,653
Property and equipment, net of depreciation and amortization	239,889	6,000		245,889
Patents and trademarks, net of amortization	19,299			19,299
Intangibles			(1) \$ 100,000	100,000
TOTAL	\$ 536,177	\$79,664	\$ 100,000	\$ 715,841
LIABILITIES AND STOCKHOLDERS' EQUITY				
Accounts payable	\$ 34,581	\$13,548		\$ 48,129
Accrued expenses and other	18,487	13,955	(1) \$ 25,000	57,442

Current maturities of long-term debt	12,434	3,350		15,784
Deferred revenue	11,330			11,330
Deferred income taxes		1,000		1,000
Total current maturities	76,832	31,853	25,000	133,685
Long-term debt, less current maturities	197,661	279		197,940
Total liabilities	274,493	32,132	25,000	331,625
STOCKHOLDERS' EQUITY				
Common stock	655	16,000	(1) 86	741
Additional paid-in capital	676,215	23,641	(1) (16,000)	1,536,129
Retained earnings			(1) 836,273	
(Accumulated deficit)	(415,186)	7,891	(1) (7,891)	
(1,152,654)			(1) (737,468)	
Total stockholders' equity	261,684	47,532	75,000	384,216
TOTAL	\$ 536,177	\$79,664	\$ 100,000	\$ 715,841

</TABLE>