
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) May 1, 1998

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

New Jersey (State or other jurisdiction of incorporation)	0-10039 (Commission File Number)	22-2267658 (IRS Employer Ident. No.)
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271 Route 46 West, Building F, Suite 209, Fairfield, New Jersey (Address of principal executive offices)	07004 (Zip Code)
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Registrant's telephone number, including area code (973) 244-1000

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

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- Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.
- (a) The financial statements of Design Crafting, Inc., the business acquired, are included herein at Exhibit 99.1.
 - (b) The pro forma financial information is included herein at Exhibit 99.2.
 - (c) The following exhibits are filed herewith:
 - 99.1 Audited Financial Statements of Design Crafting, Inc. for the Fiscal Years Ended September 30, 1997 and 1996.
 - 99.2 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 15, 1998

By /s/ Steve Vanechanos, Jr.
Steve Vanechanos, Jr.
President

EXHIBIT INDEX

Exhibit Number

99.1 Audited Financial Statements of Design Crafting, Inc.
for the Fiscal Years Ended September 30, 1997 and 1996.

99.2 Pro Forma Financial Information.

DESIGN CRAFTING, INC.

FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Design Crafting, Inc.

We have audited the accompanying balance sheet of Design Crafting, Inc. as of September 30, 1997, and the related statements of income, changes in stockholder's equity and cash flows for each of the years in the two year period then ended. 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 audit.

We conducted our audit 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements enumerated above present fairly, in all material respects, the financial position of Design Crafting, Inc. as of September 30, 1997, and the results of its operations and its cash flows for each of the years in the two-year period then ended, in conformity with generally accepted

accounting principles.

/s/ Richard A. Eisner & Company, LLP

Florham Park, New Jersey

July 10, 1998

Balance Sheet

September 30, 1997

ASSETS

Current assets:

Cash	\$ 5,015
Accounts receivable	56,812
Prepaid expenses and other current assets	468
Total current assets	62,295
Equipment, net of accumulated depreciation of \$6,662	4,602
	\$66,897

LIABILITIES

Current liabilities:

Accounts payable and accrued expenses	\$30,597
Taxes payable - current	1,480
Taxes payable - deferred	6,195
Total current liabilities	38,272

STOCKHOLDER'S EQUITY

Common stock, no par value, authorized 1,000 shares issued and outstanding 100 shares	1,000
Retained earnings	27,625
Total stockholder's equity	28,625
	\$66,897

Statements of Income

	Year Ended September 30,	
	1997	1996
Revenues - services	\$462,541	\$311,363
Cost of services	384,244	241,427
Gross profit	78,297	69,936
Expenses:		
Selling, general and administrative	65,772	58,905
Income before taxes	12,525	11,031
Income taxes	3,250	2,870
Net income	\$ 9,275	\$ 8,161

Statements of Changes in Stockholder's Equity

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	Common Stock		Retained	Total
	Number of Shares	Amount	Earnings	
<S>	<C>	<C>	<C>	<C>
Balance, October 1, 1995	100	\$1,000	\$10,189	\$11,189
Net income	--	--	8,161	8,161
Balance, September 30, 1996	100	1,000	18,350	19,350
Net income	--	--	9,275	9,275
Balance, September 30, 1997	100	\$1,000	\$27,625	\$28,625

</TABLE>

Statements of Cash Flows

<TABLE>

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	Year Ended September 30,	
	1997	1996
<S>	<C>	<C>
Cash flows from operating activities:		
Net income	\$ 9,275	\$ 8,161
Adjustments to reconcile net income to net cash		

provided by operating activities:		
Depreciation	2,948	648
Deferred income taxes	1,390	2,700
Changes in:		
Accounts receivable	(867)	(29,993)
Prepaid expenses and other current assets	718	687
Accounts payable and accrued expenses	(10,249)	18,691
Taxes payable	1,310	(725)
Net cash provided by operating activities	4,525	169
Cash flows from investing activities:		
Purchase of equipment	(6,902)	(1,296)
Net decrease in cash	(2,377)	(1,127)
Cash, beginning	7,392	8,519
Cash, ending	\$ 5,015	\$ 7,392

Supplemental disclosure of cash flow information:

Cash paid for:		
Income taxes	\$ 550	\$ 895

</TABLE>

Note A - Summary of Significant Accounting Policies and Basis of Presentation

[1] Operations:

Design Crafting, Inc. (the "Company") is a software developer and provides services primarily to customers in the distribution, retail and financial industries.

In 1997, two customers and in 1996 one customer accounted for approximately 91% and 99% of revenues, respectively. As of September 30, 1997, two customers represented 100% of accounts receivable. No allowance for bad debts is required.

[2] Revenue recognition:

Revenue is recognized as the work is performed and services are provided at the customer's locations.

[3] Use of estimates:

The financial statements were prepared on an accrual basis in conformity with generally accepted accounting principles; estimates and assumptions were utilized to quantify certain components of the financial statements in the absence of specific amounts of the respective assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

[4] Equipment:

Equipment is recorded at cost less accumulated depreciation. Depreciation is provided using accelerated and straight-line methods over the estimated lives of the assets (2 to 3 years).

[5] Income taxes:

The Company accounts for income taxes under the provisions of Statement of Financial Accounting Standard No. 109 Accounting for Income Taxes ("SFAS 109") which requires use of the liability method of Accounting for Income Taxes. The liability method 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. Deferred income taxes arise from temporary differences resulting primarily from income and expense items being reported on an accrual basis for financial statement purposes and on a cash basis for tax purposes. As a result, the Company had deferred federal and state liabilities of \$6,195 as of September 30, 1997.

Note B - Employee Benefit Plans

The Company has a qualified simplified employee pension (SEP) under Section 408(k) of the Internal Revenue Code. Employer contributions under a SEP are discretionary and are excluded from the participants taxable income to the extent of 15% of the participant's compensation subject to limits. The Company's contributions to the plan were \$25,742 and \$7,573 for the years ended September 30, 1997 and 1996, respectively.

Note C - Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following:

Wages	\$18,486
Payroll taxes	2,544
Employee benefit plan	7,796
Other	1,771
	\$30,597

Note D - Income Taxes

Year Ended
September 30,
1997 1996

Current tax expenses:

Federal	\$1,120	\$ 20
State	740	150
	1,860	170

Deferred tax expenses:

Federal	830	1,700
State	560	1,000
	1,390	2,700
Provision for taxes	\$3,250	\$2,870

The differences between the statutory income tax rate of 34% and the income taxes reported on the statement of income and retained earnings are as follows:

<TABLE>
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	Year Ended September 30,			
	1997		1996	
<S>	<C>	<C>	<C>	<C>
Statutory rate	\$ 4,259	34%	\$ 3,751	34%
Reduction due to graduated income tax rate	(2,380)	(19)	(2,096)	(19)
State taxes, net of federal benefit	1,105	9	978	9
Other	266	2	237	2
Provision for taxes	\$ 3,250	26%	\$ 2,870	26%

Note E - Business Combination

On May 1, 1998, the Company completed a merger with Dynamicweb Enterprises, Inc. (Dynamicweb) by exchanging all of its issued and outstanding stock for 92,500 shares of common stock of Dynamicweb with a provision for up to an additional 10,000 shares to be calculated under a formula based on the value at closing and the realization of certain assets within 120 days of the closing.

Unaudited Pro Forma Condensed Financial Statements

On May 1, 1998, DynamicWeb Enterprises, Inc. (the "Company") completed a stock-for-stock exchange transaction with Design Crafting, Inc. ("Design") which will be accounted for as a pooling of interests. The following unaudited pro forma condensed consolidated statement of operations for the year ended September 30, 1997 and the unaudited pro forma consolidated balance sheet as of September 30, 1997 are adjusted to give effect to the combination with Design by the issuance by the Company of 92,500 of its common shares in exchange for 100% of the Design shares as if such transaction had occurred on October 1, 1996.

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 the Company and Design and the notes thereto. The pro forma information is not necessarily indicative of what the financial position and results of operations would have been had the transactions 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) The pro forma information includes the issuance of 92,500 shares of the Company's common stock on May 1, 1998. It does not reflect any contingently issuable shares, up to 10,000, that may be issued in the event that the Company collects certain amounts from the realization of certain assets reported on the Design Crafting, Inc. balance sheet as of May 1, 1998.

(2) The pro forma weighted average number of shares outstanding is as follows:

(a) Includes 654,597 shares of the Company's common stock contributed by certain of the Company's shareholders in exchange for 125,000 warrants.

(b) Includes the 92,500 shares issued in connection with the exchange transaction as if they were outstanding for the entire period presented.

(3) Elimination of the current federal income tax liability.

Pro Forma Financial Statements

<TABLE>
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	Historical			
	DynamicWeb Enterprises, Inc. and Subsidiaries as of September 30, 1997	Design Crafting, Inc. as of September 30, 1997	Pro Forma Adjustments	Pro Forma Consolidated
(Unaudited)				
<S>	<C>	<C>	<C>	<C>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 188,270	\$ 5,015		\$ 193,285
Accounts receivable, less allowance for doubtful accounts	100,425	56,812		157,237
Prepaid and other current assets	20,738	468		21,206
Total current assets	309,433	62,295		371,728
Property and equipment	284,512	4,602		289,114
Patents and trademarks, less accumulated amortization	21,808			21,808
Customer list, less accumulated amortization	83,333			83,333
Deferred registration costs	128,169			128,169
Other assets and fees	60,461			60,461
	\$ 887,716	\$66,897		\$ 954,613
	=====	=====		=====
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 182,340			\$ 182,340
Accrued expenses	165,941	\$30,597		196,538
Current maturities of long-term debt	7,925			7,925
Loan payable - banks	24,049			24,049
Loans from stockholders	117,163			117,163
Deferred revenue	15,065			15,065
Subordinated notes payable	840,873			840,873
Taxes payable - current		1,480	\$ (1,120) (3)	360
Taxes payable - deferred		6,195		6,195
Total current liabilities	1,353,356	38,272	(1,120)	1,390,508
Long-term debt, less current maturities	185,811			185,811
	1,539,167	38,272	(1,120)	1,576,319
CAPITAL DEFICIENCY				
Common stock	214	1,000	(1,000) (1)	223

Additional paid-in capital	3,530,324		991 (1)	3,531,315
Unearned portion of compensatory stock options	(204,000)			(204,000)
Accumulated deficit	(3,577,989)	27,625	1,120 (3)	(3,549,244)
	(251,451)	28,625	1,120	(221,706)
Less treasury stock	(400,000)			(400,000)
Total capital deficiency	(651,451)	28,625	1,120	(621,706)
	\$ 887,716	\$66,897	\$ 0	\$ 954,613
	=====	=====	=====	=====

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Pro Forma Financial Statements

	Historical			
	DynamicWeb Enterprises, Inc. and Subsidiaries For the Year Ended September 30, 1997	Design Crafting, Inc. For the Year Ended September 30, 1997	Pro Forma Adjustments	Pro Forma
(Unaudited)				
<S>	<C>	<C>	<C>	<C>
Net sales:				
System sales	\$ 116,106			\$ 116,106
Services	521,071	\$462,541		983,612
	637,177	462,541		1,099,718
Cost of sales:				
System sales	40,323			40,323
Services	213,180	384,244		597,424
	253,503	384,244		637,747
Gross profit	383,674	78,297		461,971
Expenses:				
Selling, general and administrative	1,854,686	65,772		1,920,458
Research and development	234,808			234,808
	2,089,494	65,772		2,155,266
Operating income (loss)	(1,705,820)	12,525		(1,693,295)
Purchased research and development	(713,710)			(713,710)
Interest expense	(770,041)			(770,041)
Interest income	5,068			5,068
Income (loss) before income taxes	(3,184,503)	12,525		(3,171,978)
Income tax (expense) benefit	21,700	(3,250)	\$ 1,120 (3)	19,570
Net income (loss)	\$ (3,162,803)	\$ 9,275	\$ 1,120	(3,152,408)
	=====	=====	=====	=====
Pro forma net loss per pro forma weighted average number of shares outstanding				\$ (2.13)
				=====
Pro forma weighted average number of shares outstanding	1,386,383 (2)		92,500 (2)	1,478,883
	=====		=====	=====

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