BOWNE & CO INC
Form 11-K
June 27, 2003

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Form 11-K

FOR ANNUAL REPORTS OF EMPLOYEES STOCK PURCHASE, SAVINGS AND SIMILAR PLANS PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

þ Annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934
(No Fee Required)
For the Fiscal Year Ended December 31, 2002

OR

o Transition report pursuant to Section 15(d) of the Securities Exchange Act of 1934
(No Fee Required)
For the transition period from to

Commission file number 1-5842

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Bowne & Co., Inc.

Employees Stock Purchase Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

BOWNE & CO., INC.

345 Hudson Street
New York, New York 10014
(212) 924-5500

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BOWNE & CO., INC.

EMPLOYEES STOCK PURCHASE PLAN

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INDEPENDENT AUDITORS REPORT

The Trustees

BOWNE & CO., INC.
EMPLOYEES STOCK PURCHASE PLAN:

We have audited the accompanying statements of net assets available for benefits of Bowne & Co., Inc. Employees Stock Purchase Plan as of December 31, 2002 and 2001 and the related statement of changes in net assets available for benefits for the year ended December 31, 2002. These financial statements are the responsibility of the Plan s Trustees. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 the Trustees, 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 referred to above present fairly, in all material respects, the net assets available for benefits of Bowne & Co., Inc. Employees Stock Purchase Plan at December 31, 2002 and 2001 and the changes in net assets available for benefits for the year ended December 31, 2002 in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule H, Line 4i Schedule of Assets (Held at End of Year) as of December 31, 2002 and the supplemental schedule H, Line 4j Schedule of Reportable Transactions for the year ended December 31, 2002 are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan s management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KPMG LLP

New York, New York
June 27, 2003

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BOWNE & CO., INC.

EMPLOYEES STOCK PURCHASE PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	2002	2001
Assets:		
Cash	$	$ 84,635
Contributions receivable from participating companies	259,158	198,834
Investment in Bowne & Co., Inc. common stock, at market value 1,885,728 shares in 2002 and 1,910,621 shares in 2001 (cost $22,175,409 in 2002 and $22,141,401 in 2001)	22,534,449	24,455,956
Total assets	22,793,607	24,739,425
Liabilities:		
Due to Bowne & Co., Inc. Profit Sharing Plan		11,100
Total liabilities		11,100
Net assets available for benefits	$22,793,607	$24,728,325

See accompanying notes to financial statements.

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BOWNE & CO., INC.

EMPLOYEES STOCK PURCHASE PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Year Ended December 31, 2002
Investment activity:	
Net depreciation in market value of investments	$ (1,519,744)
Dividend income from Bowne & Co., Inc. common stock	411,769
	(1,107,975)
Contributions by:	
Employees	2,260,426
Participating companies	851,930
Total contributions	3,112,356
Total additions	2,004,381
Less:	
Distributions to participants	3,909,068
Administrative expenses	30,032
Total deductions	3,939,100
Net decrease	(1,934,719)
Net assets available for benefits:	
Beginning of period	24,728,325
End of period	$ 22,793,607

See accompanying notes to financial statements.

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BOWNE & CO., INC.

EMPLOYEES STOCK PURCHASE PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2002 and 2001

(1) Plan Description

The following description of the Bowne & Co. Inc. Employees Stock Purchase Plan (the Plan) provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan s provisions.

The Plan became effective June 21, 1973 and is a qualified plan under the Internal Revenue Code (the IRC). An independent third-party investment manager is the Plan s custodian.

Effective December 31, 2002 the Plan was frozen to non-union employees. Except for union employees, no new participants were eligible to participate in the Plan and all contributions to the Plan ceased at that date. All withdrawal and vesting provisions remain the same.

Prior to December 31, 2002, employees of Bowne & Co., Inc. and its participating domestic subsidiaries which have adopted the Plan (collectively, the Company) were generally eligible to participate in the Plan by working on a full-time basis (over 25 hours per week on a regular basis) for a participating company.

Operations of the Plan were funded through contributions received from participating employees of the Company and through contributions by the participating companies equal to 50% of their employees contributions. Participation in the Plan was voluntary. For the years ended December 31, 2002 and 2001, participants could contribute up to $200 per month.

Each participant in the Plan is entitled to exercise voting rights attributable to the shares allocated to his or her account.

The Plan provides for 100% vesting in Company contributions in the event of death, permanent and total disability, retirement, or upon the completion of five years of service. The nonvested portion of a participant s account at the time of termination is forfeited and used to reduce future Company contributions. For the year ended December 31, 2002, participating Company contributions were reduced by $277,890 as a result of the forfeiture of nonvested amounts. At December 31, 2002 and 2001 forfeited non vested accounts totaled $10,121 and 141,513 respectively.

Benefit payments are made in the form of full shares of Common Stock, plus cash in lieu of any fractional share. A participant, terminated participant, beneficiary or an alternate payee can elect to have a distribution under the Plan paid entirely in cash in a single payment. The cash value of any distribution shall be determined using the closing unit price on the valuation date on which such distribution is processed.

As of December 31, 2002, the participating companies in the Plan were as follows:

Bowne of Atlanta, Inc.
Bowne of Boston, Inc.
Bowne of Chicago, Inc.
Bowne of Cleveland, Inc.
Bowne of Dallas, L.P.
Bowne of Dallas, Inc.
Bowne of Los Angeles, Inc.
Bowne of New York City, L.L.C
Bowne Business Communications, Inc.
Bowne Business Solutions, Inc.
Bowne Enterprise Solutions, L.L.C.
Bowne Global Solutions, Inc.
Bowne of South Bend, Inc.
Bowne Information Services, Inc.
Bowne of Phoenix, Inc.
FundSmith L.L.C.

The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon termination of the Plan, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary after the payment of all liabilities and expenses at the time as prescribed by the plan terms, the IRC and the Employee Retirement Income Security Act of 1974 (ERISA). In the event of Plan termination, participants will become fully vested in their accounts.

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BOWNE & CO., INC.
EMPLOYEES STOCK PURCHASE PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

(2) Summary of Significant Accounting Policies

The following are the significant accounting policies followed by the Plan:

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Investment Valuation

The assets of the Plan are recorded at market value, measured by the closing price listed by the New York Stock Exchange. Purchases and sales of securities are recorded on a trade-date basis.

Dividends are recorded on the ex-dividend date and are reinvested for the benefit of the participants.

Expenses

Prior to 2002, the Company provided administrative services to the Plan without charge. Beginning in 2002, fees for recordkeeping services are paid through quarterly deductions from participant accounts. Other administrative services continue to be paid by the Company. In addition, the Company pays the Trustee s fees.

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Payment of Benefits

Benefits are recorded when paid.

(3) Tax Status

The Internal Revenue Service has determined and informed the Company by letter dated October 17, 2002 that the Plan and related trust are designed in accordance with applicable sections of the IRC. The Plan has been amended since receiving the determination letter. However, the plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable provisions of the IRC.

(4) Concentration of Risks and Uncertainties

The Plan invests in one investment security, Bowne & Co., Inc. common stock. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial condition.

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BOWNE & CO., INC.

EMPLOYEES STOCK PURCHASE PLAN

Schedule H, Line 4i
Schedule of Assets (Held at End of Year)
December 31, 2002

Description	Cost	Current value
* Bowne & Co., Inc. Common Stock 1,885,728 shares	$22,175,409	$22,534,449

* A party-in-interest as defined by ERISA.

See accompanying independent auditors report.

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BOWNE & CO., INC.

EMPLOYEES STOCK PURCHASE PLAN

Schedule H, Line 4j
Schedule of Reportable Transactions
Year Ended December 31, 2002

Identity	Description	Number of shares	Purchase price	Selling price	Cost	Gain
* Bowne & Co., Inc.	Common Stock	329,951	$4,080,313			
Bowne & Co., Inc.	Common Stock	354,844		$4,482,076	$4,046,305	$435,771

* A party-in-interest as defined by ERISA

See accompanying independent auditors report.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Trustees have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Bowne & Co., Inc.
Employees Stock Purchase Plan

By: /s/ PHILIP E. KUCERA

(Philip E. Kucera, Individual Trustee)

Dated: June 27, 2003