

BOWNE & CO INC
Form 11-K
June 28, 2001
Table of Contents

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Form 11-K

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

Annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934
(No Fee Required)
For the Fiscal Year Ended December 31, 2000

OR

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

TABLE OF CONTENTS

INDEPENDENT AUDITORS REPORT

BOWNE & CO., INC. EMPLOYEES STOCK PURCHASE PLAN STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

BOWNE & CO., INC. EMPLOYEES STOCK PURCHASE PLAN STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

BOWNE & CO., INC. EMPLOYEES STOCK PURCHASE PLAN NOTES TO FINANCIAL STATEMENTS

BOWNE & CO., INC. EMPLOYEES STOCK PURCHASE PLAN SCHEDULE H, LINE 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR)

BOWNE & CO., INC. EMPLOYEES STOCK PURCHASE PLAN SCHEDULE H, LINE 4j SCHEDULE OF REPORTABLE TRANSACTIONS

CONSENT OF INDEPENDENT AUDITORS

Table of Contents

BOWNE & CO., INC.

EMPLOYEES STOCK PURCHASE PLAN

TABLE OF CONTENTS

Items 1 and 2. Financial Statements

	Page
Independent Auditors Report	F-1
Statements of Net Assets Available for Benefits as of December 31, 2000 and December 31, 1999	F-2
Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2000	F-3
Notes to Financial Statements	F-4
Supplemental Schedules:	
Schedule H, Line 4i Schedule of Assets (Held at End of Year)	F-6
Schedule H, Line 4j Schedule of Reportable Transactions	F-7
Exhibit	
Consent of KPMG LLP, Independent Auditors	

Table of Contents

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, 2000 and 1999 and the related statement of changes in net assets available for benefits for the year ended December 31, 2000. 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 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 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, 2000 and 1999 and the changes in net assets available for benefits for the year ended December 31, 2000 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 schedules of assets held for investment purposes and reportable transactions 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.

June 27, 2001

F-1

Table of Contents

BOWNE & CO., INC.

EMPLOYEES STOCK PURCHASE PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	2000	1999
Assets:		
Cash	\$73,535	\$74,331
Contributions receivable from participating companies	385,040	456,794
Investment in Bowne & Co., Inc. Common Stock, at market value		
1,771,792 shares in 2000 and 1,454,535 shares in 1999 (cost \$20,750,493 in 2000 and \$17,849,074 in 1999)	18,714,554	19,636,228
Net assets available for benefits	\$19,173,129	\$20,167,353

See accompanying notes to financial statements

F-2

Table of Contents

BOWNE & CO., INC.
EMPLOYEES STOCK PURCHASE PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Year Ended December 31, 2000
Investment activity:	
Net depreciation in market value of investments	\$(4,159,538)
Dividend income from Bowne & Co., Inc.	351,769

(3,807,769)
Contributions by:
Employees
3,267,711
Participating companies
1,498,400
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Total contributions
4,766,111
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Net investment activity and
contributions
958,342
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Less:
Distributions to former
participants
1,951,770
Administrative expenses
796
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Total deductions
1,952,566
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Net decrease
(994,224)
Net assets available for
benefits:
Beginning of period
20,167,353
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End of period
\$19,173,129
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See accompanying notes to financial statements

F-3

Table of Contents

BOWNE & CO., INC.

EMPLOYEES STOCK PURCHASE PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2000 and 1999

(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.

Employees of Bowne & Co., Inc. (the Company) and its participating domestic subsidiaries are generally eligible to participate in the Plan by working on a full-time basis (over 25 hours per week on a regular basis) in a participating company office.

Operations of the Plan are funded through contributions received from participating employees of the Company and its subsidiaries which have adopted the Plan and through contributions by the participating companies equal to 50% of their employees' contributions. Participation in the Plan is voluntary. For the years ended December 31, 2000 and 1999, 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 or 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 returned to the contributing employer. For years ended December 31, 2000 and 1999, employer contributions were reduced by \$135,456 and \$77,169, respectively, as a result of the forfeiture of nonvested amounts.

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, 2000, 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.
Donnelley Enterprise Solutions Incorporated

Bowne Business Communications, Inc.
Bowne Business Solutions, L.L.C.
Bowne Digital Solutions, L.L.C.
Bowne Global Solutions, Inc.
Bowne of South Bend, Inc.
Bowne Information Services, Inc.
Bowne of Phoenix, Inc.
Bowne Publishing, L.L.C.
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

Table of Contents

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

NOTES TO FINANCIAL STATEMENTS (Continued)

prescribed by the plan terms, the IRC and the Employee Retirement Income Security Act of 1974 (ERISA). In the event of termination, participants will become fully vested in their accounts.

(2) Summary of Significant Accounting Policies

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

New Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities (SFAS No. 133). SFAS No. 133 requires that an entity recognize all derivatives and measure those instruments at fair value.

SFAS No. 133 is effective for fiscal years beginning after June 15, 2000. Pursuant to SFAS No. 137, the Plan is required to adopt SFAS No. 133 effective January 1, 2001. Management has determined that the impact of SFAS No. 133 on the Plan Financial statements would be insignificant.

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

The Plan pays its direct administrative expenses. The Company provides administrative services to the Plan without charge.

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, 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 August 8, 1996 that the Plan and related trust are designed in accordance with applicable sections of the IRC. The Plan has been amended since 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.

F-5

Table of Contents**BOWNE & CO., INC.****EMPLOYEES STOCK PURCHASE PLAN****SCHEDULE H, LINE 4i****SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2000**

Description	Cost	Current value
* Bowne & Co., Inc. Common Stock 1,771,792 shares	\$20,750,493	\$18,714,554

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

F-6

Table of Contents**BOWNE & CO., INC.****EMPLOYEES STOCK PURCHASE PLAN****SCHEDULE H, LINE 4j****SCHEDULE OF REPORTABLE TRANSACTIONS
YEAR ENDED DECEMBER 31, 2000**

Identity	Description	Number of shares	Purchase price	Selling price	Cost	Loss
* Bowne & Co., Inc	Common Stock	528,569	\$5,457,780			
Bowne & Co., Inc Common Stock 211,312	\$2,219,916	\$2,556,361	\$(336,445)			

