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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	October 31, 2004
Estimated average burden hours per response.....	12.00

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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER
8-49885

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/03 AND ENDING 12/31/03
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Dow Jones B.D. Services, Inc.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

200 Liberty Street

(No. and Street)

New York

NY

10281

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Jennifer Kim, Director of Accounting, Dow Jones & Company, Inc. (609) 520-5620

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

PricewaterhouseCoopers LLP

(Name - if individual, state last, first, middle name)

1301 Avenue of the Americas

New York

NY

10019

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

PROCESSED

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**THOMSON
FINANCIAL**

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

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SEC 1410 (06-02)

OATH OR AFFIRMATION

I, Richard A. Ciuba, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Dow Jones B.D. Services, Inc., as of February 26, 2004, 2004, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Lisa M. Kelly
Notary Public, State of New Jersey
No. 2298096
Qualified in Mercer County
Commission Expires March 19, 2008

Lisa M Kelly 2/26/04
Notary Public

Richard A. Ciuba
Signature

President, Chief Compliance Officer
Title

This report ** contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

To the Board of Directors and Stockholder of Dow Jones BD Services, Inc:

In planning and performing our audit of the financial statements and supplemental schedule of Dow Jones BD Services, Inc. (the "Company") for the year ended December 31, 2003, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal controls.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (the "SEC"), we have made a study of the practices and procedures followed by the Company, including tests of compliance with such practices and procedures, that we considered relevant to the objectives stated in Rule 17a-5(g), in the following:

1. Making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11); and
2. Determining compliance with the exemptive provisions of Rule 15c3-3.

Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making the quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by Rule 17a-13;
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System; and
3. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by Rule 15c3-3;

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation

of financial statements in accordance with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, errors or fraud may occur and not be detected. Also, projection of any evaluation of internal control to future periods is subject to the risk that controls may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2003 to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Princeton Technical Group LLP

February 23, 2004

Dow Jones BD Services, Inc.
Financial Statements and Supplemental Schedule
December 31, 2003

Dow Jones BD Services, Inc.
Index
December 31, 2003

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Report of Independent Auditors

To the Board of Directors and Stockholder of
Dow Jones BD Services, Inc.

In our opinion, the accompanying statement of financial condition and the related statements of income, changes in stockholder's equity and cash flows present fairly, in all material respects, the financial position of Dow Jones BD Services, Inc. at December 31, 2003, and the results of its operations and its cash flows for the year ended December 31, 2003 in conformity with accounting principles generally accepted in the United States of America. 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 of these statements in accordance with auditing standards generally accepted in the United States of America which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the Schedule on page 8 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities and Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PricewaterhouseCoopers LLP

February 23, 2004

Dow Jones BD Services, Inc.
Statement of Financial Condition
December 31, 2003

Assets	
Cash	\$ 30,000
Total assets	<u>\$ 30,000</u>
Liabilities	<u>\$ -</u>
Stockholder's equity	
Common stock, par value \$1 per share: authorized 1,000 shares, issued 100 shares	\$ 100
Additional paid-in capital	16,999
Retained earnings	<u>1,512,430</u>
	1,529,529
Less, due from parent	<u>1,499,529</u>
Total stockholder's equity	<u>30,000</u>
Total liabilities and stockholder's equity	<u>\$ 30,000</u>

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

Dow Jones BD Services, Inc.
Statement of Income
Year Ended December 31, 2003

Revenues	
Fees	\$ 1,238,695
Total revenues	<u>1,238,695</u>
Expenses	
General and administrative	28,000
Royalties	29,040
Total expenses	<u>57,040</u>
Income before provision for income taxes	1,181,655
Provision for income taxes	<u>436,622</u>
Net income	<u>\$ 745,033</u>

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

Dow Jones BD Services, Inc.
Statement of Changes in Stockholder's Equity
Year Ended December 31, 2003

	Common Stock	Additional Paid-In Capital	Retained Earnings	Due From Parent	Total Stockholder's Equity
Balance, December 31, 2002	\$ 100	\$ 16,999	\$ 767,397	\$ (754,496)	\$ 30,000
Net income	-	-	745,033	-	745,033
Additional due from parent	-	-	-	(745,033)	(745,033)
Balance, December 31, 2003	<u>\$ 100</u>	<u>\$ 16,999</u>	<u>\$ 1,512,430</u>	<u>\$ (1,499,529)</u>	<u>\$ 30,000</u>

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

Dow Jones BD Services, Inc.
Statement of Cash Flows
Year Ended December 31, 2003

Change in cash	\$ -
Cash at beginning of year	<u>30,000</u>
Cash at end of year	<u>\$ 30,000</u>

The net income and operating activities of Dow Jones BD Services, Inc. are noncash as all cash is collected, disbursed and retained by Dow Jones & Company, Inc. (Note 5).

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

Dow Jones BD Services, Inc.
Notes to Financial Statements
December 31, 2003

1. Organization

Dow Jones BD Services, Inc. (the "Company") is a wholly owned subsidiary of Dow Jones & Company, Inc. (the "Parent"), a Delaware corporation.

On December 19, 1997, the Company was registered as a broker/dealer in securities under the Securities and Exchange Act of 1934. The company is also an associate member of the National Association of Securities Dealers.

2. Summary of Significant Accounting Policies

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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenues, which are recognized on an accrual basis, represent royalty fees earned under license agreements between the Parent and third parties that are attributed to and recorded by the Company due to their transaction-based nature under regulatory requirements (Note 5). These include fees based on the number of contracts traded on an exchange and fees based on the notional value of structured products issued by the Company's licensees.

Royalties represent expenses under a contract with the American Stock Exchange and are recognized on an accrual basis (Note 4).

The Company's cash is on deposit with one financial institution.

3. Regulatory Requirements

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule 15c3-1 which requires that net capital, as defined, shall be at least the greater of \$5,000 or 6-2/3% of aggregate indebtedness, as defined. At December 31, 2003, the Company had net capital of \$30,000 as calculated under the aforementioned rules, which exceeded minimum capital requirements of \$5,000 by \$25,000.

The Company is exempt from Rule 15c3-3 because it does not hold customer funds or securities.

Dow Jones BD Services, Inc.
Notes to Financial Statements
December 31, 2003

4. Royalties

The Parent had an exclusive contract with the American Stock Exchange ("AMEX") to list Diamonds, a fund that replicates the performance of the Dow Jones Industrial Average, on AMEX. In mid-2000, AMEX gave up this exclusive right in exchange for a 50% royalty of all cross-listed revenues the Parent earns by listing Diamonds on other exchanges. Diamonds is now listed on the following exchanges:

Boston Stock Exchange
Chicago Stock Exchange
Cincinnati Stock Exchange
NASDAQ
New York Stock Exchange ("NYSE")
Philadelphia Stock Exchange

There are annual minimum amounts that these exchanges pay to the Parent for the right to list Diamonds. These amounts are not considered transaction-based, and therefore are not recorded by the Company, but are instead recorded by the Parent. Any revenues above these minimum amounts are transaction-based, and are recorded as the Company's revenues. The Company records a royalty expense that equals 50% of these revenues, which is paid to AMEX. Only NASDAQ and NYSE have generated revenues over the minimum amounts in 2003.

5. Related Party Transactions

All billings and collections and cash disbursements are performed by the Parent, and the Parent retains the related net cash. Due from Parent consists of royalty fees billed and accrued by the Parent less royalties and income tax expense attributed to the Company, as well as allocations of general and administrative expenses for professional fees and accounting support provided to the Company by the Parent.

6. Income Taxes

The Company is included in the Parent's Federal, New York State and New York City consolidated income tax returns. The provision for income taxes, which represents an allocation by the parent based on the results of the Company, was as follows:

Current

Federal	\$ 401,172
State	35,450
	<hr/>
	\$ 436,622

The principal reason for the difference between the Company's effective tax rate and the statutory Federal income tax rate is state income taxes.

Dow Jones BD Services, Inc.
Computation of Net Capital Pursuant to Rule 15c3-1 of the
Securities and Exchange Act
December 31, 2003

Computation of net capital

Total ownership equity (from Statement of Financial Condition)	<u>\$ 30,000</u>
Total ownership equity allowable for net capital	<u>30,000</u>
Total capital and allowable subloans	30,000
Other deductions and/or charges	<u>-</u>
Net capital before haircuts	30,000
Haircuts	<u>-</u>
Net capital	<u>\$ 30,000</u>

Computation of basic net capital requirement

Minimum net capital required (6 2/3% of aggregate indebtedness or \$5,000, whichever is greater)	<u>\$ 5,000</u>
Excess net capital	<u>\$ 25,000</u>

Statement pursuant to Paragraph (d)(4) of Rule 17a-5

There are no differences between this computation of net capital and the corresponding computation prepared by the Company and included in the Company's unaudited Part IIA FOCUS report filing as of the same date.