

MCCORMICK & CO INC
Form 10-K/A
May 29, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K/A

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended November 30, 2002

Commission file number 001-14920

McCORMICK & COMPANY, INCORPORATED

Maryland
(State of incorporation)

52-0408290
(IRS Employer Identification No.)

18 Loveton Circle
Sparks, Maryland
(Address of principal executive offices)

21152
(Zip Code)

Registrant's telephone number, including area code (410) 771-7301

Securities registered pursuant to Section 12(b) of the Act: Not applicable

Securities registered pursuant to Section 12(g) of the Act:

Title of Each Class

Name of each exchange on which registered

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Common Stock, No Par Value
Common Stock Non-Voting, No Par Value

New York Stock Exchange
New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes ☒ No ☐

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter.

The aggregate market value of the voting common equity held by non-affiliates at May 31, 2002 \$274,206,753

The aggregate market value of the non-voting common equity held by non-affiliates at May 31, 2002 \$3,237,887,735

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

| Class | NUMBER OF SHARES OUTSTANDING | Date |
|-------------------------|------------------------------|-------------------|
| Common Stock | 15,662,596 | December 31, 2002 |
| Common Stock Non-Voting | 124,429,677 | December 31, 2002 |

DOCUMENTS INCORPORATED BY REFERENCE

| Document | Part of 10-K into which incorporated |
|---|--------------------------------------|
| Registrant's 2002 Annual Report to Stockholders. | Part I, Part II, Part IV |
| Registrant's Proxy Statement dated February 18, 2003. | Part III |

Explanatory Note

McCormick & Company, Inc. is filing this amendment to Item 15 of its Annual Report on Form 10-K for the fiscal year ended November 30, 2002, to include the financial statements required by form 11-K with respect to the McCormick 401(K) Retirement Plan (formerly known as the McCormick Profit Sharing Plan) for the years ended November 30, 2002 and 2001. This amendment does not affect the Company's historical results of operations, financial condition or cash flows for any periods presented.

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 11-K

**Annual Report Pursuant to Section 15(d) of the
Securities Exchange Act of 1934 (Fee Required)**

Commission File Number 001-14920

For the fiscal year ended November 30, 2002

THE McCORMICK 401(K) RETIREMENT PLAN

(Formerly known as The McCormick Profit Sharing Plan)

McCORMICK & COMPANY, INCORPORATED

18 Loveton Circle

Sparks, Maryland 21152

Items 1 through 3: Not required; see Item 4, below.

Item 4. Financial Statements and Exhibits.

| | | | |
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| a) | i) | Report of Independent Auditors | 1 |
| | ii) | Statements of Financial Condition | 2 |
| | iii) | Statements of Changes in Plan Equity | 3 |
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| b) | Exhibits: | Independent Auditors' Consent Letter as to Incorporation of their Report on the Plan's Financial Statements. | |

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the Plan) have duly caused this annual report to be signed by the undersigned thereunto duly authorized.

THE McCORMICK 401(K) RETIREMENT PLAN

DATE: 5/28/03

By: /s/ Karen D. Weatherholtz

SIGNATURES

Karen D. Weatherholtz
Senior Vice President - Human Relations
and Plan Administrator

THE MCCORMICK 401(K) RETIREMENT PLAN
(FORMERLY KNOWN AS THE MCCORMICK PROFIT SHARING PLAN)

Financial Statements and Supplemental Schedule

Years ended November 30, 2002 and 2001 with Report of Independent Auditors

**The McCormick 401(k) Retirement Plan
(Formerly Known as The McCormick Profit Sharing Plan)**

Financial Statements and Supplemental Schedule

Years ended November 30, 2002 and 2001

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Report of Independent Auditors

Investment Committee
McCormick & Company, Incorporated

We have audited the accompanying statements of net assets available for benefits of the McCormick 401(k) Retirement Plan (formerly known as The McCormick Profit Sharing Plan) as of November 30, 2002 and 2001, and the related statements of changes in net assets available for benefits for each of the three years in the period ended November 30, 2002. These financial statements are the responsibility of the Plan's management. 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. 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 referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at November 30, 2002 and 2001, and the changes in its net assets available for benefits for each of the three years in the period ended November 30, 2002, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets held for investment purposes as of November 30, 2002 is presented for purposes of additional analysis, and is not a required part of the financial statements but is 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. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

May 16, 2003

The McCormick 401(k) Retirement Plan
(Formerly Known as The McCormick Profit Sharing Plan)

Statements of Net Assets Available for Benefits

| | November 30 | |
|--|----------------|----------------|
| | 2002 | 2001 |
| Assets | | |
| Investments: | | |
| Securities-at fair value: | | |
| McCormick & Company, Incorporated-common stock | \$ 107,135,189 | \$ 101,224,536 |
| Unaffiliated issuers Mutual funds | 155,454,727 | 164,451,594 |
| Participant loans | 4,943,888 | 5,014,557 |
| Total investments | 267,533,804 | 270,690,687 |
| Receivables: | | |
| Employer contributions | 217,644 | |
| Employee contributions | 546,391 | |
| Accrued interest and dividends | 2,294 | 60,310 |
| Due from funds for securities sold, net | 15,841 | |
| Total receivables | 782,170 | 60,310 |
| Cash | | 435 |
| | 268,315,974 | 270,751,432 |
| Liabilities | | |
| Cash overdrafts | 209,366 | |
| Due to funds for securities purchased | | 335,440 |
| Net assets available for benefits | \$ 268,106,608 | \$ 270,415,992 |

See accompanying notes.

The McCormick 401(k) Retirement Plan
(Formerly Known as The McCormick Profit Sharing Plan)

Statements of Changes in Net Assets Available for Benefits

| | Year ended November 30 | | |
|--|------------------------|----------------|----------------|
| | 2002 | 2001 | 2000 |
| Additions | | | |
| Employer contributions: | | | |
| Employer match | \$ 7,168,838 | \$ 6,386,570 | \$ 2,158,982 |
| Profit sharing | | | 3,641,241 |
| Employee contributions | 15,705,242 | 14,472,505 | 12,744,063 |
| Earnings from investments: | | | |
| Dividends: | | | |
| McCormick & Company, Incorporated | 1,902,617 | 1,870,857 | 1,878,488 |
| Mutual funds | 1,613,852 | 1,428,038 | 11,682,609 |
| Interest income | | 729,276 | 1,205,816 |
| Other, net | 59,906 | 211,349 | 261,039 |
| | 26,450,455 | 25,098,595 | 33,572,238 |
| Deductions | | | |
| Participant withdrawals | 17,820,767 | 12,670,549 | 21,142,972 |
| Administrative expenses | 69,567 | 322,071 | 329,286 |
| | 17,890,334 | 12,992,620 | 21,472,258 |
| Net realized (loss)/gain on investments | (3,885,530) | (760,925) | 10,553,580 |
| Net unrealized depreciation of investments | (6,983,975) | (3,513,457) | (18,751,846) |
| Net (decrease)/increase | (2,309,384) | 7,831,593 | 3,901,714 |
| Net assets available for benefits at beginning of year | 270,415,992 | 262,584,399 | 258,682,685 |
| Net assets available for benefits at end of year | \$ 268,106,608 | \$ 270,415,992 | \$ 262,584,399 |

See accompanying notes.

**The McCormick 401(k) Retirement Plan
(Formerly known as The McCormick Profit Sharing Plan)**

Notes to Financial Statements

November 30, 2002

1. Description of the Plan

The McCormick 401(k) Retirement Plan (the Plan) is a defined contribution plan sponsored by McCormick & Company, Incorporated (the Company), which incorporates a 401(k) savings and investment option. The Plan was amended and restated effective December 1, 2000 and renamed The McCormick 401(k) Retirement Plan from The McCormick Profit Sharing Plan.

Effective March 22, 2002, the Plan was amended to provide that the McCormick Stock Fund investment option is designated as an employee stock ownership plan (ESOP). This designation allows participants investing in McCormick stock to elect to receive, in cash, dividends that are paid on McCormick stock held in their 401(k) Retirement Plan accounts. Dividends may also continue to be reinvested.

The following description of the Plan provides only general information. Further information about the Plan agreement, eligible employees, the vesting provisions, and investment alternatives is contained in the Summary Plan Description. Copies of this document are available from the McCormick Corporate Human Relations Department.

Participating employees contribute to the Plan through payroll deductions in amounts ranging from 1% to 15% of their earnings.

Effective December 1, 2000, the Company and participating subsidiaries provide a matching contribution of 100% of the first 3% of an employee's contribution, and 50% on the next 2% of the employee's contribution. An employee is required to have one year of service with the Company to be eligible for the matching contribution.

Prior to December 1, 2000, the Company and participating subsidiaries made a matching contribution at a rate of \$.20 for each \$1.00 of the participant's elective contributions to the Plan regardless of the participant's investment election. The matching contribution was not made on elective contributions in excess of 10% of compensation.

Prior to December 1, 2000, the Plan contained a Profit-Sharing Feature whereby the Company and participating subsidiaries made additional contributions to the Plan for amounts authorized by the Board of Directors. Company profit-sharing contributions were allocated to each participant's account based upon the participant's compensation and length of service. Effective December 1, 2000, the Plan was amended to eliminate the Profit-Sharing Feature.

Participants are immediately vested in their contributions, the Company's contributions including matching contributions, and all related earnings. Company profit-sharing contributions cannot be withdrawn under the in-service early withdrawal provisions, other than hardship withdrawals, until three years after the contributions are approved by the Board of Directors.

Participants' elective contributions, as well as Company matching contributions and prior profit-sharing contributions, are invested in the Plan's investment funds as directed by the participant.

Participants are permitted to take loans against their contributions to the Plan, subject to a \$500 minimum. The maximum of any loan cannot exceed one-half of the participant's contributed account balance or \$50,000, less the highest outstanding unpaid loan balance during the prior 12 months, whichever is less. The Company's Investment Committee determines the interest rate for loans based on current market rates. Loan repayments, including interest, are made by participants through payroll deductions over loan terms of up to five years. Longer loan terms are available for loans taken to purchase, construct, reconstruct, or substantially rehabilitate a primary home for the participant or the participant's immediate family.

Upon termination of service, a participant with an account balance greater than \$5,000 may elect to leave their account balance invested in the Plan, elect to rollover their entire balance to an Individual Retirement Account (IRA) or another qualified plan, elect to receive a lump-sum payment equal to their entire balance, or elect annual installments to extend from two to eight years. Upon termination of service, a participant with an account balance less than \$5,000 must elect to rollover their entire balance to an IRA or another qualified plan or elect to receive a lump-sum payment equal to their entire balance.

The Company intends to continue the Plan indefinitely. The Company reserves the right to terminate the Plan, or to reduce or cease contributions at any time, if its Board of Directors determines that business, financial, or other good causes make it necessary to do so, or to amend the Plan at any time and in any respect, provided, however, that any such action will not deprive any participant or beneficiary under the Plan of any vested right.

2. Significant Accounting Policies

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

Valuation of Securities

Investments are stated at aggregate fair value. Securities traded on a national securities exchange or included on the NASDAQ National Market List are valued at the last reported sales price on the last business day of the plan year. Investments for which no sale was reported on that date are valued at the last reported bid price.

The change in the difference between fair value and the cost of investments is reflected in the statement of changes in net asset available for benefits as net unrealized appreciation or depreciation of investments.

The net realized gain or loss on disposal of investments is the difference between the proceeds received and the average cost of investments sold. Expenses relating to the purchase or sale of investments are added to the cost or deducted from the proceeds.

Administrative Expenses

Administrative services are provided by the Company which serves as the Plan Sponsor, without cost to the Plan; however, custodial trustee and investment advisors' fees and other direct expenses are paid by the Plan.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual amounts could differ from these estimates.

3. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service (the IRS) dated March 12, 1996, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Subsequent to this issuance of the determination letter, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan, as amended, is qualified and the related trust is tax-exempt.

4. Investments

The Plan's investments are held in bank-administered trust funds. The custodial trustee of the Plan is Wells Fargo Bank Minnesota N.A. During 2002, 2001 and 2000, the Plan's investments (including investments bought, sold, or held throughout the year) depreciated in fair value by \$10,869,505, \$4,274,382 and \$8,198,266, respectively, as follows:

| | Year ended November 30 | | |
|---|------------------------------|------------------------------|------------------------------|
| | 2002 | 2001 | 2000 |
| | Net Appreciation | Net Appreciation | Net Appreciation |
| | (Depreciation) in Fair Value | (Depreciation) in Fair Value | (Depreciation) in Fair Value |
| | During Year | During Year | During Year |
| McCormick & Company, Incorporated-common stock | \$ 10,624,712 | \$ 12,810,745 | \$ 11,758,929 |
| Mutual funds | (21,494,217) | (17,085,127) | (19,957,195) |
| Total | \$ (10,869,505) | \$ (4,274,382) | \$ (8,198,266) |

The Plan's interest and dividend income for the years ended November 30, 2002, 2001, and 2000 was \$3,516,469, \$4,028,171, and \$14,766,913, respectively.

The fair value of individual investments that represent 5% or more of the Plan's net assets are as follows:

| | | November 30 | | |
|--|----|-------------|----|-------------|
| | | 2002 | | 2001 |
| McCormick & Company, Incorporated-common stock | \$ | 107,135,189 | \$ | 101,224,536 |
| Mutual Funds: | | | | |
| Fidelity Magellan Fund | | 39,056,119 | | 53,329,010 |
| Fidelity Growth & Income Portfolio Fund | | 37,360,589 | | 47,491,878 |
| Wells Fargo Stable Return Fund | | 29,031,355 | | 21,280,909 |
| Fidelity US Bond Index Fund | | 19,589,872 | | |

5. Transactions with Parties-in-Interest

Fees paid during the year for legal, accounting and other services rendered by parties-in-interest were based on customary and reasonable rates for such services.

6. Subsequent Event

Effective January 1, 2003, participating employees can contribute to the Plan through payroll deductions in amounts ranging from 1% to 60% of their earnings, as defined, to an elective deferral limit of \$12,000 for a 401(k) plan. Participating employees 50 years of age and older are allowed to make annual additional contributions, up to a maximum of \$2,000 per calendar year.

Supplemental Schedule

The McCormick 401(k) Retirement Plan
(Formerly Known as The McCormick Profit Sharing Plan)

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

EIN 52-0408290, PN 004

November 30, 2002

| | Shares Held | Cost Value** | Market Value |
|--|-------------|--------------|--------------|
| McCormick & Company, Incorporated: | | | |
| Common stock* | 5,802,733 | \$ | 107,135,189 |
| Mutual Funds Investments: | | | |
| Fidelity Magellan Fund | 459,808 | | 39,056,119 |
| Fidelity Growth & Income Portfolio Fund | 1,189,449 | | 37,360,589 |
| Wells Fargo Stable Return Fund* | 865,345 | | 29,031,355 |
| Fidelity US Bond Index Fund | 1,755,365 | | 19,589,872 |
| Wells Fargo Growth Balanced Fund* | 253,252 | | 6,369,288 |
| American EuroPacific International Fund | 266,061 | | 6,340,225 |
| Vanguard S&P 500 Index Fund | 53,272 | | 4,618,140 |
| UAM ICM Small Company Value | 181,320 | | 4,455,045 |
| TCW Galileo Small Cap Growth Fund | 317,867 | | 3,595,076 |
| Wells Fargo Strategic Income Fund* | 80,397 | | 1,527,538 |
| Vanguard Windsor II Fund | 57,308 | | 1,248,745 |
| Wells Fargo Moderate Balanced Fund* | 51,026 | | 1,061,343 |
| Harbor Capital Appreciation Fund | 42,270 | | 937,550 |
| Wells Fargo Strategic Growth Allocation Fund* | 23,473 | | 263,842 |
| Participant loans (5.75% - 9.75% annual interest rates)* | | | |
| | | | 4,943,888 |
| | | \$ | 267,533,804 |

* Indicates parties-in-interest to the Plan

** Historical cost has been omitted, as all investments are participant directed

Consent of Independent Auditors

We consent to the incorporation by reference in the following Registration Statements of McCormick & Company, Incorporated and subsidiaries and in the related Prospectuses (if applicable) of our report dated May 16, 2003, with respect to the financial statements and supplemental schedule of the McCormick 401(k) Retirement Plan (formerly known as the McCormick Profit Sharing Plan) for the year ended November 30, 2002 included under Item 4 Financial Statements and Exhibits on this Form 11-K.

| Form | Registration | |
|-------|--------------|-------------|
| | Number | Date Filed |
| S-8 | 333-104084 | 03/28/2003 |
| S-8 | 333-57590 | 03/26/2001 |
| S-3/A | 333-46490 | 01/23/2001 |
| S-8 | 333-93231 | 12/21/1999 |
| S-8 | 333-74963 | 03/24/1999 |
| S-3 | 333-47611 | 03/09/1998 |
| S-8 | 33-23727 | 03/21/1997 |
| S-3 | 33-66614 | 07/27/1993 |
| S-3 | 33-40920 | *05/29/1991 |
| S-8 | 33-33724 | 03/02/1990 |
| S-3 | 33-32712 | 12/21/1989 |
| S-3 | 33-24660 | 03/16/1989 |
| S-8 | 33-24658 | 09/15/1988 |
| S-3 | 33-24659 | 09/15/1988 |

* Includes amendment filed 6/18/91

/s/ Ernst & Young LLP

May 28, 2003

Baltimore, Maryland

November 30, 2002

