

PROCTER & GAMBLE Co
Form 11-K
September 21, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
[NO FEE REQUIRED] FOR THE FISCAL YEAR ENDED JUNE 30, 2018, 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 001-00434

A. Full title of the plan and the address of the plan, if different from that of the issuer named below: Procter & Gamble Ireland Employees Share Ownership Plan (1998), c/o Irish Pensions Trust Limited, 25/28 Adelaide Road, Dublin 2, Ireland.

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office: The Procter & Gamble Company, One Procter & Gamble Plaza, Cincinnati, Ohio 45202

REQUIRED INFORMATION

- Item 1. Audited statements of financial condition as of the end of the latest two fiscal years of the plan (or such lesser period as the plan has been in existence).
- Item 2. Audited statements of income and changes in plan equity for each of the latest three fiscal years of the plan (or such lesser period as the plan has been in existence).

PROCTER & GAMBLE
IRELAND
EMPLOYEES SHARE
OWNERSHIP PLAN
(1998)

Statements of Net Assets Available for Plan
Benefits as of June 30, 2018 and 2017, Statements
of Changes in Net Assets Available for Plan
Benefits for the Years Ended June 30, 2018, 2017
and 2016, and Report of Independent Registered
Public Accounting Firm

PROCTER & GAMBLE IRELAND
EMPLOYEES SHARE OWNERSHIP PLAN (1998)

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Plan Participants and Plan Administrator of the Procter & Gamble Ireland Employees Share Ownership Plan (1998):

Opinion on the financial statements

We have audited the accompanying Statements of Net Assets Available for Plan Benefits of the Procter & Gamble Ireland Employees Share Ownership Plan (1998) ("Plan") as of June 30, 2018 and 2017, the related Statements of Changes in Net Assets Available for Plan Benefits for each of the three years ended June 30, 2018, and the related notes (collectively referred to as the "financial statements"). In our opinion, such financial statements present fairly, in all material respects, the net assets available for plan benefits of the Plan as of June 30, 2018 and 2017 and the changes in net assets available for plan benefits for the years ended June 30, 2018, 2017 and 2016, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Plan in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the auditor of the Plan since 2002.

/s/ Deloitte LLP

Deloitte LLP

London, United Kingdom

September 21, 2018

PROCTER & GAMBLE IRELAND
EMPLOYEES SHARE OWNERSHIP PLAN (1998)

STATEMENT OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
JUNE, 30 2018 AND 2017

	2018	2017
	€	€
ASSETS:		
Investment in The Procter & Gamble Company common stock, at fair value (35,455 shares at 30 June 2018, 41,867 shares at 30 June 2017)	2,365,206	3,192,985
Cash at bank and in hand	119,948	71,482
Due from participating Procter & Gamble companies (Note 8)	64,757	59,423
Total assets	2,549,911	3,323,890
LIABILITIES:		
Distributions payable (Note 5)	(29,872)	(39,232)
Total liabilities	(29,872)	(39,232)
NET ASSETS AVAILABLE FOR PLAN BENEFITS	2,520,039	3,284,658

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

PROCTER & GAMBLE IRELAND
EMPLOYEES SHARE OWNERSHIP PLAN (1998)

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
FOR THE YEARS ENDED JUNE, 30 2018, 2017 AND 2016

	2018	2017	2016
	€	€	€
ADDITIONS / (LOSSES):			
Contributions:			
Employer contributions (Note 8)	365,846	384,268	566,551
Employee contributions	365,846	384,268	566,551
Total Contributions	731,692	768,536	1,133,102
Investment (Expense) / Income:			
Realised (loss)/gain on investments sold (Note 4)	(21,642)	29,854	39,073
Net (depreciation) / appreciation in fair value of investment (Note 4)	(374,663)	(95,110)	317,259
Dividend Income	95,805	125,056	130,666
Total Investment (Expense) / Income	(300,500)	59,800	486,998
Income from participating Procter & Gamble companies (Note 7)	2,419	2,145	2,028
Total Additions	433,611	830,481	1,622,128
DEDUCTIONS:			
Distributions and withdrawals to participants	(1,195,811)	(1,840,398)	(1,132,896)
Administrative expenses	(2,419)	(2,145)	(2,028)
Total Deductions	(1,198,230)	(1,842,543)	(1,134,924)
NET (DECREASE) / INCREASE IN NET ASSETS	(764,619)	(1,012,062)	487,204
NET ASSETS AVAILABLE FOR PLAN BENEFITS:			
Beginning of year	3,284,658	4,296,720	3,809,516
End of year	2,520,039	3,284,658	4,296,720

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

PROCTER & GAMBLE IRELAND
EMPLOYEES SHARE OWNERSHIP PLAN (1998)

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018, 2017 AND 2016

1. DESCRIPTION OF THE PLAN

The Procter & Gamble Ireland Employees Share Ownership Plan (1998) (the "Plan") is a stock ownership plan sponsored by The Procter & Gamble Company ("Company"). The following brief description is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

General - The Plan is a share purchase plan established by Procter & Gamble to provide a means for eligible Irish employees to tax efficiently purchase shares of the Company. The Plan is administered by Mercer Limited who were appointed by the Trustees of the Plan and who hold the Plan assets on behalf of the Trustees of the Plan.

Eligibility - Employees eligible to participate in the Plan included all regular employees of participating subsidiaries of the Company (Note 7) with the exception of employees considered to be an executive, officer, director, or a 10% stockholder of the Company and employees eligible for another savings plan sponsored by the Company and maintained in the United States, Canada, or Puerto Rico. Eligible employees can enrol in the Plan on the first day of each month and on the initial participation date for each participating subsidiary.

Contributions - Employees can contribute up to 2.5% of their base salary. The participating Procter & Gamble companies (Note 7) match all contributions made by employees in full.

Distributions and Withdrawals - Participants may withdraw shares from the Plan at any time subject to the Plan rules.

Participant Accounts - Individual accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contribution, the participating Procter & Gamble companies' (Note 7) matching contribution and allocations of Plan earnings, and charged with withdrawals and an allocation of Plan losses.

Allocations are based on participant earnings or account balances as defined. The benefit to which a participant is entitled is limited to the shares that can be provided from the participant's account.

Vesting - Participants are immediately vested in their contributions, the participating Procter & Gamble companies matching contributions and earnings.

Investments - Participants are only permitted to invest in the Company common stock. Any dividends on shares of Company common stock are separately payable to participants in accordance with the Plan agreement.

PROCTER & GAMBLE IRELAND
EMPLOYEES SHARE OWNERSHIP PLAN (1998)

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates - The preparation of financial statements in conformity with GAAP 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.

Risks and Uncertainties - The Plan invests in Company common stock which represents a concentration in investments. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the value of the participants' account balances and the amounts reported in the financial statements.

Investment Valuation and Income Recognition - The Plan's investment in Company common stock is stated at fair value, which is based on quoted market prices and is translated into Euros at the rate of exchange at the period end date. Purchases and sales of securities are recorded on a trade date basis. Dividends are recorded on the ex-dividend date, net of any U.S. withholding taxes. Realized gains and losses are based upon the average cost method.

Net Appreciation / (Depreciation) in Fair Value of Investments - Realized and unrealized appreciation / (depreciation) in fair value of investments is based on the difference between the fair value of the assets at the beginning of the year, or at the time of purchase for assets purchased during the year, and the related fair value on the day investments are sold with respect to realized appreciation / (depreciation), or on the last day of the year for unrealized appreciation / (depreciation).

Cash at Bank and In Hand - Amounts shown as cash at bank and in hand are uninvested funds held that are to be invested in Company common stock in the following month.

Expenses of the Plan - Investment management expenses and all other fees and expenses are reimbursed by the participating Procter & Gamble companies (Note 7).

PROCTER & GAMBLE IRELAND
EMPLOYEES SHARE OWNERSHIP PLAN (1998)

3. FAIR VALUE MEASUREMENT

ASC 820, Fair Value Measures and Disclosures, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 Inputs to the valuation methodology include

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

All investments are measured at quoted prices in the active market and are classified as Level 1 assets as of June 30, 2018 and 2017.

4. INVESTMENTS

The Plan's investment in Company common stock experienced net (depreciation) / appreciation in value as follows for the years ended June 30, 2018, 2017, and 2016:

	2018	2017	2016
	€	€	€
The Procter & Gamble Company common stock:			
Net (depreciation)/appreciation	(374,663)	(95,110)	317,259

The realized (loss)/gain on sales of Company common stock for the years ended June 30, 2018, 2017 and 2016 was determined using an average cost method as follows:

	2018	2017	2016
	€	€	€
Proceeds on sales of shares	891,996	1,309,609	498,363
Cost	(913,638)	(1,279,755)	(459,290)
Realised (loss)/gain on sales of shares	(21,642)	29,854	39,073

5. DISTRIBUTIONS PAYABLE

Distributions payable represent dividends and proceeds from disposals owed to participants and were €29,872 and €39,232 at June 30, 2018 and 2017, respectively. Dividends received by the Plan are separately payable to participants

in accordance with the Plan agreement.

PROCTER & GAMBLE IRELAND
EMPLOYEES SHARE OWNERSHIP PLAN (1998)

6. FEDERAL INCOME TAX STATUS

The Plan is not qualified under Section 401(a) of the Internal Revenue Code and is exempt from the provisions of Title I of ERISA pursuant to Section 4(b) (4) thereof. The Company believes that the fiduciary should be viewed as a directed custodian and that, for U.S. tax purposes, the participating employees should be treated as the owners of the shares of the Company's common stock held for their account under the Plan.

GAAP requires plan administrators to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or the Department of Labor. The Plan administrators have analyzed the tax positions taken by the Plan, and have concluded that as of June 30, 2018 and 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan administrators believe it is no longer subject to income tax examinations for years prior to 2013.

The Irish Tax Authority has determined and informed the Company that it is an approved Employee Share Scheme under Irish tax legislation. Therefore, the Plan Administrator believes that the Plan was qualified and tax-exempt as of June 30, 2018 and 2017 and no provision for income taxes has been reflected in the accompanying financial statements.

7. PARTICIPATING PROCTER & GAMBLE COMPANIES

The participating Procter & Gamble Companies are as follows:

- Procter & Gamble (Manufacturing) Ireland Ltd;
- Procter & Gamble (HABC) Ltd; and
- Procter & Gamble (L&CP) Ltd;

8. RELATED PARTY TRANSACTIONS

At June 30, 2018 and 2017, the Plan held 35,455 and 41,867 shares, respectively, of common stock of the Company, the sponsoring employer, with a cost basis of €2,652,296 and €3,027,199 respectively. Contributions from participating Procter & Gamble Companies of €365,846, €384,268 and €566,551 were recorded for the years ended June 30, 2018, 2017 and 2016 respectively.

Amounts due from participating Procter & Gamble Companies of €64,757 and €59,423 were recorded at June 30, 2018 and 2017 respectively. During the years ended June 30, 2018, 2017 and 2016, the Plan recorded dividend income from The Procter & Gamble Company common stock of €95,805, €125,056 and €130,666 respectively.

9. PLAN TERMINATION

Although they have not expressed any intent to do so, the participating Procter & Gamble Companies have the right under the Plan to discontinue their contributions at any time and to terminate the Plan subject to the provisions set forth in the Plan agreement.

PROCTER & GAMBLE IRELAND
EMPLOYEES SHARE OWNERSHIP PLAN (1998)

10. SUBSEQUENT EVENTS

The Company has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through September 21, 2018, the date the financial were available to be issued. No other events have occurred that require adjustment to or disclosure in the financial statement of the Plan.

THE PLAN. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employees benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Dublin, Ireland, on the 21st day of September 2018.

PROCTER & GAMBLE IRELAND
EMPLOYEE SHARE OWNERSHIP PLAN (1998)

/s/ Pat Foley

Pat Foley, Director
Irish Pensions Trust Limited,
Corporate Trustee

/s/ Joyce Brennan

Joyce Brennan, Director
Irish Pensions Trust Limited,
Corporate Trustee

EXHIBIT INDEX

Exhibit No.

23 Consent of Deloitte LLP