

ArmstrongWatson®

Accountants, Business & Financial Advisers

GENDER PAY GAP REPORT 2023/24



STATEMENT

Armstrong Watson is a leading independent accountants, business and financial advisory firm in the UK. With ambitious plans for future growth and an ever growing workforce of over 570 colleagues, our people and our culture really are at the heart of what we do and achieve as a business.

We pride ourselves on being people centric with a culture where opportunity is created, success is shared and passion is rewarded. We recognise the unique impact our employees have on not only our clients, but on our teams and the communities in which we operate in.

As a firm we are pleased to be ranked as a 'Top 100 Apprenticeship Employer'. We continually invest in our social responsibility through our training and development opportunities and are eager to support the shaping of future talent, particularly for those who have completed Secondary or University level of education.

Our people are our focus. We are committed to being a diverse and inclusive employer and it is our duty to provide all of our people with the best working environment, training opportunities and career pathways. Our culture is embedded through our recruitment process and is a measure of all interactions we have as a firm. It encompasses our core values, drives our behaviours, and acts as our commitment to our people.

We are proud that our people acknowledge our efforts, as recognised through our Gold Investors In People accreditation.

In line with one of our key strategic imperatives, which allows for true meritocracy without discrimination, our ongoing commitment is to ensure the development of an inclusive culture amongst our workforce at Armstrong Watson.

A handwritten signature in black ink, appearing to read 'Paul Dickson'. The signature is stylized with a large, looping initial 'P' and a trailing flourish.

Paul Dickson
Chief Executive & Managing Partner
Armstrong Watson LLP

In accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, we are pleased to publish our annual gender pay gap report. We confirm that Armstrong Watson LLP gender pay gap calculations are accurate and meet the requirements of the Regulations.

OVERVIEW

It is important to note that the gender pay gap is not the same as equal pay. The gender pay gap measures the difference in average earnings between men and women within a workforce.

Whereas equal pay refers to the pay differences between men and women who perform the same jobs, similar jobs or work of equal value. Within our firm, men and women with the same performance and experience in equivalent roles are paid equally.

The purpose of the gender pay report is to help us understand the sizes and causes of the gender pay gap and identify any issues that need to be addressed. The individual calculations may help to specifically identify what those issues are.

CALCULATING THE GENDER PAY GAP

Our gender pay gap report outlines our median and mean gender pay and bonus gap based on hourly rates of pay from the snapshot date on 05 April 2023 (including bonuses paid between 06 April 2022 to 05 April 2023).

To calculate the gender pay gap, we need to compare the median hourly earnings of men and women, excluding overtime and bonuses. The median is the middle point of a distribution, where half of the workers earn more and half earn less.

The gender pay gap is then the difference (as a percentage) between the median hourly earnings of men and women as a proportion of the median hourly earnings of men.

The data included in this report does not include all partners within the business. Partners of the firm are not classified as employees. Our salaried partners are included in the data.



OUR HEADLINE FIGURES

The gender pay gap indicates the extent to which women earn on average less than men. The higher the percentage, the larger the gender pay gap.



10% MEAN GENDER PAY GAP
(DECREASED FROM 12.5% LAST YEAR)



11.6% MEDIAN GENDER PAY GAP
(DECREASED FROM 13.5% LAST YEAR)



14.4% OF MALE EMPLOYEES RECEIVING A BONUS
(INCREASED FROM 9% LAST YEAR)



8% OF FEMALE EMPLOYEES RECEIVING A BONUS
(INCREASED FROM 7% LAST YEAR)

The below table outlines the proportion of females and males in each quartile band.

QUARTILE	MALE	FEMALE
UPPER	55.3%	44.7%
UPPER MIDDLE	39.4%	60.6%
LOWER MIDDLE	34.6%	65.4%
LOWER	38.5%	61.5%



50.4% MEAN GENDER PAY BONUS GAP
(DECREASED FROM 61% LAST YEAR)



66.6% MEDIAN GENDER PAY BONUS GAP
(DECREASED FROM 74.5% LAST YEAR)

UNDERSTANDING OUR PAY GAP

We are pleased to see the reduction in our pay gap. However, we are aware the gender pay gap will persist until there is an equal spread of both genders within each quartile, so we are continually working on developments to close this gap.

We are confident that our gender pay gap does not stem from paying men and women differently for the same or equivalent work. Our values are driven by our commitment to meritocracy, so as a business we would not employ a male - where there is a more experienced female candidate, or vice versa, merely to support us to bring our gender pay figure down.

Over the years we have seen that the lower quartile is predominately driven by women. We have found through recruitment analysis that more women than men apply for these roles within the lower quartile. If more men were interested in roles within our lower quartiles, then this would decrease our gender pay gap significantly.



Although our mean gender pay bonus gap has notably decreased from the previous year, it is noted that 50.4% remains a high figure. To understand what is included in our bonus payments, we have listed the number of bonus payments and the bonus type below.



19 BONUS PAYMENTS MADE TO EMPLOYEES FOR INTRODUCING NEW CLIENTS TO OUR BUSINESS



16 BONUS PAYMENTS MADE TO EMPLOYEES FOR RECOMMENDING THEIR FRIENDS OR FAMILIES TO A VACANCY WITHIN ARMSTRONG WATSON



8 OTHER BONUS PAYMENTS MADE TO EMPLOYEES

Our bonus summary shows that the majority of bonus payments are due to our employees recommending Armstrong Watson as a great firm to do business with. And that our bonus figures cannot be manipulated to make it more advantageous for either males or females as we give all employees the opportunity to refer clients and new colleagues to the firm.


As a firm we are fully committed to developing and retaining talented women throughout their career. In the last year, we introduced an enhanced maternity scheme to further support expectant mothers and give them peace of mind. We also continue to raise awareness and create support on menopause across the firm.


Since the gender pay reporting period, the firm has appointed a female member to the board - Joanna Gray, Head of Audit & Assurance. We recruited a Director to join our leadership group as Compliance Director & Money Laundering Reporting Officer and promoted three female senior colleagues to a Director and Partner level retrospectively. They work with the rest of our senior leadership team to help shape the future of our firm.



COMPARISON OF FIGURES

FIGURES	2023	2022
MEAN GENDER PAY GAP	10%	12.5%
MEDIAN GENDER PAY GAP	11.6%	13.5%
MALE EMPLOYEES RECEIVE A BONUS	14.4%	9%
FEMALE EMPLOYEES RECEIVE A BONUS	8%	7%
MEAN GENDER PAY BONUS GAP	50.4%	61%
MEDIAN GENDER PAY BONUS GAP	66.6%	74.5%

	QUARTILE	2023	2022
 MALE	UPPER	55.3%	54%
	UPPER MIDDLE	39.4%	40%
	LOWER MIDDLE	34.6%	25%
	LOWER	38.5%	39.5%

	QUARTILE	2023	2022
 FEMALE	UPPER	44.7%	46%
	UPPER MIDDLE	60.6%	60%
	LOWER MIDDLE	65.4%	75%
	LOWER	61.5%	60.5%

SUPPORTING EQUAL ACCESS

We are committed to providing equal access to opportunities to our people. We have taken several actions so we can close our gender pay gap to ensure that our work environment is fair, flexible and inclusive to all, such as:



Implementing a transparent and fair pay review process, with regular audits and adjustments.



Providing mentoring, coaching, and training pathways for women to develop their skills and leadership potential.



Enhancing our recruitment and retention strategies to attract and retain more women, especially in underrepresented areas.



Supporting women with their work-life balance and career continuity, by offering enhanced maternity and annual leave policies, and training on their return to work.



Monitoring our workforce statistics regularly, to track our progress and identify areas for improvement.

We believe that having a diverse and inclusive workforce is not only the right thing to do, but also a strategic advantage for our organisation.



OUR COMMITMENTS

To reduce our pay gap further, we have committed to the following actions:

- ✓ We have a strategic succession plan for all our service lines.
- ✓ We have a continuous review process that fosters development conversations across the firm.
- ✓ We support new students and those who are new to the workforce.
- ✓ We cultivate a learning culture that helps our people acquire new knowledge and skills.
- ✓ We provide Equality, Diversity & Inclusion training.
- ✓ We have good line management practices that enable our people to grow and advance within the firm.
- ✓ We raise awareness about health and wellbeing topics, such as neurodiversity and menopause.



Paul Dickson
Chief Executive & Managing Partner
Armstrong Watson LLP

