

GENDER PAY GAP REPORT 2025/26

ArmstrongWatson[®]

Accountants, Business & Financial Advisers

www.armstrongwatson.co.uk



STATEMENT

At Armstrong Watson, we are committed to creating a workplace where everyone has equal access to development, progression and reward. Our people strategy continues to focus on strengthening career pathways, investing in learning and development, and building a diverse talent pipeline.

Over the past year, we have expanded our leadership programmes, enhanced our Colleague Development Pathways, and strengthened our early careers routes through our Student Pathways and Grammar Stream initiatives. These programmes ensure that colleagues at all stages have clear progression routes and equal access to opportunities that support long-term career growth.

Our continued recognition, including our Gold Investors in People accreditation and our position in The Sunday Times Best Places to Work 2025, reflects our commitment to providing a fair, supportive and inclusive culture. These achievements help us attract a broad range of talent and create an environment where all colleagues can thrive.

This year's gender pay gap results reflect the ongoing development of our workforce and the expansion of opportunities across all levels of the firm. We know that representation in senior roles continues to influence our figures, and we remain focused on initiatives that support progression, particularly through leadership development and structured career pathways.

Our commitment to fairness and transparency remains central to our long term ambition to be the best Accounting and Financial Advisory firm in the UK, delivering the best client experience. We will continue to review our recruitment processes, development programmes and progression routes to ensure that every colleague has the opportunity to grow, develop and succeed.



Paul Dickson
Chief Executive & Managing Partner
Armstrong Watson LLP

OVERVIEW

The gender pay gap measures the difference in average pay between all men and women across our firm. It is not the same as equal pay, which refers to men and women being paid the same for the same or equivalent work.

We are required to report our gender pay gap annually, based on six specific metrics:

1. Mean gender pay gap (hourly pay)
2. Median gender pay gap (hourly pay)
3. Mean bonus gender pay gap
4. Median bonus gender pay gap
5. Proportion of colleagues receiving a bonus
6. Gender distribution across pay quartiles

This report is based on our snapshot date of **5 April 2025** and includes all colleagues classed as "relevant employees" under the Equality Act 2010. Partners remunerated through profit distribution are excluded.

OUR HEADLINE FIGURES

HOURLY PAY

0.9% MEAN GENDER PAY GAP

The difference between the average hourly earnings of men and women

9.5% MEDIAN GENDER PAY GAP

The difference between the median hourly earnings of men and women

Achieving a mean gender pay gap of just **0.9%** demonstrates strong pay equity across the firm and reflects the success of our continued investment in career development and progression opportunities.

BONUS PAY

Percentage Receiving a Bonus:

7% MEN (16 out of 229)

5% WOMEN (16 out of 319)

48.4% MEAN BONUS GAP

The difference between the average bonus payments received by men and women

31.8% MEDIAN BONUS GAP

The difference between the median bonus payments received by men and women

BONUS SUMMARY

Across the year, we awarded 35 bonuses for:

- Client introductions (24)
- Employee referrals (9)
- Additional discretionary contributions (2)

PAY QUANTILES

QUANTILE	MALE	FEMALE
UPPER	47%	53%
UPPER MIDDLE	34.6%	65.4%
LOWER MIDDLE	28.8%	71.2%
LOWER	59.4%	40.6%

This distribution shows that women continue to be well represented across the firm, including in professional, managerial and emerging leadership roles, reflecting both the depth of our female talent pipeline and the opportunities available for progression.

UNDERSTANDING OUR GAP & WHAT'S INFLUENCING IT

Our gender pay gap continues to be shaped by several key structural factors within our workforce:

- Representation of men and women at different levels of seniority
- Evolving patterns in early careers and qualified roles, particularly as our student and trainee pipelines grow
- Increasing internal mobility and changing pathways across service lines
- Strong uptake of training and development initiatives by women
- Shifts in the types of roles held across the business

Importantly, our analysis shows no evidence of unequal pay for equal or equivalent work. The gap reflects the distribution of colleagues across roles, career stages, and levels of seniority, alongside increased female participation in early careers and structured development pathways.

OUR COMMITMENTS & PROGRESS

Leadership & Culture

- Launched the Horizon Leadership Programme to develop future leaders
- Increased transparency through monthly CEO updates and a firm-wide Strategy Day
- Recognised as one of The Sunday Times Best Places to Work 2025
- Strengthened organisational insight through data collected using a sensemaking survey tool and our Cultural survey

These initiatives reinforce the cultural foundations that enable equitable progression for all colleagues.

Talent, Learning & Development

- Expanded AWSUM+ Pathways to provide clearer progression routes at every level
- Strengthened Student Pathways and induction programmes
- Introduced a Technical Training Director to enhance the development of our students
- Updated the Competency Framework to support transparent and consistent progression
- Continued investment in management and leadership capability-building through programmes such as PDW and Future Proof Training

Our sustained focus on structured development pathways positions us well to maintain long term gender balance across the firm.

Equity, Diversity & Inclusion

- Transparent pay and reward review processes
- Actions in place to reduce and mitigate unconscious bias
- Improved Employee Voice and survey tools informing continuous improvement
- Active Champion Groups promoting collaboration and inclusion
- Continued investment in early careers and community partnerships, including the Grammar Stream

These efforts support fairness and consistency in decision-making, recruitment, and development.

Digital & Operational Transformation

- Launched the AI Policy Finder for easier access to policies
- Delivering targeted AI pilots across service lines to streamline work and support capacity
- Strengthened digital collaboration through Microsoft Teams
- Progressed the development of our Client Portal, improving operational efficiency

While operational in focus, these improvements also enhance clarity of processes, balance workloads, and create a more accessible working environment.

Smart, Flexible Working & Wellbeing

- Smart Working policies supporting colleagues to balance work and home commitments
- Regular wellbeing and engagement insights feeding into ongoing improvements
- Clear processes for absence, performance, and recognition
- Continued focus on succession planning to strengthen long term capability and representation

Flexible working and wellbeing support remain vital to retention and progression, particularly for women.

LOOKING AHEAD

These priorities directly address the factors affecting our gender pay gap, including the distribution of colleagues across seniority levels, increasing female participation in early careers pathways, and the evolving structure of roles across service lines. This ensures our actions remain focused on the underlying structural drivers of our figures.

Over the next 12 months, our priorities are to:

- ✓ Reduce our mean gender pay gap further
- ✓ Strengthen female representation in senior and leadership roles
- ✓ Expand AW Student and Early Careers pathways
- ✓ Improve transparency in progression and reward
- ✓ Deepen our culture of inclusion, belonging and personal growth
- ✓ Use data and technology to support smarter and more equitable decision making

With an increasingly inclusive culture, transparent career pathways, and rising female representation across key professional grades, we are well positioned to continue reducing our gender pay gap in the coming years.

COMPARISON OF OUR FIGURES

FIGURES	2025	2024
MEAN GENDER PAY GAP	0.9%	3%
MEDIAN GENDER PAY GAP	9.5%	4.8%
MALE BONUS PAY	7%	6.8%
FEMALE BONUS PAY	5%	9%
MEAN GENDER PAY BONUS GAP	48.4%	59.4%
MEDIAN GENDER PAY BONUS GAP	31.8%	33.7%

ACCURACY STATEMENT

The information in this Gender Pay Gap Report is accurate and has been calculated in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.