

The gender pay gap Report 2018

ArmstrongWatson®
Accountants, Business & Financial Advisers

...we're with you...



We strive to be the best accountancy and financial services firm to work for, and do business with. A key component of our strategic imperatives is to be a true meritocracy with no hint of discrimination.

I want us to create a culture that encourages our colleagues, not only achieve their professional goals, but their personal aspirations. We want to always support our people in their personal life, whether that is time out to look after children or older adults or a life ambition.

We are developing an inclusive culture and flexible working environment for us all to work in.

I am pleased to provide our gender pay gap information for Armstrong Watson LLP. Our section on understanding the data provides more information on the key drivers of our pay gap. Although our figures are similar to the average within the financial services sector, we will be working to drive this figure down.

We believe that what is really important, is not the size of our gap in year one of our reporting, but the direction and speed of travel going forward. We know that it will take time, and by current estimates the UK's gender pay gap will exist for a further 50 years.

Historically access to high quality part time senior roles in the professional and financial services sectors has been limited due to cultures that were less inclusive. We have more senior female managers than previously, and feel that we have equal numbers of men and women progressing in our firm.

We have equal access to promotion opportunities and development programme and we are confident that everyone is paid equally for the work they do. We will continue to focus on ensuring there is no bias in the hiring, promotion, development and retention of our people. We are proud that in 2017, we recruited 50% women and 50% men to our chartered training programme, as our chartered trainees are the future leaders of our firm.



Paul Dickson
Chief Executive & Managing Partner
Armstrong Watson LLP

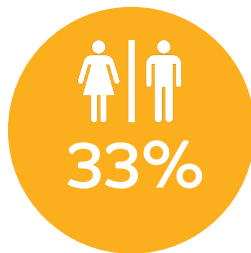
GENDER PAY REPORT 2017

In accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, we are pleased to publish our annual gender pay gap report, based on the snapshot data (as at 5th April 2017, and bonuses paid between 6th April 2016 – 5th April 2017)

How we calculate the gender pay gap

The gender pay gap compares the average pay of men and women. It's about listing salaries of men and women (ranked from lowest to highest) and calculating the mean/ median in each list. The gender pay gap is the % difference between these two figures.

Our headline figures



mean
gender
pay gap



median
gender
pay gap



of male
employees
receive a
bonus

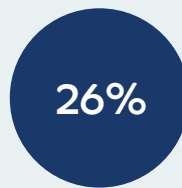


of female
employees
receive a
bonus

Our gap indicates the extent to which women earn on average less than men.

Pay quartile by gender

QUARTILE	MALE	FEMALE
UPPER	53%	47%
UPPER MIDDLE	29%	71%
LOWER MIDDLE	23%	77%
LOWER	11%	89%



mean gender
pay bonus gap



median gender
pay bonus gap

The mean pay gap is the difference between the average hourly pay of men and women.

The median pay gap is the difference between the mid points in the range of hourly rates of men and women.

The pay quartiles shows how the split of men and women in each quartile of our workforce. The UK current pay gap is 18%, this has reduced from 25% in 2000.

Difference between the gender pay gap & equal pay

We appreciate that it is personal preference as to the roles that individuals apply for, but do acknowledge that the gender pay gap has serious implications for women's lifetime earnings and to save for retirement.

It is easy to confuse the gender pay gap with unequal pay. The right to equal pay is an individual contractual right which arises when there is an unjustifiable difference in the individual earnings of women and a men doing equal work. The gender pay gap is a measure of the labour market in terms of a comparison between men and women's average hourly rates of pay. The calculations are not about a man getting paid differently to women for doing the same job.

It is not unequal pay that drives our gap because our salaries are determine by the job that our colleagues complete.

Understanding our pay gap

In our firm, women make up 64% of our workforce. Having a predominately female workforce means that even small fluctuations in the male workforce could have a significant impact on our gender pay gap, for example if we had more men working in the lower pay quartile this would bring down our gender pay gap.

Our gender pay gap does not mean that we discriminate against women. The gender pay gap is not purely a result of pay practices, but other practices, for example the high number of women in roles that fall into three out of the four quartiles. As there is a wide range of salaries for women and a concentration of women in the lower quartiles this drives the gender pay gap figure. This is compounded by the concentration of men in the upper quartile.

In terms of how we compare within the sector, PWC Women in Work Index 2017 revealed that the gender pay gap in the financial services sector sits at 34% and 23% in the Professional/ Technical services sector.

The data included in this report does not include the majority of our partners population, as partners are not classified as employees.

At Armstrong Watson we pay employees equally for the work they do, regardless of sex, race, religion or belief, age, marriage or civil partners, pregnancy/maternity, sexual orientation, gender reassignment or disability.



How do we currently support equal access to opportunities?

- At Armstrong Watson we have pay scales for the majority of our teams and seek always to appoint into roles within those bands.
- We advertise all roles to ensure that all our colleagues have equal access. We are working towards each service line in our business having a succession pipeline of talent.
- Pay awards are paid to all employees depending on the outcome of their appraisal. We measure colleagues on output, not inputs such as working hours.
- We are committed to delivering to our employees "best employer bar none" and for us this includes helping both men and women achieve their personal and professional aspirations, and ensuring that we understand personal circumstances and goals of our all colleagues and deliver "we're with you".

Our commitments:

We have committed to the following actions:

- We have launched our new work experience policy which aims to work with secondary schools to raise the awareness of career opportunities available with the professional services sector, and help to dispel any stereotypes
- Review rates of flexible working in Armstrong Watson; to see how we can promote more part time working at all levels of the firm
- Continue to challenge any unconscious bias
- Reassess how we are reaching out to those looking to re-enter the workforce after taking time out to care for others
- Use our culture champions and leaders to champion promote awareness
- Conduct full review of family care policies and continuing our work on improving flexible working for all colleagues
- A new approach to agile hiring whereby vacancies are advertised are required to specific how the role could be done in an agile way, encouraging a broader range of working practices

I can confirm that the information in this statement is accurate.



Paul Dickson - Chief Executive & Managing Partner