The gender pay gap
Report 2019

ArmstrongWatson®
Accountants, Business & Financial Advisers

...we’re with you...
The introduction of the gender pay gap report has brought greater focus on the differences between the pay of men and women in the workplace.

We know that our gender pay gap (and indeed our total gender earnings gap) is driven by a lack of men in lower paid roles and a higher concentration of women in middle management/senior/assistant level posts. We are focused on ensuring that we always provide an inclusive working environment that is underpinned by respect at all times – one where everyone can thrive, develop and succeed – and that all our people are able to balance a successful career with commitments outside work and what is really important to them outside of work.

Comparing our statutory figures with last year shows a 3% decrease in our mean gender pay gap and the median pay gap has remained the same. The figures are driven by the difference in the way the average of mean and median is calculated.

We strive to be the best accountancy and financial services firm to work for, and do business with. We also appreciate that our services need to reflect our client base and don’t underestimate the contribution female owned businesses make to the UK economy.

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

The world of work is evolving, moving away from the perception of the male breadwinner model, to professionals with any caring responsibilities being able to advance their careers equally. We are continuing to develop an inclusive culture and flexible working environment for us all to work in.

We 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 whatever our colleagues’ gender.
GENDER PAY REPORT 2018

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 2018, and bonuses paid between 6th April 2017 – 5th April 2018).

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

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

Pay quartile by gender

<table>
<thead>
<tr>
<th>QUARTILE</th>
<th>MALE</th>
<th>FEMALE</th>
</tr>
</thead>
<tbody>
<tr>
<td>UPPER</td>
<td>59%</td>
<td>41%</td>
</tr>
<tr>
<td>UPPER MIDDLE</td>
<td>27%</td>
<td>73%</td>
</tr>
<tr>
<td>LOWER MIDDLE</td>
<td>28%</td>
<td>72%</td>
</tr>
<tr>
<td>LOWER</td>
<td>17%</td>
<td>83%</td>
</tr>
</tbody>
</table>

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.
Understanding our pay gap

The gender pay gap will persist until there is an equal spread of both genders in each pay quartile above, so an equal spread of males and females in all roles across the firm.

In our firm, women make up 69% 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 roles within the lower pay quartile 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 pay quartiles. As there is a wide range of salaries for women and a higher concentration of women in the lower quartiles this drives the gender pay gap figure. There has been a 6% increase in the number of men in the upper quartile, which has contributed to an overall increase.

We are confident that any gender pay gap does not stem from paying men and women differently for the same or equivalent work. We simply do not do so.

- We carry out extensive pay and benefits reviews once a year
- We benchmark job roles and pay grades to ensure a fair structure
- We complete succession planning in all service lines, so to help us ensure career development across the firm, regardless of gender

We adhere to the principle of equal opportunities and equal treatment for all employees, which is evident in our workplace culture.
Comparison to last year’s results

In comparison to our results last year, we have seen an increase of males in our lower quartile, from 11% to 17% due to the recruitment of a number of male chartered students.

We have seen an increase in our gender pay bonus gap, as more men have received bonuses, of a greater value. It is important to note the bonuses include the new colleague’s bonuses we offer to those who introduce new colleagues to us. Despite the bonus gap increase, bonuses only make up 2.65% of total salary costs.

In Armstrong Watson LLP there is a higher proportion of men in roles which operate on a commission/bonus paid roles. Figures pertaining to Armstrong Watson Financial Planning have not been included (as this is a separate business entity) however there is a growing number of females on commission based roles in Armstrong Watson Financial Planning.

In terms of how we compare within the sector, PWC Women in Work Index 2018 revealed that for financial services there have been significant improvements in the pay gap. It also revealed that the gender pay gap in the financial services sector sits at 31% in comparison to 35% in 2017.

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

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.

Armstrong Watson has a diverse and inclusive environment, an environment where colleagues bring their whole self to work and be treated equally to their peers. An environment where employees feel included and respected regardless of any “differences” to those around you. These “differences” could be visible such as gender, race, age, a visible disability, but also, less visible traits such as sexual orientation, personality type, background and education. Armstrong Watson believes an employer who is committed to diversity and inclusion is far more likely to drive great client service, innovation and thus stronger results.

We offer a range of formal flexible working arrangements to include part time working, term time working, school hours, home working, annual leave purchase and annualised hours. Around 17% of employees at Armstrong Watson currently have a formal flexible working arrangement, 2.5% of those working part time are males. In 2018 we launched “Smart Working”, our own flexible working initiative that places the emphasis on working smarter not harder. This enables us to meet the evolving and diverse needs of our colleagues and our clients.
What our employees say

**Calida Crabtree**
Audit & Assurance Manager

“Following my partner’s business expanding, I needed more time at home to help him and sort our work life balance as a family. Armstrong Watson were a fantastic support and allowed me to reduce my working hours, which enabled me to help my partner and strike a better work life balance. It took a while to settle into this change, but it has been really beneficial to me. Now we also have a little one on the way, they have expressed their support for a continuation of a part time role going forwards which gives me a great peace of mind.”

**Louise Jewitt**
Accounting Manager

“I have always felt I have had the full support of my line manager at Armstrong Watson who has allowed me the flexibility to work around my personal circumstances. When I had my children in 2012 and 2014 I returned to work with hours that were best suited for my family, and was subsequently able to change the days I worked to fit around my childcare arrangements. Knowing that there was never an issue should I need time off to care for my children, or my elderly, infirm parents at short notice has proved invaluable particularly over the past 18 months and taken away the worry, stress and distraction that this would have otherwise caused me. The wider team within the office have also been of great support to me, and understand my need to work reduced hours and have the right work-life balance and all are always willing to provide.”

**Rachel Bryant**
Tax Consultant

“Having recently joined Armstrong Watson, it has been brilliant to work where the culture is based around the staff and helping them achieve a work life balance. The flexibility of smart working means I can do the nursery run some days and work longer hours when needed, to give a work life balance that ensures long term sustainability of my career. In addition, being able to work from home a day a week has meant that commuting doesn’t become an issue and gives me more time to focus on getting work done without worrying about getting stuck in traffic on the way to work or getting to nursery on time on the way back.”
“I was a junior manager prior to the birth of my son in 2008. Following his birth Armstrong Watson were very supportive. They allowed me to do my ten “keep in touch days” to ensure that I maintained the knowledge I needed to do my job. There was no pressure to come back to work before my maternity leave had ended and when it was time to return to work they were open to part time working. They agreed a reduction in hours to 3 days per week.

Over the years that followed I have always felt supported by Armstrong Watson and the fact that I work part time hasn’t affected my career with them. Manager meetings are arranged around my working hours and diary to ensure I am not excluded.

Following the birth of my daughter in 2013 they were again very supportive and when I came back from maternity leave my hours again changed, this time to fit in with school hours. I then worked 4, 6 hour days a week.

The flexibility that Armstrong Watson offers, allowing me to amend the days I work in the school holidays or work from home to fit around school assemblies and child sickness has meant that I can be the parent that I want to be, whilst not having to sacrifice the career I also seek.

I don’t feel that I miss out on opportunities at work as I am always asked if I have any further ambitions and the part time working doesn’t affect the way my peers/managers view me. I was encouraged to apply for a different manager role that was full time in 2016 and they have made that fit my part time working and have supported me through the transition. Finally I also feel that the support they have given me works both ways as I am highly motivated to do the best I can for the firm due to the flexibility and support they provide.”
How do we currently support equal access to opportunities?

- We continue to promote Smart Working throughout the organisation for all our colleagues, recognising that we have many colleagues who value a flexible approach to working hours and work location.

- At Armstrong Watson we have pay scales for all of our teams and to appoint into roles within those bands.

- We advertise all roles internally to ensure that all our colleagues have equal access to new opportunities. We are working towards each service line in our business having a succession pipeline of talent.

- Our pay review process incorporates the outcome of employees’ annual 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”.

- All appraisals ask questions in regard to individual’s career progression aspirations.

Our commitments:

We have committed to the following actions to help reduce our pay gap further:

- We have recently rolled out Unconscious Bias training in 2018 to help support the removal of any bias in our day to day activities and decisions.

- Use our culture champions and leaders to champion best practice and promote awareness.

- We are launching formal succession planning across all service lines at Armstrong Watson, helping to identify where our employees are & what we can do to support them achieve their career aspirations.

- We have launched our family friendly packs providing clear information for those needing to take time off to expand their families.

We confirm that Armstrong Watson LLP gender pay gap calculations are accurate and meet the requirements of the Regulations.

Paul Dickson - Chief Executive & Managing Partner