

The gender pay gap

Report 2021/22



ArmstrongWatson[®]

Accountants, Business & Financial Advisers

...we're with you.

Armstrong Watson prides itself on being people centric by having a culture where opportunity is created, success is shared and passion is rewarded. As a Firm, all of our colleagues adhere to and are bound by our four core values, Humanity, Trust, Passion and Honesty. Our people are at the heart of what we do and what we achieve as a business. We strive to continue to create the best working environment we can for our people.

Our ongoing commitment is to ensure the development of an inclusive culture amongst the entire workforce at Armstrong Watson, in line with one of our key strategic imperatives, which allows for true meritocracy without discrimination. This culture and approach allows opportunities for women to progress into senior management and leadership roles. This in turn is having a positive impact on our gender pay gap figures.

Last year continued to be a challenging year for the business, with the Covid-19 Pandemic still impacting on our colleagues and clients. We as a firm are proud to have been able to support our clients during these difficult times and continue to abide by our quest; to help our clients achieve prosperity, a secure future and peace of mind.

In order for us to assist our clients, we focus on providing the best working environment, training and career paths for all of our colleagues. We have re-established our Smart Working policy, which was initially implemented in 2018, to provide our colleagues with flexibility to support their work life balance. This flexibility allows us to address both the challenges for our individual colleagues and the operational needs of the business.

This flexible approach to work is available to all colleagues, however we understand that this will particularly help our female colleagues when it comes to caring responsibilities at home and will have a sustainable impact on the gender pay gap over time due to increased retention. We aim to support our female colleagues as much as we can and give them more workplace options that work for them. Likewise for our female colleagues who have returned to work from periods of family leave, we continue to ensure that they are offered the same training and development opportunities as their fellow colleagues. We also ensure that their managers conduct their annual goal setting meetings upon their return to work, to continue to focus on their growth in the firm and for us to understand how we can support them to achieve their goals.

We continue to invest in training and developing young people who have just finished their education and want an opportunity to grow further within a business. We successfully recruited 27 students within our 2021 cohorts, to study for the Association of Chartered Accountants (ACA); the Association of Accounting Technicians (AAT) and the Association of Taxation Technicians (ATT) qualifications. We recruit for these three main qualifications each year, but also take on more students throughout the year and across various office locations. Existing colleagues are encouraged to study for relevant qualifications in order to continue to develop and grow. The majority of the students we had recruited for our 2021 cohorts had just graduated from university, or completed their sixth form education, making Armstrong Watson their first fulltime employer.

The firm supports other qualifications such as CTA; JIEB; STEP; CFAB; CIPP; and CIPD.

As a business, we have continued to grow over the last 12 months, creating further opportunities for our colleague's career development.

We will continue treating our colleagues fairly and offer the same career opportunities if they choose to develop within our firm.



A stylized handwritten signature in black ink, appearing to read 'Paul Dickson'.

Paul Dickson

Chief Executive & Managing Partner
Armstrong Watson LLP

GENDER PAY REPORT 2021/22

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 of 5th April 2021, and the bonuses paid between 6th April 2020 and 5th April 2021. It is important to understand that the pay gap is not in relation to equal pay. The gender pay gap is a measure of the percentage difference between the average (mean or median) earnings of men and women across a workforce with the purpose of helping organisations understand the sizes and causes of their pay gaps and identify any issues that need to be addressed.

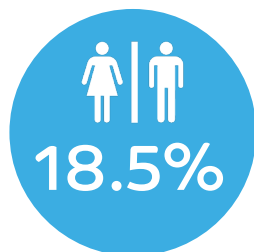
How we calculate the gender pay gap

The gender pay gap compares the average pay of men and women. It is 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	56.5%	43.5%
UPPER MIDDLE	35.5%	64.5%
LOWER MIDDLE	29%	71%
LOWER	33%	67%



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 midpoints in the range of hourly rates of men and women.

Understanding our pay gap

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

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. This would clearly be a discriminatory practice.

In the lower quartile, we have seen over the years that this is predominately driven by women, and we have found through recruitment analysis that more women than men apply for roles within this quartile. If more men were attracted to these lower quartile roles, then this would dramatically affect Armstrong Watson's gender pay gap.

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

Comparison to last year's results

Figures	This report; 2021	2020
Mean Gender Pay Gap	23%	25%
Median Gender Pay Gap	18.5%	26%
Male employees receive a bonus	11%	17%
Female employees receive a bonus	5.5%	9.5%
Mean gender pay bonus gap	80.5%	81%
Median gender pay bonus gap	15%	64%

QUARTILE	MALE - This report; 2021	MALE - 2020	FEMALE - This report; 2021	FEMALE - 2020
UPPER	56.5%	60.5%	43.5%	39.5%
UPPER MIDDLE	35.5%	35.5%	64.5%	64.5%
LOWER MIDDLE	29%	31.5%	71%	68.5%
LOWER	33%	20.5%	67%	79.5%

In comparison to last year's results, our figures for Mean and Median Gender Pay Gap, and Gender Pay Bonus Gap have decreased.

Although our Mean gender pay bonus gap has slightly decreased, it is noted that 80.5% remains a high figure. To understand what is included in our bonus payments, I have listed the number of bonus payments and the reasons below.

- 26 bonus payments paid to employees for introducing new clients to our business or referring them for a further service provided by us.
- 4 bonus payments paid to employees for recommending their friends or families a job role in Armstrong Watson
- 1 bonus payment paid for supporting a colleague's studying arrangements when they joined the firm from a previous employer
- 5 bonus payments paid to colleagues for achieving their performance targets

This shows that the majority of the bonuses we pay from the firm, are due to our employees recommending Armstrong Watson as a great firm to do business with clients, or to join our team and work for us. Therefore, our bonus figures can't be manipulated to make it more advantageous for either males or females, as we give all employees the opportunity to refer us and appreciate the recommendations.

Our Median gender pay bonus gap has decreased significantly from 64% last year to just 15% for this period.

Both the male and female figures for who has received a bonus have decreased, males decreased by 6% and females decreased by 4%. This means that the difference between the genders receiving a bonus is 5.5%, which is less than last year at 7.5%.

Our Quartile pay gap figures for Lower and Upper quartiles have also decreased this year. There has been a 4% increase with the number of females in our Upper quartile, and a 12.5% decrease of the number of females in the Lower quartile. This makes the Upper quartile being made up of 43.5% of women, and the Lower quartile being 67% female driven.

The Upper Middle quartile remained the same as last year, with women making up of 64.5%. The Lower Middle quartile has increased slightly with 71% of this group being females.

We were pleased to announce to the firm during this gender pay gap report period (6th April 2020 and 5th April 2021), the promotion of two current female senior colleagues to a Director and Partner level respectively. They work with the rest of our senior leadership team to help shape the future of our firm. Since this period, we have also recruited two further female Directors to join our leadership group.

We are heavily invested in the development of our future leaders, by supporting colleagues through our 'Academy' group. The Academy group is a specific training programme covering skills such as business development, resilience, leadership & management. The Firm's Management Board select individuals to undergo the external training programme, with several training days through the year to attend. This year, there have been several females selected for the programme, many of whom joined Armstrong Watson in an apprenticeship role and have developed into senior colleagues.

Findings from the report Top 50 + 50 Accountancy Age report revealed that despite firms leadership remaining predominately male, the percentage dropped from 87% to 76% in 2020 and that almost half of the people who work in the sector identified as female.

ICAEW have also signed the HM Treasury's Women in Finance Charter, a pledge for gender balance and fairness across financial services. As part of this, the ICAEW Women in Finance Community is also open to everyone to encourage personal development and networking opportunities. Armstrong Watson are proud to be an ACA accredited firm.

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.

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



What our employees say

Lauren Cannar
Accounting Senior Manager



I have always been able to have an open discussion about remuneration at AW, this is particularly important as a young and progressing female.

I joined Armstrong Watson straight from sixth form. I started on a five-year training scheme and my remuneration was tiered in line with my exams and development and this carried on through my training.

Following qualification in year five, I received my largest pay rise and felt this was reward for my commitment, knowledge, and accomplishment from the very start of my accountancy career. I therefore became accustomed to linking pay increases as reward for these principles.

I have been fortunate to experience encouragement and support after my training finished and the firm has continued to work with me in my career. As someone who is ambitious I have strived to progress and I have fortunately seen my remuneration continue to do the same through my performance and subsequent promotion into new roles, the latest to a Senior Accounting Manager.

It is important to note that I also really appreciate the other benefits that AW offer, in particular the flexible working and PDW training, these I find really set the firm apart.



Darcie Rae
Corporate Finance Senior Manager

I have been with Armstrong Watson since September 2007 and throughout my time with the firm, my progression has always been supported. I feel like I am valued for being the individual I am, the skillset I have and the work that I do, regardless of my age or gender. I also feel that in recent years the firm has taken steps to address any gender pay gap and perhaps more importantly, it has empowered some really great female role models into senior positions across the firm.

How do we currently support equal access to opportunities?

- 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.
- Review and benchmark salary pay scales, to ensure equity.
- We continue to advertise all roles internally to ensure that all our colleagues have equal access to new opportunities.
- We continue to train and upskill colleagues to avoid any unconscious bias in recruitment.
- We continue to blind CV sift and test candidates where we can.
- We review professional development plans within the firm and encourage colleagues to develop within their teams.
- We encourage colleagues to speak regularly with their management regarding their annual goals that have been set and their quarterly objectives, in line with our continuous performance review approach.
- We hold annual assessment centres when recruiting for our student intake to assess a range of skills.
- We review all data regarding any colleagues who leave our employment to identify any trends in relation to age or gender.

Our commitments:

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

- Continued application of our strategic succession plan across all service lines in Armstrong Watson, to continue with development encouragement with a view to earmarking and increasing female representation at all levels through the business, including senior management levels.
- Support our continuous review process to encourage development discussions around the firm.
- We will continue to support new students within the firm, and train those who have left education for the first time.
- An ongoing commitment to maintaining a learning culture within the firm which allows our people to continuously gain new knowledge and skills to the benefit of both the firm and them.
- Ensuring, through good line management practices, the opportunity for our people to develop and grow within the firm

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