

GENDER PAY GAP REPORT

Report 2022/23

ArmstrongWatson[®]

Accountants, Business & Financial Advisers

www.armstrongwatson.co.uk



Armstrong Watson LLP is a leading independent accountancy firm ranked in the 35 firms of accountants and business advisers. With over 500 colleagues, our people and our culture are at the heart of what we achieve as a business. We recognise the unique impact our employees have on not only our clients, but also our teams and the communities in which we operate in.

The firm prides itself on being people centric with 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.

We are determined to continue to create the best working environment for our people. Where we make a positive impact on the lives of the people that choose to work at Armstrong Watson and on the clients that we serve.

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 the entire workforce at Armstrong Watson. This culture and approach allows opportunities for women to progress through their career into senior management and leadership roles.

Last year the firm appointed two new members to the board, Joanna Gray – Head of Audit & Assurance and Richard Andrew – Head of Accounting. This will in turn allow us to address the challenges for our individual colleagues within the business and the operational needs of the business.

Our colleagues and our clients have been faced with difficulties due to the cost of living crisis. We as a firm are proud to support and advise 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. Our service lines each have a career pathway in place, which outline the opportunities of progression available across all levels. We aim to support our colleagues as much as we can and offer them flexible workplace options that work for them. We now offer an enhanced family leave package available to all of our colleagues within the business.

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 our social responsibility through our training and development opportunities. As of 2022 we are proud to be a 'Top 100 Apprenticeship Employer', with our aim to support and guide individuals through their Accounting career. Particularly for those who have completed their Secondary/ University level education and want an opportunity to grow, whilst gaining practical experience within a business. We successfully recruited 41 students within our 2022 cohort, to study for the Association of Chartered Accountants (ACA); the Association of Accounting Technicians (AAT) and the Association of Taxation Technicians (ATT). On an annual basis we hold assessment centres to recruit for these positions.

The majority of the students the firm recruited within our 2022 cohort had graduated from university, or completed their sixth form education, making Armstrong Watson their first fulltime employer.

The firm supports a number of other qualifications such as CTA; JIEB; STEP; CFAB; CIPP; and CIPD. Existing colleagues are encouraged to study for relevant qualifications in order to continue to develop and expand on their knowledge.

Within the last year we have also continued to promote our Smart Working policy. 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 have also introduced Enhanced Maternity and Paternity leave to support our colleagues having families, over and above the statutory minimum.

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

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



Paul Dickson

Chief Executive & Managing Partner
Armstrong Watson LLP

GENDER PAY GAP REPORT 2022/23

In accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, we are pleased to publish our annual gender pay gap report.

Our figures are based on snapshot data as of 5th April 2022, and bonuses paid between 6th April 2021 to 5th April 2022.

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 and median in each list. The gender pay gap is the difference between these two figures as a percentage.



OUR HEADLINE FIGURES



12.5%
MEAN GENDER
PAY GAP



13.5%
MEDIAN GENDER
PAY GAP



9%
OF MALE
EMPLOYEES
RECEIVE A
BONUS



7%
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	54%	46%
UPPER MIDDLE	40%	60%
LOWER MIDDLE	25%	75%
LOWER	39.5%	60.5%

61%

**MEAN GENDER PAY BONUS
GAP**

74.5%

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.

ArmstrongWatson[®]

Accountants, Business & Financial Advisers

www.armstrongwatson.co.uk

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	CURRENT FIGURES 2022	PREVIOUS FIGURES 2021
MEAN GENDER PAY GAP	12.5%	23%
MEDIAN GENDER PAY GAP	13.5%	18.5%
MALE EMPLOYEES RECEIVE A BONUS	9%	11%
FEMALE EMPLOYEES RECEIVE A BONUS	7%	5.5%
MEAN GENDER PAY BONUS GAP	61%	80.5%
MEDIAN GENDER PAY BONUS GAP	74.5%	15%

QUARTILE	MALE -	MALE -	FEMALE -	FEMALE -
	CURRENT FIGURES 2022	PREVIOUS FIGURES 2021	CURRENT FIGURES 2022	PREVIOUS FIGURES 2021
UPPER	54%	56.5%	46%	43.5%
UPPER MIDDLE	40%	35.5%	60%	64.5%
LOWER MIDDLE	25%	29%	75%	71%
LOWER	39.5%	33%	60.5%	67%

ArmstrongWatson[®]

Accountants, Business & Financial Advisers

www.armstrongwatson.co.uk

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 decreased significantly from the previous year, it is noted that 61% 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.



16 BONUS PAYMENTS PAID TO EMPLOYEES FOR INTRODUCING NEW CLIENTS TO OUR BUSINESS



8 BONUS PAYMENTS PAID TO EMPLOYEES FOR RECOMMENDING THEIR FRIENDS OR FAMILIES TO A VACANCY WITHIN ARMSTRONG WATSON



11 OTHER BONUS PAYMENTS PAID TO EMPLOYEES

This shows that the majority of the bonuses we pay, are due to our employees recommending Armstrong Watson as a great firm to do business with for both clients, or new colleagues. Our bonus figures can not 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.

Our Median gender pay bonus gap has considerably increased from 15% last year to 74.5%.

The difference between male and female employees who received a bonus is 2%, compared to a 5.5% difference in the previous year.

Our figures for the Lower and Upper quartiles have decreased. There has been a 2.5% increase with the number of females in our Upper quartile, and a 6% decrease of the number of females in the Lower quartile. This makes 46% of the Upper quartile, and 60.5% of the Lower quartile being female driven.

The Upper Middle quartile decreased from the previous year, making it more balanced between male and female, with women taking 60%. The Lower Middle quartile has increased slightly with 75% of this group being females.

Since this gender pay reporting period, we have recruited one female Director to join our leadership group as Head of Risk & Compliance and three 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.

Findings from McKinsey & Company, Women in the Workplace 2022 report showed that women struggled from the first point in regards to managerial promotions. At the end of 2021, for every 100 men who were promoted to a first-level managerial position, only 87 women were promoted to that same level.

Only 67% of the women who cooperated with their findings said that they felt like they had equal opportunities to their male peers.

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.



ArmstrongWatson[®]

Accountants, Business & Financial Advisers

www.armstrongwatson.co.uk

“

When returning from maternity leave for a second time, Armstrong Watson were accommodating in the fact I could again reduce my hours to fit in with my circumstances. After a few months I was struggling with working 3 full days, after discussions with my line manager who was really supportive. I was given the flexibility to spread my hours over 4 days, fitting in with school hours/childcare options.

The Smart Working Policy has allowed me to work from home when needed. Armstrong Watson were supportive of this, as last January Covid hit our family and I was able to work from home to ensure I met deadlines.

Recently my circumstances have changed personally and a new job role undertaken within the firm. This has enable me to increase my hours. The flexibility AW provide is such a help and appreciated.



STACEY PERCIVAL
TAX COMPLIANCE
ASSISTANT MANAGER

”



JEMMA MOORBY
FINANCIAL PLANNING
ASSISTANT

“

I started my employment with AW 12 and a half years ago and in that time, I have had two children. Following my first maternity leave, I wished to return to work on a part time basis and AW were open to offering me a position similar to my full-time role. Following my second maternity leave, I wished to maintain my part time hours but amend the specifics of when these hours were worked. Again, AW were open to my request and a flexible contract was agreed. I am very grateful that I could continue my career with AW without compromising my family's needs. I feel valued by my colleagues and the firm, and therefore I'm motivated to do the best job I can and to work extra hours when workloads require it.

”

“

I have now been with Armstrong Watson nearly 9 years. I started as an Admin Assistant and have now progressed to Office Manager. Throughout the years Armstrong Watson have always been very supportive and flexible to my individual needs. I have a young family and over the 9 years I have changed my weekly hours / pattern of working hours on a few occasions to meet my family's needs. I currently work 30 hours a week over 5 days and am now able to collect my children from school 3 days a week which allows me to spend more quality time with them. In the last 18 months I have been promoted in recognition of my work and recently Armstrong Watson have allowed me to further my education and begin attending College one day a week. My line manager is a continued support to me. The flexibility and culture that Armstrong Watson promotes gives me that work life balance but also gives me the opportunity to be more satisfied and productive within my role. I continue to feel a valued member of the team, and with AW always delivering on their core values, I am very fortunate to work for a firm that genuinely cares about their staff.

”



ADELE TENNANT
OFFICE MANGER

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 colleagues who leave our employment to identify any trends in relation to age or gender.



We have a new accessible Learning Management System in place for colleagues to utilise.



We continue to create an environment and inclusive culture where all colleagues can use their voice.



Continuing to update and review our policies and procedures in line with up to date laws and information.

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.
- ✓ Delivering firm wide Equality, Diversity & Inclusion training.
- ✓ Ensuring, through good line management practices, the opportunity for our people to develop and grow within the firm.
- ✓ Offering an enhanced family leave package from April 2023.
- ✓ Promote further awareness around health and wellbeing, including topics such as neurodiversity and menopause.

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
Armstrong Watson LLP