2023/24

GENDER PAY GAP REPORT

AAB

FOREWORD

At AAB, we are proud of our continued growth journey, particularly through strategic acquisitions that expand our reach and capabilities. As we evolve, we acknowledge the complexity this brings to measuring and comparing our gender pay gap year on year. The integration of new businesses, each with their own structures, policies, and histories, presents a unique challenge to creating a consistent data narrative.

Despite these challenges, our commitment to fostering a fair and inclusive workplace remains steadfast. We recognise the importance of transparency and continual improvement, and we are taking proactive steps to understand and reduce our gender pay gap wherever possible.

One of the key initiatives underway is the consolidation of all our teams onto a single employee platform. This will provide us with real-time visibility of gender pay data across our growing organisation, allowing us to identify opportunities for improvement more effectively and make informed decisions from a unified source of truth. This standardisation is a critical step in building a stronger, more equitable future.

Emma Lancaster, Chief Executive at AAB

OVERVIEW

The following Group companies are included in this report:

- AAB Business & Tax Advisory
- AAB Employer Solutions
- AAB Group Accountants
- AAB Innovation Taxes
- AAB Investments
- AAB People
- AAB People Consulting
- AAB Professional Services
- AAB Team
- AAB Virtual Finance
- AAB Wealth
- Anderson, Anderson and Brown Consulting
- Anderson, Anderson and Brown LLP
- FD LLP
- Pioneer Bidco
- Sagars Accountants
- Think People Consulting

On the snapshot date of 05th April 2024, AAB Group (comprising of the above entities) has 860 employees in total, 61.50% female and 38.50% male. The figures in this report include both our employees and partners.

Since last reporting, the Group has continued to grow and our figures this year include a further increased headcount of 193 individuals, and we are delighted to see the gap has further reduced since 2022/2023.

GENDER PAY GAP DEFINED

MEAN HOURLY PAY GAP

The Mean Hourly Pay Gap is measured by calculating the difference between the average hourly rate of pay of male employees and that paid to female employees.

MEDIAN HOURLY PAY GAP

The Median Hourly Pay Gap is measured by calculating the difference between the midpoint hourly rate of pay of male employees and that paid to female employees.

MEAN BONUS PAY GAP

The Mean Bonus Gap is the difference between the mean bonus pay paid to male employees and that paid to female employees.

MEDIAN BONUS PAY GAP

The Median Bonus Gap is the difference between the median bonus pay paid to male employees and that paid to female employees.

AAB GENDER PAY GAP DEFINED

PAY COMPONENTS	2020/21	2021/22	2022/23	2023/24
Gender Pay Gap - Mean	18.59%	26.99%	34.43%	24.98%
Gender Pay Gap - Median	22.09%	13.33%	21.82%	13.10%
Gender Bonus Gap - Mean	47.09%	42.89%	34.67%	55.85%
Gender Bonus Gap - Median	35.56%	26.43%	26.75%	57.20%

WHAT DOES THIS TELL US?

As a growth-oriented business with an active mergers and acquisitions strategy, we remain focused on building a strong and consistent employee platform. This ensures we can present a clear plan for any acquired businesses while also making conscious, strategic decisions about what we acquire and how we integrate and streamline those businesses within our existing operations.

Throughout 2024, alongside ongoing M&A activity, we have advanced our integration plans, including the important step of aligning terms and conditions across the Group. This work gives us a solid foundation to review our position and strengthen our diversity and inclusion strategy. We hope the results of this change (going live in 2025) will be reflected in our future Gender Pay Gap reports.

This year's gender pay gap report shows encouraging improvements in both the mean and median figures. While these results are positive, we will continue to focus on fully integrating our Group and aligning our employee platform as we progress in our growth journey. We remain committed to identifying and acting on opportunities to make sustainable progress.

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GENDER DISTRIBUTION IN QUARTILE BANDS

With our team structure consistently increasing in headcount, we would expect to see fluctuations across our distribution data. Again, we are encouraged with incremental improvements and note the challenge, and opportunity, our unique business offering presents by bringing together a diverse range of professionals. We are confident our long-term efforts will support our intention to improve the existing gender distribution and address any gaps that can be seen in the data.

The graph below shows the proportion of male and female employees according to quartile pay bands in the lower, lower-middle, upper middle and upper quartile pay bands.

AAB GROUP GENDER BONUS GAP

BONUS PAY

Our bonus figures take into account any additional payments made to our team members over and above basic salary, and of particular note is the inclusion of commission our team have the ability to earn through referrals made to the Group. This is an aspect of pay our people can take advantage of if they are able to explore their networks and provide solutions to personal contacts across the wide range of professional and business services available at AAB. These opportunities are available to everyone across AAB and are promoted, and success stories are celebrated, regularly across our Group Gatherings.

The proportion of male and female employees who received a bonus during the reference period was 7.46% of females and 7.76% of males. Whilst the proportion is balanced, we hope to see these figures increase over the coming years, as our business continues to grow, and we see an increased number of team members benefit by introducing valuable new business to the wider Group.

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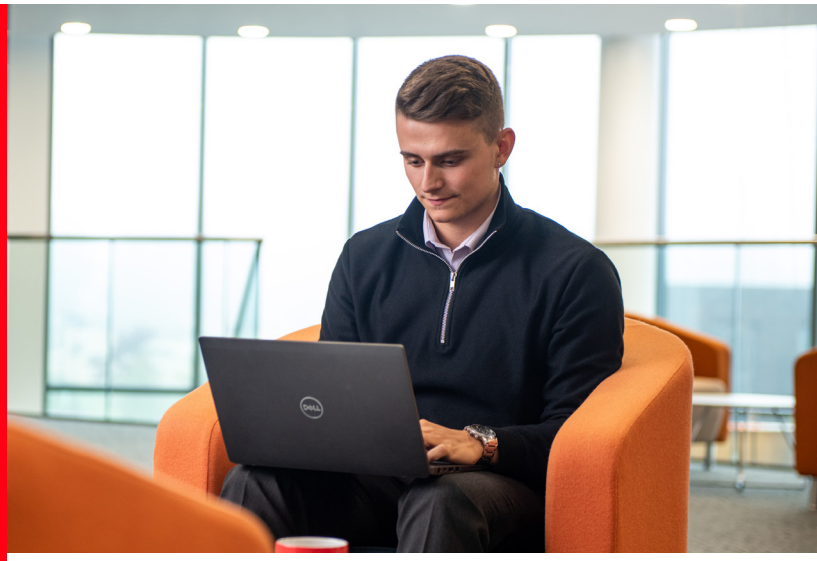

WHAT DOES THIS TELL US?

As a Group, we have merged and acquired a range of businesses, each with different approaches to pay and bonus structures. This variation presents challenges in producing fully comparable and meaningful data. As integration continues, we will be better able to review and align this data, ensuring greater consistency across the Group. Part of our integration plan is to align our pay and reward strategy, and we will continue to work through these processes to ensure our ongoing strategy supports sustained improvements in our gender pay gap. Our focus remains on understanding where we are now, defining where we want to be, and building a clear plan to get there.

WHAT'S NEXT?

There is more work to be done on our Gender Pay Gap, but we are dedicated to making sustainable improvements and we have the following initiatives to help us do exactly that:

- Align terms and conditions across the Group. Following multiple acquisitions in a short period of time, it is imperative we review the terms of employees and aim for alignment across the Group.
- Offer a flexible benefits package to all employees which means employees can decide what is important to them.
- The Group offers hybrid working and supports flexible working practices.
- Continue to review our recruitment practices to ensure we attract a wide pool of talent and take them through a fair and structured process.
- Continue to review pay review practices, using benchmarking to ensure market alignment through a gender lens
- We have a Diversity, Equality and Inclusion working Group and will continue to train and develop our people on these key topics.

Looking ahead, we are investing heavily in our people and laying the groundwork for sustainable, inclusive growth. Initiatives for the coming financial year include a project to identify a market-leading engagement platform, deeper engagement with employee representatives, management training and upskilling, enhancements to our graduate programme, leadership coaching, and the introduction of clear salary bandings. We are also introducing a refreshed PDP process, employee journey mapping, and a stronger focus on Diversity, Equity, and Inclusion (DEI).

Furthermore, we are embedding people plans across all business units, supported by workforce mapping, succession planning, performance tracking, and a more structured approach to compensation and benefits. The recruitment of dedicated P&C business partners is another important step, ensuring we deliver value and support at every level of our organisation.

Our growth will continue to bring new businesses into our fold, and with them, new challenges and opportunities. We remain focused on harmonising our approach and creating a level playing field for all. Closing the gender pay gap is not a onetime effort, it is an ongoing journey, and we are committed to making meaningful progress every step of the way.

Clare Dyer, Chief People Officer at AAB

CONTACT US.

If you have any questions regarding our 2023/24 Gender PayGap Report, please don't hesitate to contact our Chief People Officer, Clare Dyer.

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