



 **Ascot Lloyd**

Independent Financial Advice

To be the UK's IFA of choice

Gender Pay Gap Report April 2023

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HR Director's Statement



Gender and Ethnicity pay gaps 2022

I am clear at Ascot Lloyd, our colleagues really do matter. We are committed to developing, maintaining and supporting a culture of equality, diversity and inclusion. Where all our colleagues can be themselves, regardless of gender, ethnicity and other protected characteristics.

This is embedded in our culture through our "We Do" (wellness, education, diversity, inclusion and openness) programme.

To us this means creating a trusting environment where all our colleagues can achieve exceptional results through our tALent training and development programme.

We care about our colleagues wellbeing and through our Ambassador forums, surveys, diversity forums and Execo roadshows all our colleagues have a voice. We publish our D&I aims, our actions from our surveys and take responsibility to action and communicate.

We are proud that woman are equally represented at Executive level and CPL Board. In 2022, we achieved an increase to our female representation from 40% to 50%. Ethnic groups in our industry as a whole are under-represented and we wish to be transparent, we are striving to change the perception of our industry and attract minority groups and have made some progress, however, we still have a long way to go.

We are partnering with minority groups through universities, colleges and our recent graduate intake has resulted in a equal mix of gender and race. Currently woman in our Adviser population are under-represented in our sector with only 18% female IFAs in the UK, we are currently at 14%. We aimed to recruit equal representation into our Trainee Adviser programme which we achieved in our recent recruitment programme.

Different ethnic groups face different issues in society. We have for the first time reported on separate pay gaps for employees who identify as ethnic. We still have some way to go.

Our pay gap results are shown in detail in this report. We have improved on our median pay gap by 4% and decreased slightly on our mean by 0.8%.

Our bonus gap has decreased with a higher percentage of females receiving a bonus.

We have progress to make and still lots to achieve and our Board, Execo are committed to achieving our aims.

I confirm the information contained within this report is accurate.



Cath McVey, Group HR Director

Understanding Pay Gaps

Ascot Lloyd understand that some people may not identify as male or female. However, for the purposes of this report, we have used the terms 'male' and 'female' as the gender pay gap report must be reported in a binary way.

Gender Pay Gap legislation was introduced in the UK in 2017 to encourage employees to make greater progress in addressing the imbalance of earnings between males and females over the span of their careers. While there is no requirement to report ethnicity pay gaps, Ascot Lloyd will voluntarily publish ethnicity pay gaps for 2022 onwards.

What do pay gaps measure?

Gender pay gaps measure the difference between the average male pay and the average female pay as a percentage of the male pay. For example, average male pay of £100 per hour and average female pay of £80 per hour would indicate a gender pay gap of 15%.

The calculation for ethnicity pay gaps is the same, measuring the difference between average pay for white employees and the average pay for Asian, Black or Multiracial employees as a percentage of the white employee average.

Pay gap calculations do not consider factors such as different roles, responsibilities, performance, or levels of seniority.

What is our Equal Pay Commitment?

The pay gaps are not the same as equal pay. Ascot Lloyd's Equal Pay Commitment stipulates that employees must be rewarded fairly, with regards to their specific role, seniority, responsibilities, skills and experience and factors which properly affect pay. Pay decisions must not take into account any protected characteristics.

Definition of key terms

Median pay gaps: the difference between the median pay for female employees and the median pay for male employees (or for ethnic minority employees and white employees), as a percentage of the male (or white) employee median. Medians are calculated by ordering individual rates of pay from lowest to highest and selecting the value for the middle employee.

Mean pay gaps: the difference between the mean pay for female employees and the mean pay for male employees (or for ethnic minority employees and white employees), as a percentage of the male (or white) employee mean. Means are calculated by summing all the individual pay rates and dividing by the number of individuals.

Hourly pay gaps: made up of all regular payments of salary and allowances during March 2022.

Bonus pay gaps: made up of all bonus and incentive payments received over the 12-month period to the end of March 2022, excluding any employees who did not receive a bonus or incentive (either due to performance or due to not being eligible to be considered for a bonus given their start date).

UK-wide Gender Pay Gaps

Gender pay gaps

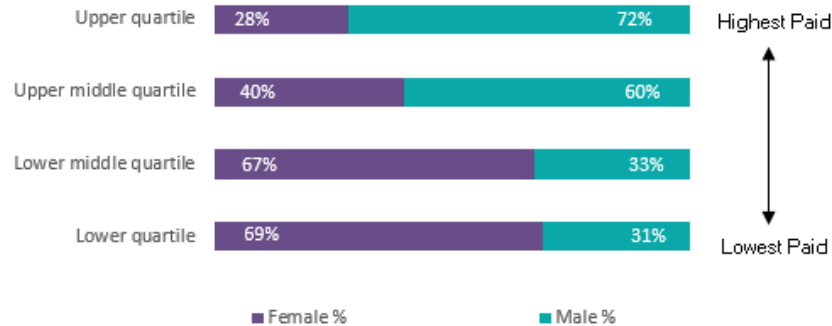
Hourly Pay		Bonus Pay	
Median	Mean	Median	Mean
28%	33.50%	33.20%	88.20%
▼ 4% pts on 2021	▲ 0.8% pts on 2021	▼ 61.1% pts on 2021	▲ 4.7% pts on 2021

The pay gaps shown above reflect the underrepresentation of females within Ascot Lloyd. Since 2021 the median for both hourly pay and bonus pay have

Receiving bonus

Female (%)	Male (%)	
87%	79%	Across our UK population, 87% of all female employees and 79% of all male employees received a bonus payment.

Pay quartiles



Pay quartiles are prepared by ordering the population by hourly pay, from lowest to highest, and then dividing it into four equal groups (lower quartile, lower middle quartile, upper middle quartile and upper quartile, to show how the distribution of males and females varies according to each quartile.

What is the data showing?

As gender pay gaps are based on averages taken across the whole workforce, they do not consider factors such as different roles, responsibilities, or levels or seniority.

Whilst the national average is 14% if the IFA Adviser population is excluded, the 2022 median reduces to 11.76%, 3.14% below the national average. The average Gender Pay Gap in the Financial and Insurance sector is 24.9%, Ascot Lloyd are therefore only 3.1% higher than this.

Changes from 2021

Generally, bonus pay gaps would be expected to vary more from year to year than hourly pay gaps, as the bonus spend will increase or decrease each year depending on the performance of Ascot Lloyd overall and of different business areas within the company.

Ascot Lloyd's 2022 median gender pay gap is 28%. This is an improvement of 4% from 2021. This could be attributed to the median pay in Operations now being in favour of females and following a benchmarking exercise within this area.

Ascot Lloyd's 2022 mean gender pay gap is 33.5%. This is an increase of 0.8% from 2021. The reason for this increase is due to the mean gender pay gap being more in favour of males within Head office by 5.7% in 2022. This is a result of male salaries in head office being £1.91 per hour higher and female salaries being £0.21 per hour lower than 2021.

Ascot Lloyd's 2022 median bonus pay gap is 33.2%. This is an improvement of 61.1% from 2021. This improvement in the bonus pay gap could be contributed to the EBITDA pay outs from 2021 and 2022. In 2021 (bonus covering the period of 2020), there was a 0% EBITDA pay out compared to a 4% EBITDA pay out in 2022 (covering the period of 2021). As more female employees would fall in the category of non-Advisers, the EBITDA pay out would be a contributing factor in the difference.

Ascot Lloyd's 2022 mean bonus pay gap is 88.2%. This is an increase of 4.7% from 2021. This is due to the bonus pay outs being based on a percentage of the salary. As the male salaries are higher than females, this would be a contributing factor in this.

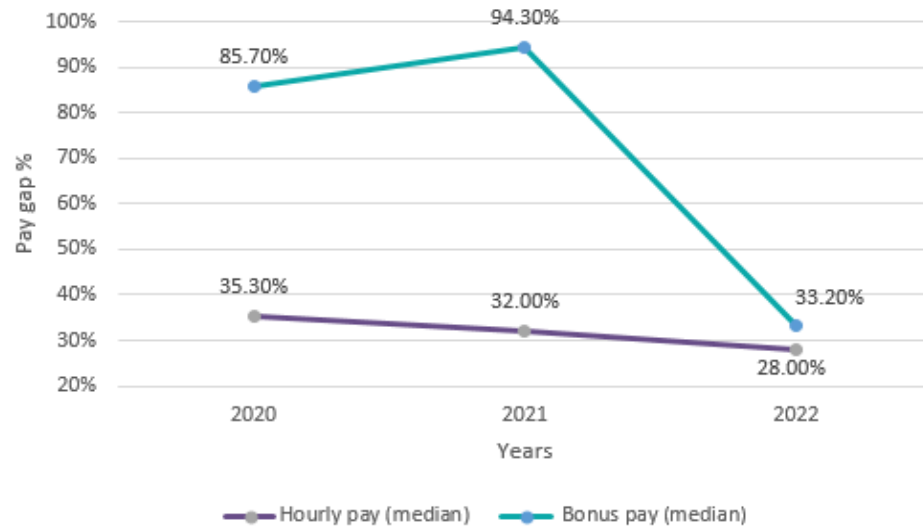
UK-wide gender pay gaps (continued)

Change in gender pay gaps and representation since 2020

Since 2020 the median gender pay gaps for both hourly and bonus pay have improved. The reason for the drastic improvement in the median bonus pay gap is a result of an increase in company bonus pay out in 2022. Ascot Lloyd continues to benchmark salaries which is reflected in the decrease in gender pay gap for hourly pay.

The chart below illustrates the change in our median pay gap since 2020.

Change in gender pay gaps from 2020 to 2022



Change in female representation from 2020 to 2022

Year	Advisers	Employee	Manager	Senior Manager	Exec
2022	12%	63%	55%	55%	50%
2020	14%	71%	61%	53%	50%
Change from 2020 to 2022	-2%	-7%	-6%	1%	0%

In 2022 within the UK, on average only 16% of Advisers are female¹. As a result of this, the gender pay gap is above average due to Advisers earning a higher salary. Although the IFA industry is male dominated, Ascot Lloyd are taking steps to reduce the gender pay gap.

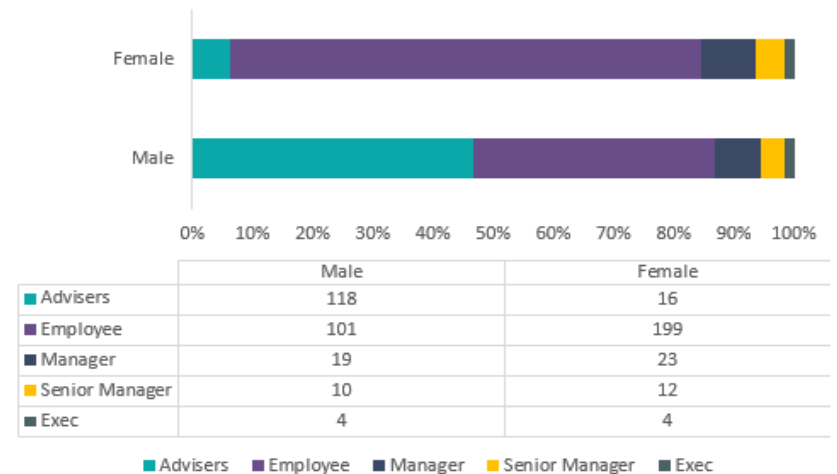
One of the actions to close the gender pay gap is implementing a new Trainee Adviser Academy, giving Ascot Lloyd the opportunity to develop a new generation of Advisers. In the first cohort, 3 female Trainee Advisers have joined Ascot Lloyd with plans to further increase the female headcount within Advisers in the coming years.

Over the last 3 years, the representation of females in senior management has increased from 53% to 55% and Exec has remained the same at 50%.

Whilst Ascot Lloyd's female representation is higher within all seniority areas except Advisers, there has been a decrease in female representation in Adviser, Employee and Manager areas since 2020. To improve this, Ascot Lloyd will continue to look at the succession within the company specifically with any female succession that can be provided. As the majority of females within the company sit within quartile 1, Ascot Lloyd have career pathways to allow employees to progress in financial services.

¹ According to FTAdviser.com

2022 gender representation by seniority level in the UK



UK-wide ethnicity pay gaps

2022 v 2021

Ethnicity pay gaps				
	Hourly Pay		Bonus Pay	
	Median	Mean	Median	Mean
Asian	0%	3%	7%	14%
	30% pts on 2021	40% pts on 2021	35% pts on 2021	8% pts on 2021
Black	-2%	3%	6%	13%
	32% pts on 2021	21% pts on 2021	28% pts on 2021	80% pts on 2021
Multiracial	-3%	1%	0%	10%
	8% pts on 2021	15% pts on 2021	34% pts on 2021	66% pts on 2021

What is the data showing?

Ascot Lloyd's ethnicity pay gaps reflect the differences in average pay of employees who identify as Asian, Black or Multiracial with the average pay of those who identify as white, without taking into account the mix of roles, responsibilities and seniority across each group.

The figures are based on 88.7% of employees who shared their ethnicity with Ascot Lloyd. 11.3% of employees have selected 'prefer not to say' and have therefore not been included in this data.

This is the first year that Ascot Lloyd have reported on the ethnicity pay gap within the company and will continue to report on this annually.

Changes from 2021

Since 2021, the median salary for white employees has decreased by £0.22 and the mean has decreased by £0.07.

The median and mean hourly pay gap for all ethnic minorities has decreased since 2021.

Asian employees currently earn £0.06 more than white employees bringing their median hourly salary percentage difference to 0%. The mean hour pay for Asian employees is currently 3% less than white employees. However, this gap has closed by 40%.

Black employees currently earn 2% more than white employees based on their median hourly pay. This is an improvement of 32% from 2021. The mean hour pay for black employees is 3% less than white employees, however compared to 2021, the gap has closed by 21%. This is a result of recruiting employees from both Asian and Black ethnic groups into the upper quartiles (Q3 & Q4).

The pay gap for Multiracial employees has improved since 2021 by 8%. As a result of this, Multiracial employees earn 3% more than white employees.

In 2022, white employees on average earned less median salary than all ethnic minorities.

In comparison to white employees, median bonus pay gaps for all ethnicities continues to close.

The median Asian employee pay gap as of 2022 is 7%. This is an improvement of 35% compared to 2021. The mean bonus pay gap has increased by 14% in 2022. This is due to a number of employees bonuses being less than the previous year within this ethnicity.

Both median and mean bonus pay gaps for Black employees have improved since 2021. The median bonus pay gap is 6% as of 2022 which is a decrease of 28% from 2021. The mean bonus pay gap has decreased by 80% resulting in a new bonus pay gap of 13%.

The median bonus pay gap for Multiracial employees has reduced by 34% indicating there is no longer a bonus gap. Whilst there remains a mean bonus pay gap of 10%, this has closed by 66% since 2021.

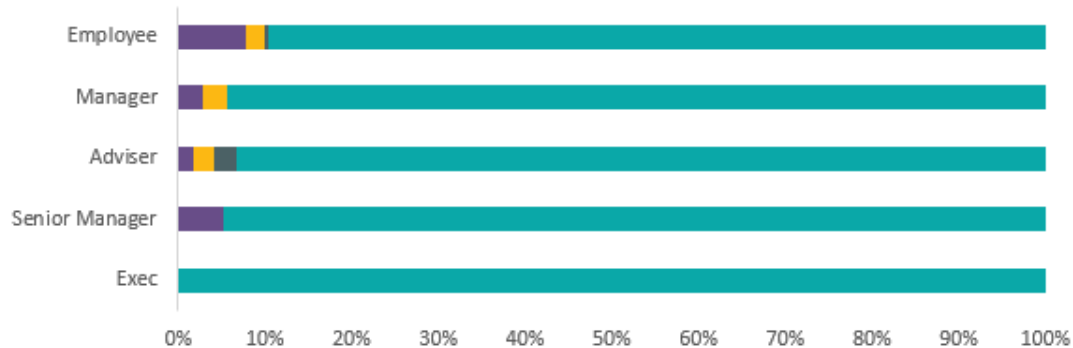
The reason for the significant decrease in bonus pay gaps in both Black and Multiracial ethnicities is due to white employee bonus pay-outs decreasing, and Black and Multiracial bonus pay-outs increasing in 2022.

UK-wide ethnicity pay gaps (continued)

Receiving Bonus			
Asian	Black	Multiracial	White
100%	78%	50%	82%

The above chart shows the employees per ethnicity within Ascot Lloyd that received a bonus in 2022.

2022 ethnicity representation by seniority level in the UK



The above graph shows the percentage split within each seniority level by ethnicity.

Ethnicity pay gaps and representation

All employees at Ascot Lloyd have the opportunity to earn a bonus each year dependant on their eligibility. Employees may be ineligible for a bonus due to their start date and/or performance.

Through producing MI on the ethnicity split this year, it has shown that Ascot Lloyd needs to improve the diversity within the company in all seniority levels. An action to close the ethnicity pay gaps is to increase the proportion of employees from underrepresented minorities. In 2022 Ascot Lloyd participated in the 10,000 Black Interns Programme which resulted in offering a position to the intern. Ascot Lloyd will continue to participate in the programme in 2023 which is designed to transform the horizons of young Black talent.

	Exec	Senior Manager	Adviser	Manager	Employee
Asian	0%	5%	2%	3%	8%
Black	0%	0%	2%	3%	2%
Multi Racial	0%	0%	2%	0%	0%
White	100%	95%	93%	94%	90%

Asian Black Multi Racial White

Key actions to increase female underrepresented ethnic minority representation.

Workforce diversity

Attract, recruit and retain a diverse workforce

- We proactively search for female and underrepresented minority talent in the market.
- We attract graduates from diverse backgrounds by broadening the pool of universities that we recruit from. In Ascot Lloyd's recent cohort, 3 Graduates were employed, 1 of which was a female. This is the first year a female has been recruited through the Graduate scheme.
- Our Wellness, Diversity and Inclusion 'We Do' programme has continued to be a success being supported by a series of communications and activities throughout the year, including various webinars which are offered to all employees throughout Ascot Lloyd such as 'Menopause Awareness' and 'Stress Awareness'. Mental Health First Aiders have been trained within the company as a result of the programme.

Leadership accountability

Ensure leaders are accountable for DEI progress

- We are increasing line manager understanding on race and ethnicity in the workplace through DEI workshops such as 'Unbiased Training'.
- A new learning management system has been implemented with full support from the Execo team. The eLearning materials provided through the system allow managers to increase their development on DEI areas like 'Disability Inclusion in Practice', 'Creating an inclusive culture at Ascot Lloyd' and 'Neurodiversity Inclusion in Practice'.

Data transparency and accountability

Deliver DEI strategy through transparent and data-driven insights

- Representation of females and underrepresented ethnicities is regularly reviewed. This encourages leaders to take measurable actions.
- Ascot Lloyd publish the gender and ethnicity pay gaps annually.
- All employees are treated equally and receive the same benefits, regardless of status. All benefits can be accessed through the internal intranet.
- Employee engagement results have continued to improve with an increase in net promoter score of 1.83%. These results are published to all employees with an action plan for further improvement.

Optimisation of external relationships

Optimise Ascot Lloyd's external relationships to challenge thinking and enable further change and growth

- Ascot Lloyd will be offering work experience for underrepresented minority second year students from Royal Holloway, University of London. This will allow the students to gain experience in the financial sector and could encourage them to apply for Ascot Lloyd's Graduate Scheme in their final year of university.
- Ascot Lloyd will continue to participate in the 10,000 Black Intern Programme.
- Ascot Lloyd continue to promote employee volunteer days which allow employees to with local communities, for example, The Haven, which is a charity that provides support to women and children who are vulnerable to domestic abuse.

Statutory UK gender pay gaps disclosures

Year	Median Pay Gap	Mean Pay Gap	Hourly Pay							
			Upper Quartile		Upper Middle		Lower Middle Quartile		Lower Quartile	
			Male	Female	Male	Female	Male	Female	Male	Female
2020	33.10%	35.30%	72.50%	27.50%	56.20%	43.80%	28.10%	71.90%	24.79%	75.21%
2021	32.00%	32.70%	73.23%	26.77%	61.11%	38.89%	36.51%	63.49%	28.57%	71.43%
2022	28.00%	33.50%	71.88%	28.13%	60.00%	40.00%	32.80%	67.20%	30.95%	69.05%

Year	Bonus Pay			
	Median Bonus Gap	Mean Bonus Gap	Proportion Receiving Bonus	
			Male	Female
2020	86.60%	85.70%	84.00%	84.00%
2021	94.30%	83.50%	80.00%	88.00%
2022	33.20%	88.20%	79.00%	87.00%

Definitions of hourly pay and bonus pay are included on page 4. In line with the Equality Act 2020 (Gender Pay Gap Information) Regulations 2017, the above analyses use had count and remuneration data as at snapshot date 31 March 2022.

