

Gender Pay Gap report – April 2023

Executive Summary

MHA is a firm of chartered accountants, tax and business advisers and is required by law to publish an annual gender pay gap report. We strongly believe in equity, and we are confident that the gender pay gap reported does not stem from women and men being paid differently for different work, but rather from other factors. Our gender pay gap has decreased from 2022 and our statistics are lower than our sector average, however, the results will not make us complacent, and the firm will continue to take proactive steps to bringing the gap closer to zero.

This is its report for the snapshot date of 5 April 2023

- The mean gender pay gap for the firm is 10.8%.
- The median gender pay gap for the firm is 6.2%.
- The mean gender bonus gap for the firm is 14.1%.
- The median gender bonus gap for the firm is 7.5%.
- The proportion of male employees in the firm receiving a bonus is 83.8% and the proportion of female employees receiving a bonus is 89.4%.

Pay quartiles by gender

Band	Males	Females
Lower quartile	55.4%	44.6%
Middle-lower quartile	45.5%	54.5%
Middle-upper quartile	51.4%	48.6%
Upper quartile	61.2%	38.8%

The figures set out above have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

What are the underlying reasons for the firm’s gender pay gap?

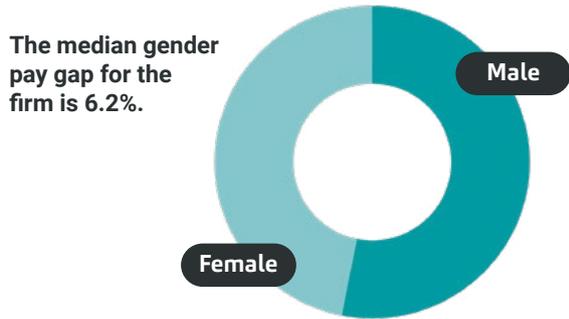
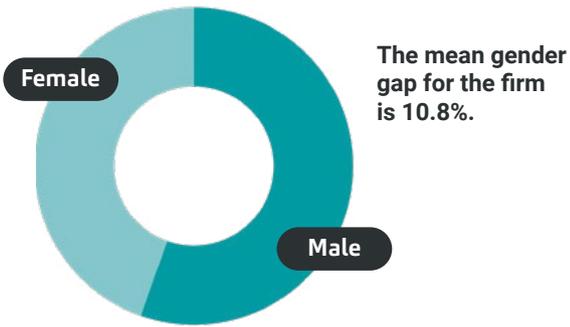
Under the law, men and women must receive equal pay for:

- the same or broadly similar work;
- work rated as equivalent under a job evaluation scheme; or
- work of equal value.

MHA is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability. It has a clear policy of paying employees equally for the same or equivalent work, regardless of their sex (or any other characteristic set out above). As such, it:

- carries out pay and benefits audits at regular intervals;
- ensures that regular equal pay training is included for all managers and other staff members who are involved in salary reviews;
- provides equality and diversity training;
- evaluates job roles and pay grades as necessary to ensure a fair structure; and
- advertises roles internally and externally to attract the best candidates.

MHA is therefore confident that its gender pay gap does not stem from paying men and women differently for the same or equivalent work. Rather its gender pay gap is the result of the roles in which men and women work within the organisation and the salaries that these roles attract.



Research by the Young Women’s Trust has highlighted that women get “funnelled” into lower paid jobs and sectors right from the beginning and then get stuck there; where women go whilst they are in the 18-22 age range therefore has huge implications for their future.

In addition, as households move towards having greater caring responsibilities, often from the mid-30s upwards, women are still more likely to leave their job than men because of a long commute.

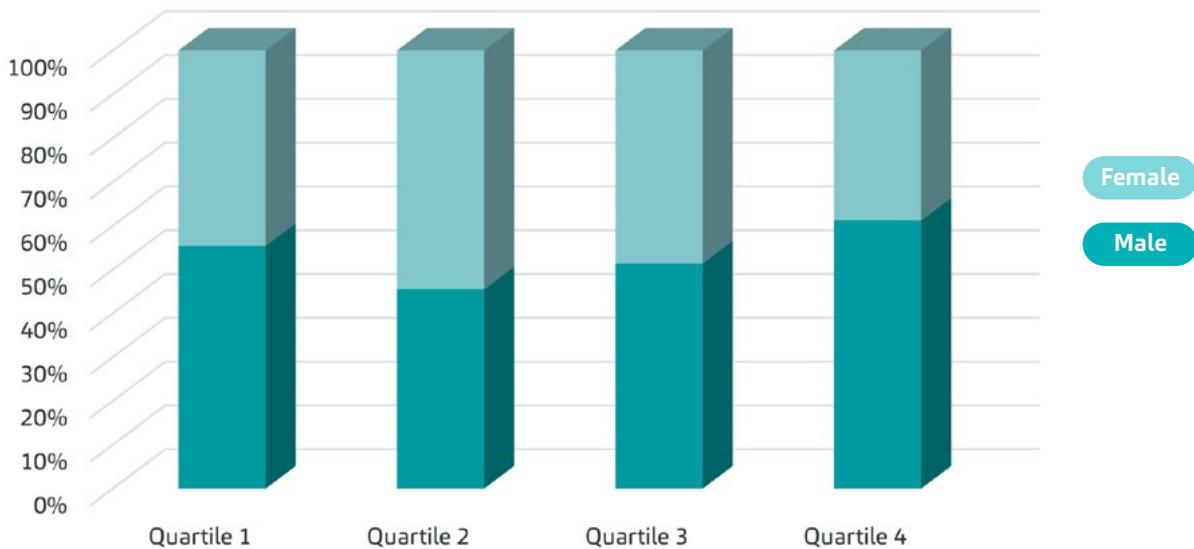
According to the Office for National Statistics (ONS), fewer women than men are in occupations such as managers, directors and senior officials in their 40s and 50s which is the age at which pay for these occupations typically increases.

This pattern from the UK economy as a whole is reflected to a degree in the make-up of MHA’s workforce. There has been a decrease in the percentage of women in the lower paid roles and an increase in the percentages of women in more highly paid roles; however, the majority of the highest-paid roles are held by men although the percentage has decreased.

Pay quartiles by gender

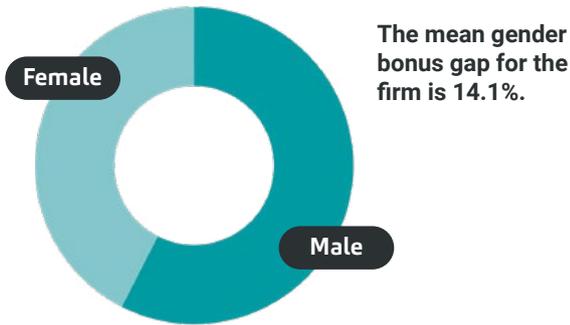
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Quartiles



This can be seen above in the table depicting pay quartiles by gender. This shows the firm’s workforce divided into four equal-sized groups based on hourly pay rates, with the lower quartile including the lowest-paid 25% of employees and upper quartile covering the highest-paid 25%. In order for there to be no gender pay gap, there would need to be an equal ratio

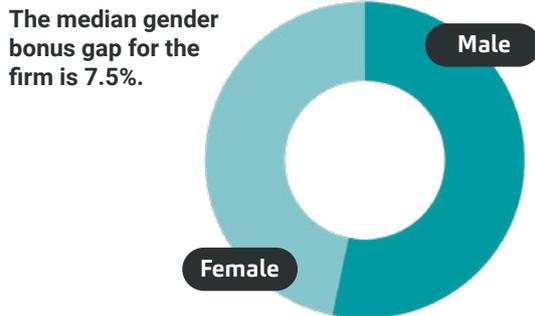
of men to women in each quartile. Within the firm, the ratios are fairly equal in the first three quartiles; there are slightly more women than men in all of the first three quartiles. The percentage of men is, however, higher in the upper quartile at 61.2%, although this is a decrease on last year.



The proportion of men in the firm who received a bonus in the 12 months up to 5 April 2022 was 22.8%, while for women this was 29.2%. This indicates that a higher percentage of women are now in roles which attract a bonus.

How does MHA's gender pay gap compare with that of other organisations?

The vast majority of organisations have a gender pay gap, and we are pleased to be able to say that MHA's gap compares favourably with that of other organisations within our industry.



The mean gender pay gap for the whole economy (according to the Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) figures published on 1 December 2023) is 13.2%, while in the legal and accounting activities sector it is 22.5%. At 10.8%, MHA's mean gender pay gap is, therefore, lower than that for both our sector and for the whole economy.

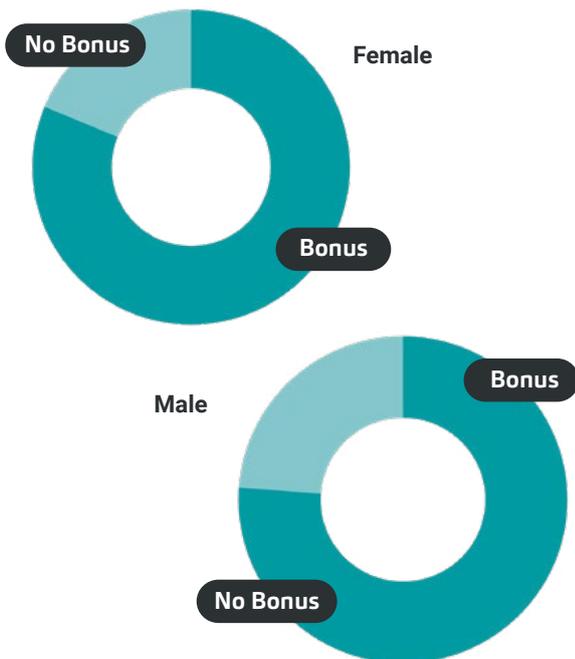
The median gender bonus gap, which is considered to be a more accurate measurement, is 7.5%, indicating that whilst males received more in terms of the amount bonus received, the gap is fairly small.

The median gender pay gap for the whole economy (according to the ONS ASHE figures published on 1 December 2023) is 14.3%, while in the legal and accounting activities sector it is 22.2%. At 6.2%, MHA's median gender pay gap is, therefore, lower than that for the whole economy and significantly lower than that for our sector.

The proportion of male employees in the firm receiving a bonus is 83.8% and the proportion of female employees receiving a bonus is 89.4%.

What is MHA doing to address its gender pay gap?

While the firm's gender pay gap compares favourably with that of organisations both across the whole UK economy and within the legal and accounting activities sector, this is not a subject about which the firm is complacent, and it is committed to doing everything that it can to reduce the gap. However, the firm also recognises that its scope to act is limited in some areas - it has, for example, no direct control over the subjects that individuals choose to study or the career choices that they make.



Over the last 12 months:

- Both the mean and median gender pay gaps have decreased.
- A higher percentage of women received a bonus compared with the 12 months up to 5 April 2022; additionally, a higher percentage of women than men are in roles which attract a bonus.
- The percentages of women in the lower-middle and upper-middle quartiles are roughly the same as 12 months ago, indicating that women have remained in these higher paid roles within the firm; however, the percentage of men in the upper quartile has decreased slightly, indicating that whilst men are still more likely to be in the most highly-paid roles, the gap is closing.
- There are now more men than women in the lower paid roles although it is still fairly equal.

To date, the steps that the firm has taken to promote gender diversity in all areas of its workforce include the following:

- **Creating an evidence base:** To identify any barriers to gender equity and inform priorities for action, in 2016 the firm introduced gender monitoring to understand:
 - the proportions of men and women applying for jobs and being recruited;
 - the proportions of men and women applying for and obtaining promotions;
 - the proportions of men and women leaving the organisation and their reasons for leaving;
 - the numbers of men and women in each role and pay band;
 - take-up of flexible working arrangements by gender and level within the organisation;
 - the proportion of men and women who return to their original job after a period of maternity or other parental leave; and
 - the proportion of men and women still in post a year on from a return to work after a period of maternity or other parental leave.
- **Implementing the agile working policy within the firm** – The firm's agile working policy makes it clear that employees in all areas and levels of the organisation will be considered for agile working (including core hours and working from home) regardless of their role and level of seniority, and that agile working need not be limited to part-time working. The utilisation of agile working has increased which will make senior positions more attractive and more accessible to women.
- **We have a number of part-time Partners** thus demonstrating that senior roles can be fulfilled whilst maintaining childcare.
- **Continuing our mentoring programme** whereby senior female role models (including at Partner level) support junior members of staff.
- **Checking our recruitment adverts** periodically for gender bias so as to ensure that women are encouraged to apply, even if they do not tick all of the boxes.
- **Working with BITC** surveying all our employees and setting up focus networks to examine our policies from a diversity perspective. Training has been provided across three levels
- **Benchmarking our roles annually** with the external market and realigning when required.
- **Continuing to focus on diversity** training across our hiring managers in order to reduce interviewer bias. We also have a Diversity, Inclusion, Belonging and Social Impact strategy which will seek to promote equality within the firm, including gender equity.

- **Our DIBS (Diversity, Inclusion, Belonging & Social Impact) strategy** works to promote the message that inclusion is for all, and diversity is essential. We have made improvements in increasing the diversity of our workforce and supporting inclusion by adjusting our working practises and providing comprehensive training to all our staff and will continue to develop an inclusive culture, both internally and amongst our clients.
- **A full-time DIBS officer** has been appointed to oversee and implement our strategy.
- **We identified behaviour, culture and education** as the three pillars of focus for our DIBS strategy and action plan, so have a reference point of commitment and measurements for success. We also feel that in the absence of one, the other two become less effective, meaning a holistic approach of these pillars to driving DIBS needs to be taken to achieve real long-term success.
- **Our Gender Equality Network** has been formed as a subcommittee of the DIBS group. The group have set their key objectives and have actively been recruiting members. Not only is the group a confidential space for women to talk openly about their experiences and challenges, it is also there to identify any areas for improvement within the firm.

This year, the group have analysed data across the firm regarding gender disparity and at what levels it occurs. This review identified two main areas of focus:

- new trainee intake – to combat this, the group have been formulating a plan for our next intake, to work with more schools and colleges, particularly female-only schools, to promote the industry, using the experiences of female partners and trainees to highlight what it's like to be a female in the profession
- top level – to combat this, the group have been working on introducing a female mentoring programme. Initially, this will be run in conjunction with BT's Inspire Inclusion mentoring programme, and should this be successful, a female mentoring programme will be rolled out for a longer period. The group have also been considering training around challenges such as imposter syndrome (which is a particularly female trait) and other challenges faced by women in more senior roles

In addition, the network is currently undertaking surveys around maternity and other parental leave, to review if this could be a factor as to why female staff don't progress as quickly. Feedback in the past has been that some women felt that their development was slower after returning from maternity leave. As a result, the firm is working hard to support women with children to have a career.

Once all of the data is collated, the group will consider what support women have before returning to work e.g. information on how they could work flexible hours or part time without it impacting on their career development. They will also look at what the firm does to support them on their return to their work, so that they can achieve the future career they wanted.

- **Introducing a "Great Futures Work Experience Programme"** where we have work experience juniors from local schools come to the firm for a structured week to gain an understanding of what we do within our Business Services, Tax and Audit departments. They complete a group project along with learning pathways and sessions.
- **Becoming a member firm of Access Accountancy** and committing to improve social mobility via access to and progression within the firm.
- **Continuing to promote Shared Parental Leave** so that the childcare 'break' is more equally shared amongst men and women.
- **Offering Enhanced Maternity Pay** to encourage women who are thinking of having children to join the firm and to stay.
- **Our Regional HR Development Committees** continue to work to identify female talent whilst enabling and encouraging women to apply for senior positions where they are currently under-represented.
- **Continuing our initiatives for the retention of talent** within the firm including Learning and Development for managers, Modern Manager, and LEAD to encourage women to remain within the Firm and apply for senior positions
- **We will continue to demonstrate** that senior roles can be successfully fulfilled on a part-time / flexible basis via our "day in the life" stories.
- **We will continue to offer apprenticeship and training routes** for women who wish to re-join the profession after a break.

None of these initiatives will, of itself, remove the gender pay gap - and it may be several years before some have any impact at all. In the meantime, the firm is committed to reporting on an annual basis on what it is doing to reduce the gender pay gap and the progress that it is making.



I, Rakesh Shaunak, Managing Partner of MHA, confirm that the information in this statement is accurate.

Signed:

Date 28 February 2024

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