

#### 4. Employee expenses and information

A detailed analysis of Members' remuneration, including salaries and variable pay, is provided in the Members' Remuneration Report.

The direct costs of all employees, including Members, appear below:

	2017 £m	2016 £m
Aggregate gross salaries	65	69
Employer's National Insurance contributions	7	7
Employer's defined contribution pension contributions	4	4
<b>Total direct costs of employment</b>	<b>76</b>	<b>80</b>

In addition to the above, in 2017 £1 million of costs were expensed to the income statement in respect of restructuring initiatives to increase operational efficiency within the Group (2016: £1 million).

The Executive Members are considered to be the key management of the Corporation. As disclosed in the Members' Remuneration Report on page 129, the total remuneration of the Executive and Non-Executive Members for the year ending 31 December 2017 is £2,770,000 (2016: £2,939,000).

The salary multiple of highest paid to median employee was as follows:

	2017 £000	2016 £000
Total remuneration of highest paid Executive Member <sup>1</sup> (page 129)	907	957
Total remuneration of median employee	57	59
<b>Multiple of highest paid to median employee</b>	<b>15.9</b>	<b>16.2</b>

<sup>1</sup> Total remuneration of £907,000 includes salary and benefits received by David Abraham from the end of his term as CEO to the end of his notice period and is therefore different from the remuneration disclosed in the table in the Remuneration Report on page 129.

Total remuneration is defined as base salary, variable pay, employer pension contribution and other benefits.

The average monthly number of employees, including Executive Members, was as follows:

	2017 Number	2016 Number
<b>4Broadcast</b>		
Commercial	247	239
Creative	260	258
Operational	298	296
4Talent	22	17
	<b>827</b>	<b>810</b>
<b>4Rights</b>	<b>31</b>	<b>32</b>
<b>Group total</b>	<b>858</b>	<b>842</b>

The headcount calculation has been revised in 2017 to reflect the actual proportion of hours worked in a week for each individual employee. Prior to 2017 the average number of employees was computed on a Full Time Equivalent basis where any individual working less than 37 hours a week was classified as 0.5 of a full head. Under this methodology the average number of employees in 2017 would have been 827 (2016: 814).

The employee information disclosed in this note excludes a small number of on-screen talent who are remunerated via Channel 4's payroll.