

#### 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:

	2018 £m	2017 £m
Aggregate gross salaries	69	65
Employer's National Insurance contributions	7	7
Employer's defined contribution pension contributions	4	4
<b>Total direct costs of employment</b>	<b>80</b>	<b>76</b>

In addition to the above, in 2018 £2 million of costs were expensed to the income statement in respect of restructuring initiatives to increase operational efficiency within the Group (2017: £1 million).

The Executive Members are considered to be the key management of the Corporation. As disclosed in the Members' Remuneration Report on page 185, the total remuneration of the Executive and Non-Executive Members for the year ending 31 December 2018 is £2,797,000 (2017: £2,770,000).

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

	2018 £000	2017 £000
Total remuneration of highest paid Executive Member <sup>1</sup> (page 185)	936	907
Total remuneration of median employee	65	58
<b>Multiple of highest paid to median employee</b>	<b>14.4</b>	<b>15.6</b>

<sup>1</sup> Total remuneration of £907,000 in 2017 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 185.

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:

	2018 Number	2017 Number
Commercial	260	255
Creative	256	263
Operational	309	318
4Talent	26	22
<b>Total</b>	<b>851</b>	<b>858</b>

The headcount calculation reflects the actual proportion of hours worked in a week for each individual employee. The employee information disclosed in this note excludes a small number of on-screen talent who are remunerated via Channel 4's payroll.