16. INVESTMENTS (continued)

16.2 Other investments (continued)

Linked insurance policies – Coronation

The fair value through profit or loss investment is used to fund the post-retirement medical aid liability. These investments are made through a Cell Captive in which Telkom holds 100% of the preference shares, and represent the fair value of the underlying investments of the Cell Captive.

Telkom bears all the risks and rewards of the investment, as the returns/losses on the preference shares are dependant on the performance of the underlying investments made by the Cell Captive. On this basis, Telkom as the preference shareholder receives any residual gains or losses made by the Cell Captive. The ordinary shareholders of the Cell Captive do not bear any of the risks and rewards. The Cell Captive has been consolidated in full.

Investment in associate

The Number Portability Company (NPC) was incorporated in response to Regulations of 2005 that required a national centralised database of ported numbers for mobile numbers. The NPC was previously classified as a joint venture jointly controlled by Vodacom, MTN and Cell C. The investment has been reclassified to an associate in line with the requirements of the revised IAS 28 Investments in Associates and Joint Ventures and IFRS 11 Joint Arrangements.

Investment in joint venture

Satellite Data Networks Mauritius (Pty) Ltd was a joint venture within the iWayAfrica Group. The joint venture was disposed of during the financial year.

	Group		Company	
	2013	2012	**2013**	2012
	Rm	Rm	**Rm**	Rm
17. DEFERRED EXPENSES AND DEFERRED REVENUE				
Deferred expense	**50**	47	**50**	47
Non-current deferred expenses	**50**	47	**50**	47
Telkom Pension Fund asset	**50**	47	**50**	47
Deferred revenue	**2,692**	3,127	**2,651**	3,100
Non-current deferred revenue	**952**	1,132	**952**	1,132
Current portion of deferred revenue	**1,740**	1,995	**1,699**	1,968

Included in deferred revenue is profit on the sale and leaseback of certain Telkom buildings of R64 million (2012: R75 million) and short-term portion of R11 million (2012: R11 million). A profit of R11 million per annum is recognised in income on a straight-line basis, over the period of the lease ending 2019.