

31 July 2017

SAE UK VAT update

Further to announcements made on 26 April and 26 May 2016 global education services provider Navitas Limited (ASX: NVT) has been notified that its appeal regarding SAE's UK VAT exemption status has been dismissed by the UK Court of Appeal.

SAE UK has been in dispute with Her Majesty's Revenue and Customs (HMRC) as to whether the supply of educational courses by SAE's four UK colleges are exempt from VAT since 2011.

The decision means that SAE UK is obliged to charge VAT on educational courses delivered since Navitas acquired SAE in February 2011.

"We are disappointed with this ruling and have sought leave to appeal, following discussions with our Queen's Counsel," said Rod Jones, Group CEO of Navitas.

"However, SAE's UK colleges were restructured to operate profitably without an exemption regardless of the outcome."

During the year Navitas prepaid \$5.0m of VAT claimed by HMRC under this dispute. The total impact on FY17 profit was \$3.0m (FY16: \$2.0m).

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About Navitas

Navitas is a leading global education provider that offers an extensive range of educational services through two major Divisions to students and professionals including university programs, creative media education, professional education, English language training and settlement services. Navitas is a S&P/ASX200 company. Further details about Navitas are available at navitas.com

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