

Investors sack Staffline as it slumps to £8m loss

MARKET REPORT



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DESPITE employment rates hitting record highs, Britain's recruiters have been struggling for some time.

Most have blamed uncertainty around Brexit for a stall in hiring – but for Staffline, misfortunes run deeper. The AIM-listed recruiter plunged 22.7pc, or 35p, to 119p last night after it warned of lower than expected profits for the second time in four months.

It made a first-half loss of £7.7m in the six months to June 30, compared with profits of £10.5m in the same period of last year.

In addition to the usual Brexit challenges, it admitted a delay to publishing its 2018 results created uncertainty among customers. The delay came after auditor PwC received an anonymous email raising concern about accounting practices the day before the release was scheduled.

Staffline, which will be hoping the only way is up from here, put aside £15m in the results to cover for historical breaches of minimum wage legislation. PwC later resigned as its bean-counter.

Sir Stelios Haji-ioannou, the founder of budget airline Easyjet, was unable to resist the opportunity to crow at the investment firms which mounted a £139m offer for Easyhotel.

The bidders, Icamap and Ivanhoe Cambridge, revealed that they had bagged 68pc of shares in Easyhotel.

Although this is above the 50pc they needed to take control of the company, it fell short of the 75pc needed to take it private.

Haji-ioannou, who has built his stake through Easygroup to 28pc in an attempt to block the deal, said: 'This exercise was an object lesson in pointlessness.

'[They] have achieved little other than to enrich lawyers and bankers. What a colossal waste of money.' Easyhotel's shares ended the day flat, at 94.5p.

Luxury fashion house Burberry advanced 1.7pc, or 37p, to 2175p, after broker Exane BNP Paribas lifted its price target from 1700p to 2050p. It comes as fashion critics rave about its latest collection from creative director Riccardo Tisci, which has been taking London Fashion Week by storm.

The blue-chip steel maker Evraz finished down 3.9pc, or 20.1p at 497.9p, as iron ore prices fell.

The FTSE 100 closed virtually flat, down 0.01pc, or 1.01 points, at 7320.40. Also pushing it just into the red was a dip in BP stock, which closed down 1.5pc, or 7.6p, at 517p.

The oil major tripped after a sharp rally in the oil price came to an abrupt halt as reports surfaced that Saudi Arabia's production will be back to normal in a matter of weeks after drone missile strikes over the weekend.

But the effect of Monday's oil price surge was still weighing on travel stocks.

Holiday firm Tui fell 4.6pc, or 40.8p, to 841.6p, while cruise operator Carnival dipped 1.5pc, or 57p, to 3718p.

However, shares in Crowne Plaza and Holiday Inn-owner Intercontinental Hotels were 0.5pc higher, up 26p, at 5040p after brokers at Jefferies slapped a 'buy' rating on its stock.

The FTSE 250 was down 0.1pc, or 19.76 points, at 20,040.54.

Mid-cap oil firms also dropped – with Premier Oil shedding 4.2pc,

or 3.94p, to close at 90.22p and Cairn Energy losing 0.9pc, or 1.8p, to 205p. Among the small caps, Mongolian oil explorer Petro Matad crashed 23.3pc, or 1.57p, to 5.17p after announcing one of its wells failed to find any fossil fuel. It will now focus its attention on other, more promising, sites.

And Bluejay Mining was up 0.3pc, or 0.03p, to 9.05p after it lodged its application to mine the sprawling Dundas Ilmenite Project site in Greenland.

The mineral is used to make titanium dioxide, which is used in products such as toothpaste and as a pigment in paint.

