

Was Maplin a victim of venture capital?

Published: January 13, 2026, 10:28 pm

Maplin stores [failed this morning](#). Owned by a venture capital fund that bought it [for around £85 million in 2014](#), since then it had accumulated about £42 million of interest charges due to that fund on a loan on which 15% interest was due. I have prepared a note on this for Joel Hills at ITN, [available here](#).

As I said in that note:

Maplin had almost no chance of meeting the expectations of its new owners. The chance that it could ever pay a 15% return was remote in the extreme. The chance that it was over-stressed in an attempt to make such payments is highly likely. The result is its employees losing their jobs and a valuable resource for many being lost to the High Street.

The time has come to question whether the venture capital business model adds value in the UK. The evidence is it may not because it places real business under too much financial stress to survive, let alone prosper.

And I also asked these questions:

- * Why is it permitted in the UK for the acquisition costs for a trade to be piled onto the balance sheet of the company that has been acquired? Doesn't this just encourage:
 - * Asset stripping?
 - * Financial stress?
 - * The impression of a business focused solely on the need to generate a return to shareholders seeking excessive interest payments (as 15% might reasonably be interpreted to be)?
 - * An attitude that discourages further investment in the trade when that is sorely needed?
- * Should there be unlimited liability for companies that trade when showing a deficit of

funds on their balance sheets, and why?

* Should there be clearer indication of interest payments that are not considered tax allowable with better explanation given?

I think these are questions needing answers.

As [I said earlier today](#), we need a healthy environment in which business might flourish in the UK. I do not think venture capital is providing it.