

My Best Rescue

Insolvency News December 2011

Robert Smailes, senior partner at Shipleys, recalls when he was joint administrator on the case of the Nice Car Company

This wasn't one of my biggest administrations but it certainly was interesting due to the nature of the company.

Despite being a market leader, Nice Car Company - which sold electric motor vehicles to the general public - went into administration in December 2008.

Set up in 2006, Nice Car was one of the first companies to get into the industry but it later struggled due to a number of problems. Although it was just a few years ago, the market place was very different to how it is now

The cars were exempt from the London congestion charge but electric vehicles were still considered to be a balmy concept, and it was a challenge trying to get people to buy into it. Also, compared to today's prices petrol was a lot better value back then.

What's more the company which was based in west London, suffered delays to its supply chain. Certainly the cars were impressive but the firm struggled to get a regular supply of vehicles

to its premises in Ladbroke Grove.

The reason for this was that Nice Car Company had a basic agreement with French manufacturer Aixam-Mega to be the major distributor of electric cars in the country. Nice Car also marketed the company's Mega Multitrucks range of ultra-light commercial vehicles.

On seeing the prototypes people would be very interested. However, there was a delay in getting a steady stream of vehicles over to the London market from France. Potential customers originally interested in purchasing the cars soon became disinterested. The numbers placing orders dropped off.

Nice Car began to struggle, its efforts to secure loans to support the business were in vain as nobody wanted to finance the company.

The administration process was tricky because the company was selling nothing more than goodwill - it didn't own the vehicles.

What we had to do was go to the guys in France and try and conclude a deal with them as they would not have wanted others in charge of selling their cars.

There was lots of to-ing and fro-ing and eventually the company made an offer which we accepted.

Aixam-Mega decided it wanted to bring its own expertise to the table when it came to marketing the cars over here - it wanted much more of a firmer control over the process.

The assets of Nice Car Company were acquired by Aixam-Mega Ltd, based in Rugby, Warwickshire and began trading again as its London sales arm in January 2009.

The reality was that we needed Aixam-Mega on board and we managed to secure the deal with nominal job losses.