

**WW REALISATION 1 LIMITED (FORMERLY WOOLWORTHS PLC)
(IN COMPULSORY LIQUIDATION)
("the Company")**

Court No. 10670 of 2008

**ANNUAL PROGRESS REPORT TO CREDITORS PURSUANT TO RULE 4 49B OF THE
INSOLVENCY RULES 1986 (AS AMENDED)**

8 January 2013

This report has been prepared for the sole purpose of updating the creditors for information purposes. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever

Neville Barry Kahn and Daniel Francis Butters were appointed Joint Liquidators of WW Realisation 1 Limited (Formerly Woolworths Plc) on 12 November 2010.

All licensed Insolvency Practitioners of Deloitte LLP are licensed in the UK to act as Insolvency Practitioners

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ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used

"Act"	The Insolvency Act 1986 (as amended)
"Administrators"	Neville B Kahn, Nicholas J Dargan and Daniel F Butters, licensed insolvency practitioners of Deloitte LLP
"Company" or "Woolworths"	WW Realisation 1 Limited (formerly Woolworths Plc)
"Deloitte"	Deloitte LLP
"EUK"	Entertainment UK Limited (in liquidation)
"Liquidators"	Neville B Kahn and Daniel F Butters, licensed insolvency practitioners of Deloitte LLP
"Prescribed Part"	The amount available for distribution to unsecured creditors pursuant to s176A of the Insolvency Act and calculated on the net realisations of property subject to a floating charge up to a maximum prescribed part of £600,000
"SIP 2 (E&W)"	Statement of Insolvency Practice 2 (England & Wales)
"SIP 7 (E&W)"	Statement of Insolvency Practice 7 (England & Wales)
"SIP 13 (E&W)"	Statement of Insolvency Practice 13 (England & Wales)
"the Group"	Woolworth Group Plc, WW Realisation 1 Limited (formerly Woolworths Plc) and Entertainment UK Limited
"The Rules"	The Insolvency Rules 1986
"Woolworths Group"	Woolworths Group Plc, the ultimate parent of the Company

1. INTRODUCTION

1.1 Introduction

This report has been prepared in accordance with Rule 4 49B of the Rules to provide creditors with an update on the progress of the liquidation of the Company since our last report dated 11 January 2012, and covers the period 12 November 2011 to 11 November 2012

A schedule of statutory information in respect of the Company is attached at Appendix 1

1.2 Details of the appointment of the Liquidators

On 12 November 2010 a winding up order was made against the Company and Neville Barry Kahn and Daniel Francis Butters of Deloitte were appointed Joint Liquidators. This order also immediately ended the preceding administration of the Company.

For the purposes of section 231 of the Act the Liquidators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

1.3 Electronic communication with creditors

In an effort to reduce the costs of the liquidation, all future communications (including this report) with creditors, including updates and progress reports, will be posted onto a website, which has been set up specifically for this purpose. The web address is www.deloitte.co.uk/wwrealisation1

As a result of an application by the Liquidators, on 7 December 2012 the court granted an order that no further written correspondence with creditors is required to notify them of updates and availability of documents on the website, i.e. all future correspondence will be via the website only.

Adverts have been placed in the national press to bring the effect of this court order to the attention of creditors.

2. LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT

2.1 Introduction

Attached at Appendix 2 is a receipts and payments account covering the period from 12 November 2010 to 11 November 2012, in accordance with SIP7 (E&W) No Statement of Affairs' values has been provided, as there is no requirement for this information to be provided by the directors if the liquidation immediately follows an administration

In this section we have summarised the main asset realisations during the 12 month period since our last report and give explanations of payments made

2.2 Asset realisations

During the period £2,026,652 was received from a pre-appointment bank account held by the Company not previously swept over in the administration

Non-domestic rates refunds amounted to £19,248, from which the agents who assisted in the recovery of these assets received 25% commission

Insurance settlements have been received of £62,501, in relation to claims made during and prior to the Company's insolvency

Other asset realisations consisted of bank interest of £24,838 and various other refunds equating to £1,029

A freehold property interest held by the Company has been sold in the reporting period, however the proceeds of £15,000 have not yet been received

2.3 Estimated future realisations

We will continue to pursue further non-domestic rates and other refunds in the coming months

3. DISTRIBUTIONS TO CREDITORS

3.1 Secured creditors

As at the date of the proceeding administration of the company, the following amounts were owed to the secured lenders

Secured lender	Total (£m)
Senior lenders	333.5
Second lien	37.4
Third lien	63.0
Total	433.9

The senior lenders were fully repaid (including interest and fees) before the Company entered liquidation, through distributions from the Administrators of the Company and under cross-guarantees provided by connected companies. Of this repayment, distributions totalling £233.7m were made by the Company.

As at 11 November 2011, £17.95m had been repaid to the second lien lenders from the Group. The Company made a distribution of £900,000 during the liquidation. In addition the Company has made intercompany loans of £1.6m to Entertainment UK Limited and Woolworth Group Plc at the request of the second lien creditor in lieu of a distribution to the secured lender.

3.2 Preferential creditors

In June 2010, the former Administrators declared a preferential distribution of 100p in the £.

As at the date of liquidation certain preferential claims received had not yet been agreed. These claims have now been agreed and a total of £38,936 (of which £11,282 was paid to HM Revenue and Customs) has been paid in respect of those claims.

All received preferential creditor claims have now been agreed and paid.

3.3 Prescribed Part and Unsecured Creditors

At a hearing on 19 July 2010, whilst the Company was in administration, the court granted an order that s176A of the Act shall not apply, on the grounds that pursuant to section 176A3(b) of the Act, the cost of making a distribution of the Prescribed Part to unsecured creditors would be disproportionate to the benefits.

Following this order, there is no prospect of a distribution to unsecured creditors of the Company. Therefore, creditors have not been requested to submit claims.

4. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

4.1 Investigation

As part of our duties as Liquidators, we reviewed all of the information available to us and have completed this review in respect of the Company in line with our obligations under SIP 2 (E&W)

If you have any information that you feel we should be made aware of in relation to the above, please contact us as a matter of urgency

4.2 SIP 13 (E&W) – Transactions with connected parties

In accordance with the guidance given in SIP13 (E&W), details of the Company's transactions with connected parties

Date	Details of transaction	Amount (£)	Name of counterparty	Connection
2009 (during the preceding administration)	Tromax Limited was the landlord of 10 Woolworths stores. The Company settled its rental liabilities for the six week trading period	38,356	Tromax Limited	Common parent company

We have reviewed these transactions and, as they were made by the office holders, we are of the opinion that no further investigation is required. This transaction took place prior to the formation of the creditors committee.

4.3 EC Regulations

Council Regulation (EU) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

5. JOINT LIQUIDATORS' REMUNERATION AND EXPENSES

5.1 Joint Liquidators' Remuneration

5.1.1 Remuneration

At the initial creditors meeting of the administration on 3 February 2009, a creditors' committee was appointed consisting of five members. This committee was automatically transferred to the liquidation, pursuant to Rule 4.174 of the Rules. Under Rule 4.127(3) of the Rules it is the responsibility of the liquidation committee to fix the remuneration of the liquidators as either a percentage of assets realised or on a time cost basis. Please note, there are now only three members of the creditors' committee.

The Liquidators seek approval from the creditors' committee at regular intervals for their remuneration which they requested to be fixed by reference to the time properly given by the Liquidators and their staff in attending to matters arising in the liquidation calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT.

5.1.2 Remuneration

During the past 12 month period the creditors' committee agreed remuneration for the period 1 April 2011 to 20 September 2011 amounting to £208,478 and expenses of £8,293 and for the period 1 October 2011 to 31 August 2012 amounting to £167,326 and expenses of £72. During the reporting period we have drawn remuneration of £166,783 and £8,294 in expenses in relation to these approved amounts.

During the past 12 month period the Liquidators have charged total remuneration of £166,239 made up of 388 of hours at an average charge out rate of £428 across all grades of staff.

Full details of the Liquidators' time costs have been provided to the creditors' committee. A full breakdown of the Liquidators' time costs presented in the format outlined in SIP 9, are available on request.

5.1.3 Expenses

During the period covered by this report the Liquidators have incurred expenses of £102 relating to courier costs.

Note that disclosure is required where we have incurred Category 2 expenses such as mileage and internal copying. However, Deloitte policy is to seek approval of both Category 1 and 2 expenses and therefore there is no need to distinguish between the two.

5.2 Other professional costs

The professional fees (excluding disbursements) paid in the period are shown in Appendix 2
All professional costs are reviewed and analysed before payment is approved

WW REALISATION 1 LIMITED (FORMERLY WOOLWORTHS PLC) (IN LIQUIDATION)

STATUTORY INFORMATION

Company Name	WW Realisation 1 Limited
Previous Names	Woolworths plc
Proceedings	Compulsory Liquidation
Court	High Court of Justice
Court Reference	10670 of 2008
Date of Appointment	12 November 2010
Joint Liquidators	N B Kahn and D F Butters Deloitte LLP PO Box 810 66 Shoe Lane London EC4A 3WA
Registered Office Address	c/o Deloitte LLP Hill House 1 Little New Street London EC4A 3TR
Company Number	00104206
Incorporation Date	23 July 1909
Company Secretary	C D Scott
Former Bankers	Barclays Bank 1 Churchill Place London E14 5HP
Former Auditors	PriceWaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Appointment by	High Court of Justice
Directors	S East J M Huddart A Page P J Streatfield
Shareholders	GM Group Limited Sandelcroft Limited

WW Realisation 1 Limited
(In Compulsory Liquidation)

Liquidators' Receipts and Payment for the period 12 November 2010 to 11 November 2012

	12/11/2010 - 11/11/2011	12/11/2011 - 11/11/2012	12/11/2010 - 11/11/2012
Receipts			
	£	£	£
Transfer From Administration	3,572,255	-	3,572,255
Leasehold Surrender Premiums	10,500	-	10,500
HMCS Payments Received	3,652	922	4,573 96
Book Debts	32	34	66
Corporation Tax Refund (Administration)	46,750	-	46,750
Insurance Refund	43,933	7,859	51,792
Non Domestic Rates Refund	648,669	19,248	667,916
Miscellaneous	2,613	9	2,622
Insurance Claim Settlements	187,438	54,642	242,079
Sundry Refunds	3,936	64	4,001
Bank Interest Gross	-	24,838	24,838
Cash at Bank	-	2,026,652	2,026,651 78
VAT Reclaimed from Administration	196,234	-	196,234
	4,716,012	2,134,266	6,850,278
Payments			
Subcontractors	6,125	2,750	8,875
Administration Expenses	381,161	1	381,161
Printing Costs	23,958	-	23,958
Hire of Equipment	66,407	-	66,407
Customer Refund	37	-	37
Sundry Expenses	80	-	80
Rent & Rates	-	1,320	1,320
O R Debit Fee	2,235	-	2,235
ISA Cheque Issue Fees	347	35	382
Secretary of State Fees	80,000	-	80,000
Administrators' Fees	223,068	(4)	223,064
Administrators' Expenses	1,558	-	1,558
Liquidators' Fees	287,201	166,783	453,984
Liquidators' Expenses	37	8,294	8,330
Professional Fees	33,465	2,486	35,951
Rates Agents' Fees	170,790	4,202	174,992
Legal Fees	563,660	3	563,662
Legal Expenses	21,909	450	22,359
Storage Costs	40,143	29,499	69,642
Posting	52	25,908	25,960
Statutory Advertising	2,370	-	2,370
Other Property Expenses & Agents' Fees	425	-	425
Insurance of Assets	221	-	221
Bank Charges	72	86	158
PAYE/NIC on preferential dividend	11,282	-	11,282
Preferential dividend payments	27,654	-	27,654
Intercompany Loan	-	1,655,141	1,655,141
Corporation Tax	-	4,968	4,968
Distribution to Secured Creditor	-	900,000	900,000
	1,944,255	2,801,920	4,746,176
Net amount			2,104,103
VAT Liability			(78,488)
Balance in hand			<u>2,025,614</u>

Note

No Statement of Affairs has been provided, as there is no requirement for this information if the liquidation immediately follows an administration