Between 2002 and 2007 weekly customer numbers fell steeply from 7m to 4½m, as some loyal shoppers without children were driven away. The problem was compounded by intense competition from the major supermarkets, who diversified into traditional Woolworths ranges and undercut the firm on price.

A series of acquisitions, paid for in cash, made the Group even more dependent on music and video products, at a time when that market was in meltdown. Investors were assured that the wholesale division and publishing arms were both "world class businesses", to balance the recovery story at Woolworths.

An attempt to stop the rot by launching a big book catalogue and expanding the chain’s presence on the Internet was costly. Despite building sales to £100m a year and winning a 'best in world' award in 2006, the new venture would need time to take hold and become profitable.

Profits fell each year, with Woolworths making its first loss in 97 years in 2005/6, although the other divisions helped the wider group to stay narrowly in the black.

A new value initiative in 2007 saw improved shopper numbers and appeared to be turning the situation around. A consortium of international bankers was happy to refinance the chain, using the rare Asset Based Lending model in the spring of 2008. Shortly after it was signed Woolworths Group sacked its CEO of 6½ years and announced a change in direction. The banks were furious.

As a global slowdown turned into the credit crunch, insurers withdrew their cover for Woolworths purchases, fearing that the Group's wholesale operation was over exposed to a downturn in the fortunes of their clients. This led to cash-flow difficulties. When the backers were asked for additional funds they declined, also refusing a restructuring plan, forcing the chain into Administration. Just 41 days later, after 99 years and two months at the heart of the High Street, the stores closed their doors for the last time. With the exception of the bankers and the Administrator, everyone else, including many suppliers and all of the staff lost heavily in the collapse, which came to symbolise the credit crunch in the UK.

Two weeks after the last store had closed, the Administrator announced that it had managed to save the brand. The Woolworths name had been sold to highly respected Shop Direct Group and would be transferring on line. The new woolworths.co.uk launched in the summer of 2009 and had already signed more than half a million supporters to its mailing list in anticipation of the revival.

Sadly news of the debts and losses in the UK undermined the independent German Woolworth company, which was forced to close its doors just a few weeks later. That brand also transferred on-line.

At the time of writing there is an independent F. W. Woolworth still trading in Bridgetown, Barbados, while the store in Harare, Zimbabwe still trades as Woolworths from its original premises as part of the larger department store chain of the same name in South Africa. Woolworths also trades profitably in Mexico as part of a larger convenience store group.

The original parent company, now known as Footlocker Inc., continues to trade successfully. It is the largest athletic shoe company in the world with more than 3,000 shops across the world. In the UK there are a handful of locations, like Brixton, South London, where Footlocker operates from the same premises that were once home to a Woolworth store. The Eighties and Nineties UK parent company, Kingfisher, remains the market leader in Do-It-Yourself retailing in the United Kingdom and France, with many interests around the world.

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From the Woolworths Museum