

Bross Bagels boss promises to rise again after financial woes revealed

EXCLUSIVE

Bross Bagels sandwich chain founder, Larah Bross, has hit out at claims that the business has been placed into administration.

However, she did reveal the group, which has four Edinburgh outlets, has undergone a restructuring against a background of difficult trading conditions and is committed to securing all jobs.

The Edinburgh Reporter understands suppliers had been notified that the bagel specialist had gone into administration – a formal process which recognises a business is insolvent – on 3 August.

An email sent from the company's finance department told suppliers, who had been pressing the company for payment, that Bross Bagels Ltd was in administration and that the administrator would be in touch directly to discuss the best way forward regarding outstanding debts.

But Canadian entrepreneur and comedian, Larah Bross, told The Edinburgh Reporter that her company suffered a "massive breach of data protection" in recent weeks and that Police Scotland had been informed of the situation.

She later added: "I think everyone is aware of how hard it's

been for the hospitality sector over the last few years and things continue to be tough, but we are working tirelessly just to keep ourselves trading.



Bross Bagels owner Larah Bross is working tirelessly to keep trading

“We have taken professional advice; and a restructure has allowed us to safeguard all jobs and the good news is that it’s business as usual for bagel lovers.”

Founded in a small shop in Portobello in August 2017, the company’s Montreal-style bagels and quirky marketing and social media campaigns built up a strong following. A crowdfunding initiative was launched in October 2020 to part-finance a larger outlet and bakery in Portobello with “share holders” asked to invest £1,000 each – refundable after four years – in return for annual bagel vouchers and certain VIP benefits.

Expansion included opening shops in Leith and Queensferry Street – both now closed – but the brand was rolled out in

other trendy city locations including Bruntsfield and Stockbridge. The company's most ambitious project to date was launched in December 2021 when Bross Deli opened, a 1,200 sq ft unit in Edinburgh's newest retail hotspot, the St James Quarter.

Last year boss the Bross Bagels boss pulled off a marketing coup when the business signed up Scottish actor Alan Cumming to collaborate on the naming of a new vegan bagel in his honour and in April Larah Bross met up with the Hollywood star during the Tartan Day Parade celebrations in New York and hosted a "Bagel Brunch" at the actor's Club Cumming cabaret bar.



Larah Bross with actor Alan Cumming who had a bagel named after him

According to Companies House, Bross Bagels Ltd latest annual accounts to 30 June, 2022, showed the business had net liabilities of £546,339, compared to just £99,270 in 2021. Short term liabilities – money due to creditors within one year, totalled £770,062 – more than double the 2021 sum of

£300,140 – the largest of which was £402,944 due to “other taxation and social security”, while trade creditors at that date were due £157,270.

Longer term creditors, amounts falling due after more than one year, totalled £486,626, more than doubled the 2021 total of £212,698 and this includes a sum of £144,000 due to creditors who donated money through the Share Holders crowdfunding initiative.

Annual turnover (sales) is not recorded in the annual accounts. The Edinburgh Reporter asked Bross Bagels for this information to put the financial statements into context.