

Liquidator appointed to wind down failed Bross Bagels business

One of Scotland's foremost insolvency experts has been appointed interim liquidator of debt-laden sandwich group Bross Bagels.

Blair Nimmo, formerly of one of the Big Four professional services practices KPMG, will attempt to scrape up the crumbs for creditors of the failed company which served up more than £1.2 million in debts.

Mr Nimmo, head of restructuring and insolvency experts Interpath Advisory, and his colleague Alistair McAlinden, were appointed joint interim liquidators of Bross Bagels Limited on 29 August and the firm's registered office in Portobello is now listed as c/o Interpath Limited, St Vincent Street, Glasgow.

Following the appointment of the liquidator, Bross Bagels directors Larah Bross and Marc Millar no longer have control of the company or anything it owns, cannot act on or behalf of the company, and must hand over the company's assets, records and paperwork.

The Edinburgh Reporter understands Bross Bagels submitted a liquidation petition to Edinburgh Sheriff Court on 3 August because the company could not pay its debts as they fell due and the business ceased to trade before the appointment of Interpath.



Insolvency expert Blair Nimmo of Interpath Advisory

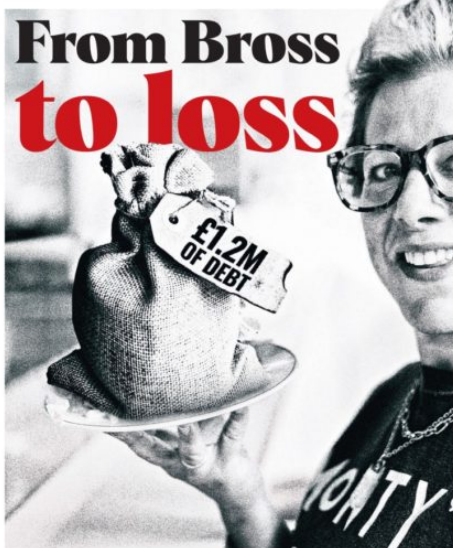
One financial expert told The Edinburgh Reporter: “It has been puzzling as to why it has taken so long for a liquidator to be officially appointed but Blair Nimmo is no slouch and their investigation into the company’s affairs will be robust. It will be interesting to see how this all shakes out.”

Alistair McAlinden, head of Interpath Advisory in Scotland and Interim Liquidator, said: “Following our appointment, we are taking steps to assess the financial position of the Company, ingather information on its assets and liabilities, and effect an orderly wind-down of the Company. We will shortly make contact with the Company’s creditors to advise them on the liquidation process.”

[A joint investigation by The Edinburgh Reporter/The Edinburgh Guardian](#) previously revealed Bross Bagels were due His

Majesty's Revenue & Customs (HMRC) debts of £228,00 in National Insurance, £225,000 in PAYE and outstanding VAT payments of £173,000.

Other creditors included suppliers who are due an estimated £145,000, staff wages of £39,000 and we also revealed that more than £3,100 in Student Loan Deductions – collected from the salaries of staff who have student loans – remained outstanding to HMRC. The company was also due £62,000 by Larah Bross and Marc Millar for sums which had been withdrawn from the business as “director’s loans”.



As Bross Bagels heads into liquidation with massive debts, self-publicist and self-styled Bagel Queen Larah Bross, appears to have spread herself too thin, as Stephen Rafferty reveals

FRUSTRATING BY THE side of a Quebecan lake during an 18th-century family reunion in her Canadian homeland, Larah Bross must have been aware that the carefully curated veneer of a successful business woman was about to melt away quicker than Benedict Approved cheese in one of her handied bagels.

discovery of the Perthshire headquarters of her experience sandwich group, with the stark warning that if a £574,000 tax debt was not settled within three weeks Bross Bagels Ltd would be wound up.



Bross: Working hard to bounce back

"News claims have been grossly exaggerated. We won't be disappearing any time soon and the reported liquidation is part of our survival financial restructuring. These are difficult times but we are up for the fight and have a strategy in place which will not only make us stronger but most importantly keep our staff in jobs, suppliers paid... I'm taking every possible step to get Bross Bagels over this hump."

- Larah Bross

30 June 2022 – just two months before the last crowdfunding, allowed the company had liabilities of £770,000 compared to assets of just £116,000. The “business” had been named “Share Holders” and would have their money returned after four years. With £166,277 attributed to Cash trading in the net of creditors, Share Holders are treated as “unsecured obligations of the Company” and in the event of insolvency will be at the end of the queue for any return of funds are available.

And current and past would also be caught up in the bagel meltdown. More than £1,100 of Student Loan Deductions – collected from the salaries of staff who have student loans – remain outstanding to HMRC; and while this would be classified as “preference” when the liquidator allocates realised funds, there could be short-term pain for employees who discover their loans are outstanding.

As the saga unfolded it was business as usual for Larah Bross and with an eye to the future, recruitment advertisements appeared for Hot Mama Bagels, looking to recruit staff who would be brand ambassadors with the passion and enthusiasm to support the “mission to bring our Montreal-style bagels to all of the UK”.

And after The Edinburgh Reporter brought the matter to the attention of The Scottish Women’s Awards, Ms Bross was removed from a finalist shortlist in the Business of the Year category – because after due diligence the organisers deemed her to “not meet the qualifying criteria”. The night before and seemingly unperceived, the Bagel Queen was rubbing shoulders with Line of Duty star Martin Compston, Gerard Butler, Kate Winslet and Stephen King at a charity event to mark the opening of the new member’s club Tobar House in Glasgow.

As The Edinburgh Reporter went to press, details of the proposed liquidation are still to be made public. Ms Bross, whose catchphrase is “FILL YOUR HOLE”, will no doubt be helping to explain the large hole in the accounts of Bross Bagels.



As self-publicist Larah Bross enjoyed a family holiday in her homeland Canada in July, it was becoming apparent there was a large hole in the accounts of her business which traded on the catchphrase “FILL YOUR HOLE”.

A letter from HMRC dated 13 July warned that if a £574,000 debt was not paid by 3 August the company would be wound up. On 14 July Ms Bross, who dubs herself “Mama Bross”, set up a new company Hot Mama Bagels Limited in which she is listed as the sole shareholder,

Additional reporting by Phyllis Stephens and Richard MacLeod



Hot Mama Bagels are currently recruiting for part-time, full-time and permanent “Team Members” who will be paid between up to £11.42 per hour to promote “the culture of Hot Mama Bagels and acts as a brand ambassador” for an “ever growing company”.

Larah Bross founded Bross Bagels in 2017 in Portobello, quickly building up a cult following and opened branches across Edinburgh, including in Stockbridge and Bruntsfield, and culminating in the opening in 2021 of a flagship “deli” at the St James Quarter.

In October 2020 and again in September 2022 Bross Bagels launched a “Share Holer” crowdfunding initiative, ostensibly to help grow the business. Each £1,000 contributor would receive £100 per year in bagel vouchers and VIP event invites, with their money returnable after a four year period.

The list of creditors shows that more than £166,000 is attributed to Crowd Funding, but as “unsecured obligations” of the company it seems unlikely those crowd funding supporters will be unable to recoup their investment from the liquidation proceeds.

Creditors can find more information, including details on how to submit a claim on the dedicated [Interpath portal here](#).

- Were you a supplier of Bross Bagels or a recent or current member of staff? Get in touch with [The Edinburgh Reporter](#).