

Bagels boss promises branded 'nonsense'

Pledges by former Bross Bagels boss Larah Bross to reimburse crowdfunders who invested up to £1,000 each in her failed business has been branded as worthless.

More than £166,000 was raised by Bross Bagels in two rounds of crowdfunding but the so-called "Shareholders" who stumped up their hard-earned cash are unlikely to receive a penny after the business crashed with debts of more than £1 million.

In an apparent damage limitation exercise, Larah Bross wrote to Shareholders offering them a "free gift" of half-price bagels and said that honouring her commitment to crowdfunders was her priority.

But there are doubts over the legal status of the repayment offer as the debt remains with Bross Bagels Ltd – which is being investigated by the [court appointed liquidators Interpath Ltd](#) – and Ms Bross's new business Hot Mama Bagels Ltd will not be obliged to repay crowdfunders or a long list of creditors.

One Shareholder, who asked not to be named, said: "I don't think reassurance from the bold Mama counts for much anyway and it is all too little, too late. She should just stop this disingenuous, patronising nonsense and do the decent thing – pay the crowdfunders, the suppliers and the small businesses which have been scammed."



Larah Bross has promised to repay crowdfunders who supported her failed business Bross Bagels

The woman told The Edinburgh Reporter that her family invested

£1,000 in the first round of investment in November 2021 because they lived close to Portobello and wanted to support a local business.

She added: "At the time, the bagels were good and my kids were teenagers at the time and loved them and bought into the whole Bross Bagels social media thing. We felt we were supporting a local business to grow and thrive and it sounded like a fun investment, and of course you got your money back after four years.

"It turned out to be a big mistake and the old adage 'if it sounds too good to be true, it probably is' springs to mind. It is a shoddy state of affairs, the poor suppliers were taken for a ride and the fact Bross Bagels did not pay student loan obligations is really scummy."

Shortly after opening the new business Hot Mama Bagels messaged all crowdfunders stating: "Honouring the investment of our 148 Shareholders remains a priority. You will have now been offered a free bagel club membership to Hot Mama Bagels Ltd and a commitment that your investment will be returned. The priority and focus now is to grow Hot Mama Bagels into a thriving business and to meet these and all other responsibilities."

However, in a follow up email, Larah Bross had to clarify the offer, saying: "I'm very sorry for any confusion, when I referred to the 'free membership with HMB' I was talking about your initial bagel club investment with Bross Bagels Ltd which is now being honoured by HMB free of charge. And which we intend to payback when the 4 yrs of your membership comes to the end of its term."

Another Shareholder was a teenager who used money gifted to her on her 18th birthday to invest £1,000 and seriously doubts the repayment offer will be made good.

Now working in Australia, she said: “I had just turned 18, I didn’t know enough about shares to invest money in something which could increase or lose value but I had been a customer for a while and I wanted to support a local business which had managed to survive Covid.

“It is a lot of money to an 18-year-old and i thought it was a pretty safe bet and that I would get my money back in four years, but I am not holding my breath. It is very stressful dealing with something like this when you are at the other side of the world and the money I had invested could have paid for my fare home or as a back-up in an emergency.



Become a Shareholer – or maybe not ...

“There are no guarantees she will repay our investments and I find it very difficult and frustrating that when you look on Bross’s social media it’s as of nothing has happened and for those that don’t know better, it looks like everything is running as normal.”

Bross Bagels Ltd went into liquidation on 3 August with debts of £1.27 million, including £626,000 due to HM Inland Revenue. The Edinburgh Reporter revealed that just weeks before the business folded, Larah Bross sold the assets of the company for £18,000 to her newly formed business Hot Mama Bagels Ltd.

The new entity was forced to close its landmark unit at St James Quarter but it continues to trade in three Bross Bagels sites in Portobello, Stockbridge and Bruntsfield using the same marketing, social media and branding assets.

The Edinburgh Reporter asked Larah Bross/Hot Mama Bagels Ltd for comment but they declined the opportunity.



Bross Bagels St Stephen Street© 2023 Martin McAdam