

Bross Bagels sliced in half with closure of second shop

Attempts by former Bross Bagels owner Larah Bross to “phoenix” her failed sandwich company has suffered another blow with the closure of a second outlet.

Now trading as Hot Mama Bagels Ltd, but using the same outlets and branding as the former Bross Bagels Ltd, the company’s Stockbridge shop has closed without notice.

The unit in affluent St Stephen Street has been cleared out with just a few items of equipment left behind and no explanation or notice to alert customers of the closure. It follows the same fate as the firm’s flagship store in St James Quarter, which closed just two months after Bross Bagels entered liquidation with debts of £1 million.

It now means “Bross Bagels” has just two units in operation at Bruntsfield and Portobello and the latest closure is a significant blow to Ms Bross’s promise to “grow Hot Mama Bagels into a thriving business” and to repay crowdfunders and suppliers who have been left high and dry.



Fill your hole – just not at Stockbridge which is now an empty hole

At the time of the St James Quarter closure a spokesman for Hot Mama Bagels Ltd said: “The Stockbridge site remains our outlet and will be reopening soon. It goes without saying that losing our St James site is regrettable and we are sorry to all the loyal customers who used it regularly. However, we feel it’s the best decision going forward and we will continue to serve our customers in our community outlets in Bruntsfield, Stockbridge and Portobello.”

Bross Bagels was placed into liquidation on 3 August but not before

Ms Bross had sold the physical and IP assets of the business to her new start-up company Hot Mama Bagels Ltd for just £18,000.

The transaction will feature in the report of official liquidators Interpath Ltd which is investigating the conduct of Bross Bagels directors, while attempting to claw back more than £60,000 due to the business by Larah Bross and her co-director Marc Millar which was classified as “directors loans”.

The two existing units are said to be run by business turnaround specialists, Bar Restaurant Solutions, while Larah Bross claims to be focusing on “brand and marketing”.

In a separate development, Bross Holesale Ltd – a company in which Ms Bross and Bross Bagels Ltd were shareholders – has applied to Companies House to be dissolved and struck off the register. The business appears to have never traded or filed company accounts.

After Bross Bagels folded the liquidators’ interim report revealed debts of £970,000, with His Majesty’s Inland Revenue due the largest amount of £635,000. Included in the list of creditors was £144,000 due to so-called Shareholders, people who had contributed £1,000 each in two rounds of crowdfunding to apparently support the growth of the business.



Not just a bagel shop anymore – Bross Bagels at St James Quarter closed in September

The Edinburgh Reporter revealed how Lara Bross told Shareholders in emails that honouring her commitment to crowdfunders was her priority – but that appears increasingly unlikely with the closure of another outlet.

One crowdfunder previously said: “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 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.”

A spokesman for Hot Mama Bagels Ltd said: “We decided to shift our energies on our two performing shops. We loved being in Stockbridge and hope in the future we can reassess.”

