

Bross Bagels boss “got over her skis” but won’t skedaddle

Former Bross Bagels owners Larah Bross will “learn by failure” according to a business advisor who is helping her to pivot her new business to a bakery aimed at the wholesale and catering sectors.

Belinda Matthews claimed Ms Bross, who put the beleaguered sandwich chain into liquidation last August with debts of close to £1 million, “got over her skis” and took too much on with the opening of several stores, including a prime unit in the St James Quarter.

Ms Matthews, who claims to be a shareholder in new business Hot Mama Bagels Ltd, said: “She has so much entrepreneurial spirit and mindset that I don’t think the liquidation is going to make her crash and burn forever.”

The business advisor played down Ms Bross’s track record in running the previous firm, which folded leaving HM Revenue & Customs out of pocket by more than £630,000, and an estimated £265,000 due to unsecured creditors, mainly suppliers.

She told The Edinburgh Reporter: “Doesn’t every place that goes under leave debts like that? There are hundreds of companies in Edinburgh just like that, there are so many in the hospitality and restaurant areas going under.

“She got over her skis with five stores and St James and all of that, there is no question about it, but entrepreneurs learn by failure sometimes, and they come back hopefully

better. I'm not going to promise that she's going to be amazing but we need to give people the opportunity to succeed."

An interim liquidators' report last September found that around £150,000 was due to "Shareholders" – individuals who had donated up to £1,000 each in two rounds of crowdfunding which was supposed to help grow the business. The investments, termed an "unsecured obligation of the Company", was due to be repaid to crowdfunders in full after four years.

The report revealed that Ms Bross's Hot Mama Bagels Ltd had acquired the assets and intellectual property of Bross Bagels Ltd for just £18,000.

Ms Matthews claimed that Larah Bross was committed to repaying "Shareholders", adding: "She did bring over 40 grand of debt for the shareholders to the new business, it's not like she just dumped and run. She's taken on the debt to potentially repay, instead of just walking around and giving the finger."



Larah Bross – will learn from failure of leaving suppliers and crowdfunders high and dry

However, one crowdfunder was unimpressed, telling The

Edinburgh Reporter: “I don’t expect to see the return of my investment. I certainly learned through failing – not to give her £1000.”

The former Bross Bagels unit in Portobello High Street has now been rebranded “Hot Bagels”, reflecting a change in the business model to a “bakery that also sells bagel sandwiches” but the one remaining shop in Bruntsfield continues to trade under the original brand.

Ms Matthews added: “Her product is good and she is trying to pivot by going more wholesale, catering and corporate breakfasts and dark kitchens. The bakery in Portobello has been labelled as Hot Bagels, the menu is changing, it’s getting cleaner and neater. She is managing costs, trying to do the right business models and trying to grow back a business, but not the same business that it was before.”



Hot Bagels, Portobello – a bakery which also sells bagels