

Bankrupt bagels boss failed to pay enough dough for business assets finds official report

Twice bankrupt Larah Bross could be in more hot water after it was revealed she sold to herself on the cheap the assets of her failed Bross Bagels chain.

The Edinburgh Reporter [revealed in September 2023](#) that when so-called Mama Bross, as she prefers to call herself, put Bross Bagels Ltd into receivership that she sold on the assets of the business for just £18,000 to a new phoenix company Hot Mama Bagels Ltd.

Ms Bross continued to trade in three of the former Bross Bagels units using the same branding, website and social media assets, but her previously loyal customer base deserted her and the shops eventually closed.

Now an annual Progress Report by the official liquidator, Interpath, has confirmed the assets were undervalued – a serious matter which could lead to action being taken by the Insolvency Service which will scrutinise if any criminal or civil wrongdoing has taken place.

The report also states that investigations are continuing into the circumstances leading to the insolvency and that the conduct of the company directors will feature in a report by the official liquidator to the Insolvency Service.



Bross Bagels St Stephen Street

Lot 8



Tefcold Model VK38-200B Refrigerated Topping/Salad Bar - Located Portobello

Assets sold on the cheap



Bross Bagels, Portobello

Interpath tried to secure further payment from Hot Mama Bagels for the shortfall in the £18,000 asset valuation but were unable to do so because Hot Mama Bagels (HMB) has also been put into liquidation.

The report states: “Investigations into the fair value of these assets subsequently undertaken concluded that this transaction was at undervalue. Accordingly, we pursued HMB seeking a further payment towards the sale of these assets. Unfortunately, HMB was placed into liquidation, by its directors, on 8 August 2024 before we could extract a further payment.”

Insolvency expert [Jonathan Munnery of business recovery specialist Begbies Traynor Group](#), said: “A transaction at undervalue occurs when a business asset is transferred or sold to a third party, either for no payment at all, or for a price

that is considerably lower than its true value.

“If transactions at undervalue are entered into by a company that later becomes insolvent, it can result in serious repercussions for company directors who may be viewed as deliberately diverting assets away from creditors.”



Business recovery specialist, Jonathan Munnery, of Begbies Traynor Group

Sanctions open to the Insolvency Service include disqualification as acting as a director for 2-15 years, personal liability for some or all of the debts, fines, and in

severe cases criminal prosecution and a potential prison sentence.

The Interpath report also reveals directors loans of £61,000 – due personally to the business by Larah Bross and her husband and co-director Marc Millar – also remain outstanding after they failed to agree terms to repay the funds.

The report adds: “We have been in negotiations with the directors for repayment of the sums due, with no acceptable proposal received to date. We are continuing to pursue this matter and are also exploring our other options to recover this debt.”

Virgin Money held a security over the assets of Bross Bagels and as a secured creditor is due a debt of £134,000 made up of an overdraft, an enterprise loan and a Covid bounce back loan, but the report reveals it is unlikely there will be sufficient funds to allow repayment.

Total debts outstanding by Bross Bagels Ltd stand just short of £1 million at £971,000, with the largest secondary preferential creditor listed as HM Revenue & Customs in relation to unpaid VAT, PAYE and National Insurance contributions of £635,000, while unsecured creditors are assessed at £265,000.

The report said that based on current estimates “it is highly unlikely there will be a dividend” paid to either secondary preferential creditors or unsecured creditors.

The liquidators reported that their fees and associated costs involved in the winding up process currently stand at £73,000.

Larah Bross has spent the summer parading around Foodies Festival cookery events across the UK taking selfies with minor celebrities and has not responded to earlier attempts by The Edinburgh Reporter to obtain a comment.



mama_bross 4m



[@foodiesfestival](#)

[@freshasia_official](#)

No shame



mama_bross 7h



@hayleybopscakes

#bakeofftheprofessionals

**LAST DAY OF
@foodiesfestival
in #oxford**

#bankholidaymonday

Another day another selfie



Larah Bross – twice bust



The Edinburgh Reporter [revealed on 2 September](#) how Hot Mama Bagels Ltd had also been placed in to liquidation and that Ms Bross had simultaneously launched a third company.

She is listed as a director and the major shareholder of World Wide Hole Ltd, alongside directors, Declan Penfold, a food and hospitality consultant, and chef and consultant Jeff Kipp.