

# Butlers' Café Bonus

*Family firm Butlers Chocolates has grown to a new level after going down the retail route with its own cafés, writes Nick Mulcahy*

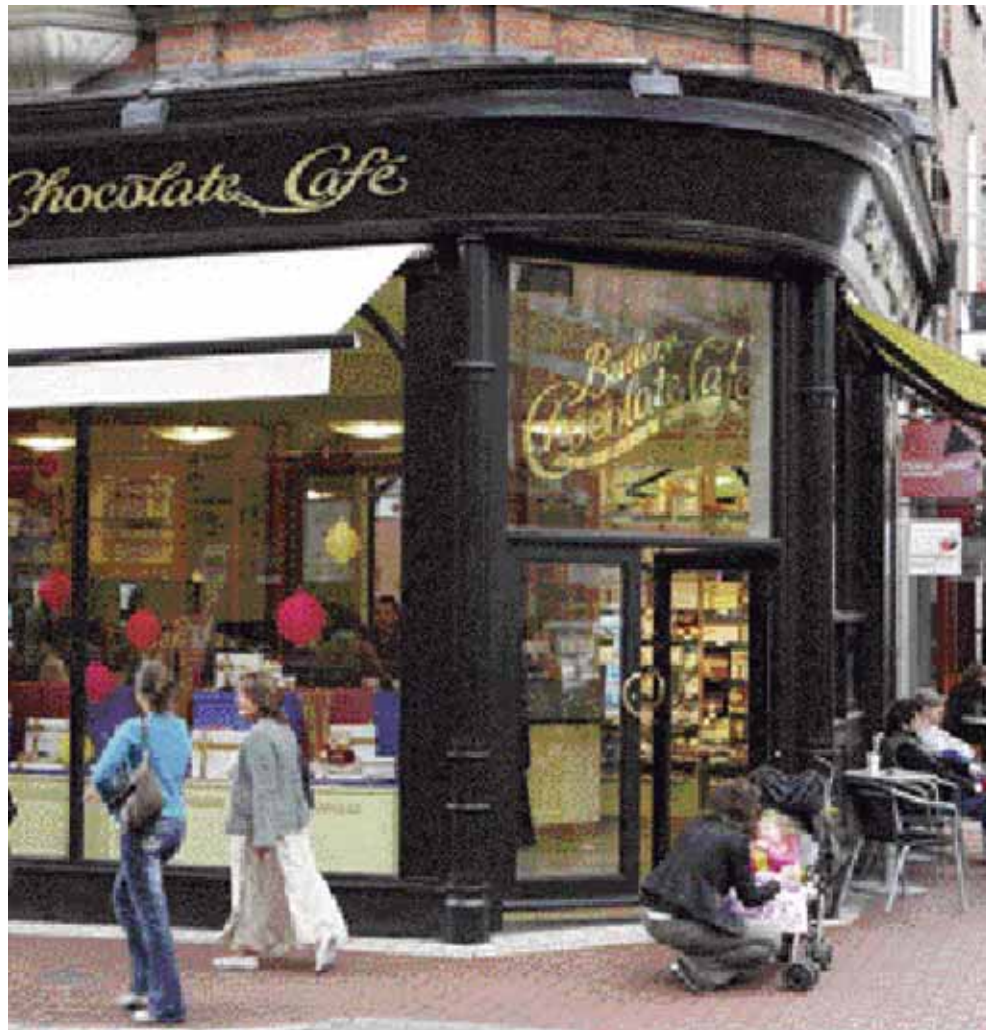
JASON CLARKE

It's unusual that a company which has been on the go for 70 years would double its turnover in four years. But such is the case with Butlers Chocolates, the boutique manufacturer of confectionery which has successfully moved sideways into the café business. Butlers Chocolates was established in 1932 and the enterprise has been owned by the Sorensen family since 1959. It operates from a custom-built production facility in north Dublin and the Butlers range includes chocolate assortments, truffles, fudge, toffee, chocolate bars and seasonal novelties.

Butlers Chocolates is run by Mairead Sorensen 51, and her brother Colm Sorensen, 49, a former tennis international. They each own 40% of the equity in Chez Nous Ltd, the holding company for Butlers Chocolates Ltd. The other shareholders in Chez Nous are Catherine Sorensen (13%) and Owen & Rafaella Sorensen (7%). Mairead Sorensen is a former Veuve Clicquot Businesswoman of the Year.

Filed accounts for Butlers Chocolates suggest that the company doubled turnover between 2001 and 2005. A big factor has been the rollout of the Butlers Chocolate Cafés concept. This started in 1998 and now spans ten stores, including the flagship outlet airside in Dublin Airport. The company also has outlets in Dundrum, Cork and Galway and six cafés in Dublin city centre. The company has decided not to go down the franchise route in Ireland though it did strike a franchise deal with expat Peter Kelly for an outlet in Wellington, New Zealand.

Operating cashflow through 2005 was €3.1m, more than sufficient to fund capital expenditure of €2.2m. Clearly a text book case of a long-established family firm spotting an opportunity and grasping it.



Butlers has six cafes in Dublin city centre

## The Butlers Chocolates Growth Story

	2005	2004	2003	2002	2001
€000					
Turnover	20,836,000 (e)	17,637,000 (e)	14,959,727	12,389,708	9,932,286
Gross profit	11,606,468	9,824,330	8,039,606	7,136,759	5,485,216
Operating expenses	(9,731,699)	(8,419,740)	(6,852,581)	(6,142,256)	(4,602,620)
Operating profit	1,874,769	1,404,590	1,187,025	994,503	882,596
Pre-tax profit	1,816,323	1,231,897	942,945	969,252	854,866
Net profit	1,651,572	1,147,310	882,125	958,927	734,205
Dividends	24,345	20,773	156,532	696,761	167,859

*Company stopped reporting turnover after 2003. Sales figures for 2004 and 2005 are estimates based on gross margins in previous years.*