Owned by cocoa farmers, made for chocolate lovers

To grow a successful global farmer-owned chocolate company using the amazing power of chocolate to delight and engage, and bring people together to create dignified trading relations, thereby empowering producers and consumers.
Divine’s mission is to grow a successful global farmer-owned chocolate company using the amazing power of chocolate to delight and engage, and bring people together to create dignified trading relations. This informs both what we do and how we do it and over the past financial year we made progress on a number of fronts. I am pleased to report that gross profit held steady at £1.7 million, although turnover was slightly lower due to a challenging trading environment in the UK and Europe. Profit after tax of £27,000 was also slightly lower than the previous year with a decrease in interest costs and tax not quite offsetting an increase in administrative expenses. However, the steps that we took to strengthen the business are bearing fruit and we are seeing an improvement in both sales revenue and margin in 2013.

In the US, our associate company, Divine Chocolate, Inc, increased sales marginally to $4.5 million but net income was lower than in 2011, mainly because of higher marketing and promotional expenses. The business is in better shape following some restructuring, and the new sales team which was recruited in the second half of the year has been successful in expanding distribution.

We are proud of the fact that, while we are investing to grow the business here and in the US, we are delivering on our mission to invest in improving farmers’ livelihoods in Ghana by purchasing cocoa on Fairtrade terms which delivers the Fairtrade premium, and by promoting a sustainable supply chain through our producer support and development fund. Kuapa Kokoo, the farmers’ co-operative which is the supplier of Divine’s Fairtrade cocoa and its major shareholder, continues to grow in membership and in its share of the Ghana cocoa market. Over the past financial year it has focused on a number of important initiatives, including improving the membership database, developing a strategic plan which has the buy-in of the members, and improving the efficiency and profitability of the trading operation. Amongst the most significant projects completed were a new classroom block, five water wells and three business centres, while there was ongoing investment in health care and farmer training on good agricultural practices.

It is gratifying that other chocolate companies are recognising the need to give disadvantaged farmers a better deal and help their communities either through some form of product certification or through direct support. Sales of Fairtrade chocolate in the UK have been growing strongly as a result and this is good for both the farmers and the long term health of the industry. However, we cannot be complacent as there is still much to be done to eliminate poverty and ensure sustainability.

As always, what has been achieved would not have been possible without our consumers, customers and suppliers and I want to thank them for their support. And, of course, I must add our employees. Sophi and her team have continued to build the Divine business and strengthen the Fairtrade community with great energy and enthusiasm and I am most grateful for their commitment. I would also like to thank my fellow directors whose support and guidance have been invaluable.

Although the economic environment remains fragile, I believe that the actions that have been taken in the past year will provide a sound platform for further growth of the business and the Divine brand.
For Divine this was a great opportunity to highlight its ownership by a flourishing and innovative farmers co-operative in Ghana, and to underline the additional benefits, over and above the Fairtrade trading terms, that its members enjoy from owning their own chocolate company.

We liaised with the International Co-operative Alliance, and Co-operatives’ UK - ensuring the biggest cocoa farmer’s co-operative in the world could share its story with a worldwide audience on the web, in the media (including a special feature in The Grocer) and at major events over the course of the year.

For Kuapa Kokoo co-operation means democracy, accountability and transparency – ask the farmer members and they sum it up as "nnoboa" – or the benefit of working together. So “nnoboa” was our theme for the year.

National Executive member Elias Mohammed and Agnes Armah joined us from Ghana as Kuapa Kokoo ambassadors for Fairtrade Fortnight. From Scotland to Yorkshire, and Salford to Lambeth - they illustrated the benefits of belonging to a co-operative, and more specifically how Kuapa Kokoo has worked to improve farmers’ lives. Agnes was invited to speak at the national Womens Co-operative Conference in London where her words inspired other women from many different walks of life.
Our celebration of “nnooba” did not stop there. During the year we also collaborated with other co-operative owned brands like Kerrygold and Ocean Spray to bring lovely promotions and prizes to Divine chocolate fans, while raising awareness of different business and ownership models which created considerable interest.

Divine inspiration

As much as we like telling the Divine story and expressing everything that is wonderful about Divine - we are equally interested in how Divine inspires other people. The winner of our Divine Film Competition - briefed to capture the fun and cheekiness of Divine - was “The Kissing Booth” created by Maria Vouza, Gemma Holdway and Konstantinos Vassilaros. Set on a sunny day on the river side by Tower Bridge, it tells the story of a young man who has a stall selling kisses which is doing quite well, until a rival stall sets up nearby which seems to be taking all his custom ...(you can find out what happens on youtube).

At the end of the day just the taste of Divine regularly inspires a hundred tweets and posts, and we aim to introduce Divine to thousands more chocolate lovers every year. You could find us amongst the delights at Liverpool Food & Drink Festival and Ramsbottom Chocolate Festival creating delicious treats from Divine, fuelling cyclists at Revolution bike ride around London, and tempting crowds of passers by at the Thames Festival. Shoppers in Scotland, Salford and London also had the special opportunity to hear first hand about the cocoa that goes into Divine, and the benefit that goes back to farmers, from Kuapa farmers Elias and Agnes who joined us for Fairtrade Fortnight.

When it comes to Chocolate Week, the national festival of good chocolate Divine has sponsored from the start, our aim each year is to increase the different wonderful ways you can experience the flavours of Divine and create some unique Divine moments for chocolate lovers to enjoy. A highlight this year was the incredible selection of Divine chocolate dim sum created exclusively for us at the Grand Imperial Chinese restaurant in Victoria. These beautiful, ingenious delicacies were something very special. And so were the mouthwatering posh pud recipes created for us by top TV

Extract from My Chocolate Shop by Ruth O’ Sullivan, winner 12-16 age group
finds itself operating. London South Bank University carried out an interesting quantitative and qualitative survey of chocolate purchasing behaviour and how consumers perceive the different brands they buy. Out of these have come a number of developments both to the look of the brand and some subtle changes to the way we communicate about Divine and what makes it special. We are working to maximise our distinctive visual equities, increase visibility and appeal on shelf, and evolving our positioning to ensure we continue to have a leading edge in the chocolate market. We are focusing our activity and communication around the values we share with our audiences – cherishing the things that really matter in life, treasuring the independence to make our own choices, keeping it personal and putting people first, and enjoying collaborating to bring diversity to the brand and share benefits with others. These developments will become increasingly visible through our packaging, website, marketing materials and activity.

Divine in the news

Media highlights included Sophi’s interview on CNN talking about traceability, Divine features in the Swiss press and on German TV, a great spot with chef Nigel Barden on the Simon Mayo show on BBC Radio 2. There was a bit of a twitter storm when Divine was clearly one of the mystery ingredients on Celebrity Masterchef!

New people at Divine

We said goodbye to Tom Mitchell who had been with us for six years on a Knowledge Transfer programme with Liverpool John Moores University introducing a systematic approach to New Product Development, and developing our environmental policy. Juliet Bacon took over from Tom, and has now been succeeded by Simon Ward who has a range of experience in premium product and packaging development. During the year we were also pleased to work with Laura Polanco who helped us develop our sourcing and quality checking systems, and to welcome Larissa Kelly as maternity cover in Accounts.
A year of firsts for Dubble!

It has been an incredible year for Dubble with the launch of some fantastic new products and the help of some fabulously fun double acts!

Dubble and The Beano teamed up to launch the first ever Beano Easter Egg this year, which was hijacked by some of The Beano’s favourite characters – Dennis the Menace, Gnasher and Minnie the Minx! The on-pack competition winner, budding cartoonist Anastaysia Polyakova, also had her comic strip drawn up by the Beano team and featured in the June edition of the BeanoMax!

Later in the year, Dubble also re-launched with two great flavours and the help of celebrity duo Ant & Dec and Dennis and Gnasher! Dubble doubled its appeal by introducing a delicious new chunky white chocolate bar with a crispy crunch. The original milk bar also got a make-over – slimmed down and re-dressed in funky new packaging. The chunky milk and white chocolate bars mean there’s now double the reason to grab a Dubble for your favourite snack and two tasty ways to change the world chunk by chunk!

Once again Dubble can boast a Fairtrade first – originally the first Fairtrade chocolate bar to be created especially for kids, and now the first Fairtrade product to be a year-round fundraiser for Comic Relief. Dubble is already unique in being both Fairtrade Certified and co-owned by cocoa farmers, and now will be helping Comic Relief to tackle poverty around the world by donating 2p from every bar sold to Comic Relief all year round! Dubbly good.

The Dubble website re-launched alongside the new bars. Visit www.dubble.co.uk for new competitions, games, info and Dubble Agent missions.
Divine expanded in Canada picking up distribution with Bulk Barn (a family-owned chain of stores), Indigo Books and Music and into all of the Whole Foods market stores. Divine can be found at an increasing number of stores in addition to the shelves of Ten Thousand Villages stores throughout Canada – our first distribution partner.

Two farmers from Kuapa Kokoo visited for a speaking tour about Kuapa’s Gender Programme. Since 1998 Kuapa has made training, credit and support available to Kuapa’s women’s group members to encourage alternative income generation that supports family welfare. Felicia Mensah and Fatima Ali addressed cocoa and development specialists at the World Bank, international labour rights specialists at the US Department of Labor and a lively reception at the Embassy of Ghana in Washington DC.

Just in time for Christmas we launched a Divine Baking Range. The bakers at Prohibition Bakery developed gorgeous and intoxicating cupcakes using our cocoa powder and Divine Baking Bars. The Saucy Pumpkin (with a shot of stout) and Dark and Tawny (with a shot of tawny port) became instant favourites at this up and coming New York City bakery. Astor Center mixologists helped Divine ring in the New Year with a Divine Le Bon Bon cocktail and Divine Smoke martini. All of these recipes and more are available online and Facebook at DivineChocolateUSA.

Producer Support and Development

Each year Divine dedicates 2% of its income to a producer support and development programme with Kuapa Kokoo and its other supply chain partners. This year the programme provided assistance to a number of key areas of Kuapa’s governance and operational management, such as the development of a new three-year strategic plan and strengthening financial procedures and controls. In addition, funding and technical support was provided to complete the development of and train staff to manage a centralised database recording information on Kuapa’s membership and the cocoa it purchases from them each year. It may not be very exciting, but this is an essential tool in helping Kuapa to keep track of its 65,000 farmer members, ensuring that each is complying with the social, environmental and farming standards required to produce the best quality, sustainable cocoa, and that each receives the payment, training and bonuses they can expect in return. Communicating effectively with such a large and dispersed membership (many of whom cannot read) is a big challenge, but Kuapa is taking a proactive and innovative approach to this. At the end of September 2012 Kuapa’s communications team were about to go live with their own radio programme pilot offering a mix of news, information, interaction and entertainment – initially in the Western Region, the zone most densely populated with Kuapa members. Watch this space!

Kuapa Kokoo

As always Divine held one of its four Board Meetings in Ghana, giving the opportunity to have meetings with Kuapa Kokoo’s new National Executive Committee members and discuss progress on Kuapa initiatives.

Sophi Tranchell also attended Kuapa Kokoo’s AGM in September and while she was there met up with Comic Relief Chairman Peter Bennett Jones making his first visit to see the co-operative which Comic Relief has supported from the start in 1994.

Members and staff of Kuapa Kokoo were filmed for a documentary on Ghana created by US company EPIC Global Media – and the co-operative was presented as an example of innovative business in the country, with farmers taking the lead. The film has been broadcast on Bloomberg TV and CNBC Europe.
Looking forward

Sophi Tranchell  MBE,
Managing Director,
Divine Chocolate Ltd

In the year ahead we are looking forward to launching some exciting new flavours and to refreshing the Divine brand to maximise our impact on shelf and to emphasise our farmer-owned credentials. We will also be working with other Fairtrade companies to develop some delightful new products that are Fairtrade through and through and extend Divine’s impact into more farming communities.

Divine enables people to be a part of our vision to create “a world where chocolate is cherished by everyone - cocoa farmers, chocolate lovers and you”. To that end we will be working with carefully selected supporters and partners to create events that engage and inspire in a way that only Divine can. “Nnoboa” is as important to us as it is to Kuapa members.

One of Kuapa Kokoo’s most impressive achievements is the level of women’s participation. Of the 65,000 members 30% are women, that is more than 21,000 women who know that they have a say in the way the business is run and a share of the Fairtrade premiums. We are supporting Kuapa to develop their strategy going forward so they can continue to build on this success.

2013 will continue to be a challenging time for smallholder farmers with cost of inputs and food going up and the weather become increasingly unpredictable. It is more important than ever that we support family farmers, ensuring they have the means to invest in their farms and deliver a decent livelihood for their families, so that they in turn can ensure there is enough food for everyone.

Trading Visions is an educational and campaigning charity set up to build on the award-winning Fairtrade education work undertaken in partnership between Divine Chocolate, Comic Relief and Kuapa Kokoo.

One highlight of 2012 was our ‘Fair Play’ tour in collaboration with Dubble and children’s author Tom Palmer. We organised eight events with twenty schools, talking to them about literacy, football, Fairtrade and Ghana.

As one teacher said: “Thank you so much for inviting our year 6 pupils. They had a fantastic time with you and came back buzzing with enthusiasm.”

We continued to develop Pa Pa Paa LIVE, our pioneering educational service for UK schools with videos filmed by young people in Ghana. This year, Pa Pa Paa LIVE expanded to work with another school, this time in Bayerebon3, a much more remote, rural cocoa-growing community than the first.

We worked with sixth formers from The John Fisher School in Purley and Comic Relief to produce a series of ‘how to’ video guides explaining the basics of film making. The sixth form students then travelled to Ghana to hand over the ‘how to’ guides to the Pa Pa Paa LIVE schools, along with some new filming equipment that they had fundraised to buy for them.

The quality of the videos that the students in Ghana are making has noticeably improved, with the students now very much leading on planning, scripting, directing and filming the videos. A highlight for 2012 was a video made for the UK’s Jubilee celebrations, all about Ghana’s own royal kingdom, the Asante Kingdom.

For more information, please visit www.tradingvisions.org or contact tom@tradingvisions.org.
These summary financial highlights do not constitute statutory financial statements for the years ended 30 September 2011 and 2012. The reports of the auditor on the statutory financial statements for the above years were unqualified. The statutory financial statements for the year ended 30 September 2011 have been delivered to the Registrar of Companies. The statutory accounts for the year ended 30 September 2012 will be delivered to the Registrar of Companies following the Company’s Annual General Meeting.

For further information, the full Directors’ Report and the full statutory accounts containing the audit report for the year ended 30 September 2012 should be consulted. Copies of these can be obtained from the registered office.

Note:
These statements are highlights from the full set of published accounts.
After exchange loss the retained profit for the year would be as follows:

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<th>£’000s</th>
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<tr>
<td>Profit after tax</td>
<td>27</td>
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<tr>
<td>Exchange loss</td>
<td>(14)</td>
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<tr>
<td>Retained profit</td>
<td>13</td>
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The exchange loss arose as a result of the revaluation of overseas investments and a matched US Dollar loan.
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Directed by cocoa farmers, made for chocolate lovers

DUBBLE
Sara Barron
Dubble HQ Producer

TRADING VISIONS
Tom Allen
Policy and Projects Manager

A BIG THANK YOU
To all the staff, board and everyone at Kuapa Kokoo

Agnes Armah and Elias Mohammed from Kuapa Kokoo for being Divine ambassadors on our Fairtrade Fortnight tour

The creative people who make Divine look as good as it tastes: Kathryn Samson, Chris Basista, Stephen Waterhouse, GHP, SS Print Solutions, Together Design


Front Cover: Kuapa farmers by Brian Moody

Photo Credits:
Hilary Moore, Ben Fisher, Jess Koppel

Printed on FSC certified stock produced using 90% ECF pulp.

Divine Chocolate Limited

4 Gainsford Street, London SE1 2NE
Telephone: 0207 378 6550
Fax: 0207 378 1550
Email: info@divinechocolate.com

Divine Chocolate Inc

Erin Gorman
Chief Executive Officer

www.divinechocolate.com
www.dubble.co.uk
www.papapaa.org
www.tradingvisions.org
http://divinedelights.wordpress.com
www.facebook.com/divinechocolate
www.twitter.com/DivineChocUSA
www.divinechocolateusa.com

DIRECTORS
Christiana Ohene Agyare
Emmanuel Arthur
Jeremy Bradley
Patrick Fleming
Andy Good
Paul Langley
Michele Settle
Pauline Tiffen
Sopha Tranchell
David Upton
Cornelis van den Burg
Carol Wills

COMPANY NUMBER
03433202 (England & Wales)

REGISTERED OFFICE
4 Gainsford Street
London SE1 2NE

AUDITORS
Chantrey Vellacott DFK LLP
Chartered Accountants
Russell Square House
10 -12 Russell Square
London WC1B 5LF

BANKERS
National Westminster Bank Plc
15 Bishopsgate
London EC2N 3NW

THE DIVINE TEAM
Sophia Tranchell
Managing Director

David Upton
Finance Director

David Francis
Commercial Director

Charlotte Borger
Communications Director

Sarah Watson/Amanda Walsh
Operations Manager

Alistair Menzies
Head of Sales & Marketing

David Greenwood-Haigh
National Account Manager

Wendy Rowan
Account Manager

Tal Drori
Marketing Manager

Rosanna Mayhew
PR Manager

Sonja Salter
Operations & Export Co-ordinator

Paul Dennis
Finance Manager

Sarah Sojinrin/Larissa Kelly
Accounts Assistant

Natasha Procter
PA to Managing Director/Office Manager

Simone Lindsay
Receptionist

Kika Williamson
Special projects

Juliet Bacon/Simon Ward
New Product Development Manager

DUBBLE
Sara Barron
Dubble HQ Producer

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Divine Chocolate Inc

Erin Gorman
Chief Executive Officer

www.divinechocolate.com
www.dubble.co.uk
www.papapaa.org
www.tradingvisions.org
http://divinedelights.wordpress.com
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