

# Divine<sup>TM</sup>

CHOCOLATE

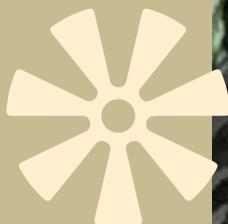
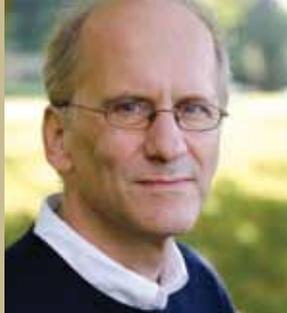




## 20 years of Kuapa Kokoo

Over the past twenty years, Kuapa Kokoo has grown from a group of smallholders from twenty villages to an 85,000-strong dynamic force; a leading player within the Ghanaian cocoa industry. Kuapa is the biggest shareholder of Divine Chocolate, its very own company. It is a flagship organisation for Fairtrade and good farming practices. Divine is proud to salute our owner and partner Kuapa Kokoo for its outstanding achievements over the past twenty years.

**Kuapa Kokoo**  
***Pa Pa Paa* – the best of the best**



## Stakeholder's report



### Chair's report

“ IT IS A PRIVILEGE to have joined Divine Chocolate as chair. I have followed the progress of this social enterprise – and enjoyed its wares – for many years. With twenty years' experience in social businesses, I aim to bring new skills and perspective to help drive Divine forward.

Much credit for Divine's progress goes to the outgoing chair, Patrick Fleming, who has helped guide the business for over seven years. It is a pleasure to report that Divine showed strong performance this year. Sales were up 7% to £8.3 million on a like-for-like basis. Profits are at their highest level since 2008. In the USA, sales were up 16% on a like-for-like basis and the company's small loss was significantly less than last year's.

Sadly we said goodbye to our USA CEO Erin Gorman who has led the company through its first seven years with huge skill and determination. Many thanks also to Jeremy Bradley, who stepped down as a director, for his contribution to our commercial success.

As owners of – and investors in – Divine, Kuapa Kokoo, the farmers' co-operative in Ghana, received a preference dividend in June, alongside other preference shareholders.

Divine's producer support and development programme, administered by our development partner Twin, provided significant support to Kuapa Kokoo's work with farmers. These initiatives include the Kuapa Mmere radio programme, now in its third series; the model farm project; and Kuapa's progressive work with women. This year we also supported Kasinthula Cane Growers Association in Malawi, from whom we buy Fairtrade sugar, and explored cocoa purchasing from a co-operative in Uganda.

We donated £48,000 to our sister charity, Trading Visions, to support its work giving a stronger voice to cocoa farmers. In total, 5% of Divine's turnover was reinvested in creating a fairer trading system.”

**Jamie Hartzell**

“ THIS YEAR MY LIFE CHANGED when I arrived in London to work with Divine for Fairtrade Fortnight. I had never left Ghana before and I found myself in a beautiful, big country, with many traditional houses and the wonderful Tower Bridge close to our offices.

Back in Ghana, I had been voted by farmers in my village society to represent them in London. I was then interviewed by officials of Kuapa Kokoo Farmers Union and was proud to be chosen. The cold weather was hard for me as a visitor from Africa, but the welcome was warm. I visited schools, churches and shops to tell consumers about my experiences as an empowered farmer. I listened to them too. It seemed to me that chocolate serves as the number one food in the UK! You love to hear the story behind it.

I also met mayors, MPs and shop executives and talked to them about how important Divine is for us farmers. Meeting people and seeing the respect accorded to Kuapa Kokoo and Divine has grown my confidence and my knowledge about how chocolate is sold. This made me think of how we farmers are being empowered in many ways and are able to be proud of our profession. I felt, with the right direction, Kuapa can offer a leading position for farmers in Ghana.

On my return, I reported to my family, members of my society and the Kuapa National Executive Committee (NEC) all that happened during the trip. They were happy to hear of the trip's success. Divine told them I had been a great ambassador for Kuapa and this gained me trust from my colleagues. I was motivated to take a leadership role and use the knowledge I gained to assist Kuapa Kokoo and our farmers, and I am proud to say I have been voted on to the NEC. I am looking forward to the future. I thank God Almighty, Kuapa Kokoo Farmers Union and Divine Chocolate for bringing me this far.”

**Esther Ephraim Mintah, cocoa farmer**

# GREAT CHOCOLATE

# great business

**DIVINE WAS CHOSEN** by the Government's Department for Business, Innovation and Skills (BIS) to star in its 'Business is GREAT' campaign. We were featured on billboards and in newspapers all over the country to promote the support available for small businesses.

"Small businesses are crucial to the success of our economy, which is why we are showcasing the best of British business through our 'Business is GREAT' campaign and working with Divine Chocolate," explained Skills and Enterprise Minister Matthew Hancock.

Back in 1998, a £400,000 loan guarantee from the Government had allowed our fledgling company to secure funding and meant the farmers in Ghana could own their share. Through a Knowledge Transfer Programme we have also had support with packaging, food technologies and business advice.

Divine MD Sophi Tranchell, an ambassador for social enterprise, said, "By telling our story in this campaign, we hope that we helped spark ambition in other businesses to be powered by their principles."

A national competition to recruit our first chocolateers brought Erik Houlihan-Jong and Gloria Lilly to Divine. They are spreading the chocolate message and explaining what makes Divine distinctive. Erik and Gloria went through comprehensive training with chef David Greenwood-Haigh. They now share their knowledge of cocoa and take chocolate lovers on a journey of the senses. Recent work included a team-building workshop for Ernst and Young; talks in schools; and demonstrations at festivals. "Divine's farmer-ownership makes it even more rewarding working with the company," said Erik.

**A HOST OF ADDITIONAL BUSINESSES** now have Divine on offer. These include: *Simply Heavenly*, the independent food and drink distributor; *BHS*, in its in-store cafés; *Vending Solutions*; *Dobbies*, the national garden centre chain; *AMT*, the hot drinks and snacks firm; and food and coffee chain *Muffin Break*. They join other stockists, from supermarkets to specialist outlets, Oxfam, cafés and more.

To help entice them, we brought out new products: 70% Dark Chocolate with Mango & Coconut and Milk Chocolate with Whole Almonds. These were sampled at the Abergavenny food festival which Divine attended for the first time. We also brought out limited edition Christmas bars: Dark Chocolate with Cranberries & Hazelnuts and Milk Chocolate with Spiced Cookies. And we were delighted to announce Great Taste Awards for two products: Ginger Thins and the 70% Dark Chocolate with Chilli & Orange bar.

**STAR OF REALITY SHOW** *Made in Chelsea*, Cheska Hull, visited Kuapa with the Fairtrade Foundation and Divine and her trip was covered in *Good Housekeeping* and *Hello!*, helping to introduce us to their audiences. Cheska tweeted about her trip to 306,000 followers. She said, "A trip to Ghana showed me how easy it can be for us not to think about the farmers who grow so much of the food we eat. What I hadn't expected was how moved I felt when I talked to the women farmers. They were united and ready to take on anything life threw at them. Women are very important in cocoa farming and processing. The men often keep hold of the money, but the women's group is helping them to gain confidence."

# "Great planning led to even sweeter success"

Sophi Tranchell, Managing Director of Divine Chocolate



Divine Chocolate worked with the Department for International Development to plan for growth. To discover how Divine benefited from government support and how you can too, visit [www.greatbusiness.gov.uk/grow](http://www.greatbusiness.gov.uk/grow)



Clockwise from left: Sophi appears on BIS ads, friends at Abergavenny Food Festival, new bars, Sam Stern's creation, Divine chocolateers, Cheska Hull with Kuapa kids, Farmers Mavis Adu Gyamfi and Mercy Zaah of Kuapa Kokoo broadcasting at the BBC.



**IN CHOCOLATE WEEK**, chefs Ed Baines, Gizzi Erskine, Allegra McEvedy and Sam Stern supplied delicious new recipes. Divine was delighted that *Ecotricity*, *Responsible Travel*, *Gressingham Duck* and *Monster Supplies* worked in partnership with us during the year. We also ran our successful annual national poetry competition with *Christian Aid*, judged by children's writer Philip Ardagh.

Farmers Mercy Zaah and Mavis Adu Gyamfi travelled here for Fairtrade Fortnight, and Mavis was interviewed on Radio 1xtra to celebrate International Women's Day. Lydia Agyei and Isaac Baidoo joined the Scottish Fair Trade Forum to celebrate World Fair Trade Day.

Divine gives cocoa farmers a voice and they are now being heard on the world stage. Kuapa farmers have been invited to USA, Australia, New Zealand, Norway, Sweden and Germany to tell their stories, and describe the impact Fairtrade and Divine have made on their lives.

**IN THE USA** our sister company Divine Chocolate Inc has announced a string of new listings, increasing availability and making successful inroads into both grocery and specialist stores. On top of existing distribution in *Whole Foods Market* and *World Market*, you can find Divine in *Harris Teeter*, *Jo-Ann Fabric & Craft* and *Ahold*. Listings were confirmed in *Kroger*, *Target*, *Meijer*, *Roundy* and *CVS*.

Vice President of Sales Troy Pearley said, "Our growth in high-end chains like *Harris Teeter* is a testament to the great quality of the product, while moves into *Kroger* and *Target* see Divine taking its place alongside the premium chocolate big players." It's thought that the quality, natural credentials and a business model that delivers knowledge and power to cocoa farmers as well as more sustainable income, is what has proved a hit. Turnover is now \$6million, with 16% growth year on year. Five new bars were launched, with media coverage in top titles including *Oprah.com*, *Woman's Day magazine* and *Washington Post Express*.

Divine USA said a sad farewell to our CEO Erin Gorman whose skills and guidance have left the company full of confidence for the future.

# UNDER THE wrapper

**Our Milk Chocolate with Toffee & Sea Salt bar was voted the UK's Best Fairtrade Product 2014. Here's how we created an award-winning chocolate bar**

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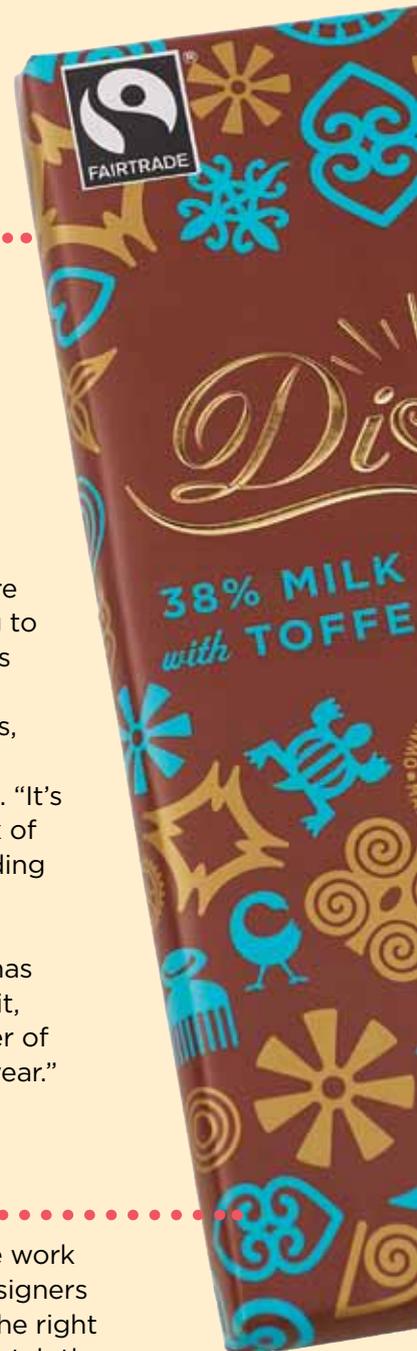
## MD Sophi Tranchell explained,

"The sweet and savoury combination is growing in popularity. We know it works, we just need to make sure we do it better than the rest..."

**SALES** New products are the lifeblood of pitching to retailers and wholesalers because they want new lines to excite customers, said National Accounts Manager Wendy Rowan. "It's important to offer a mix of familiar favourites, trending flavours, and innovative combinations. This bar ticks lots of boxes and has universally been a big hit, with more than a quarter of a million bars sold this year."

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## DESIGN

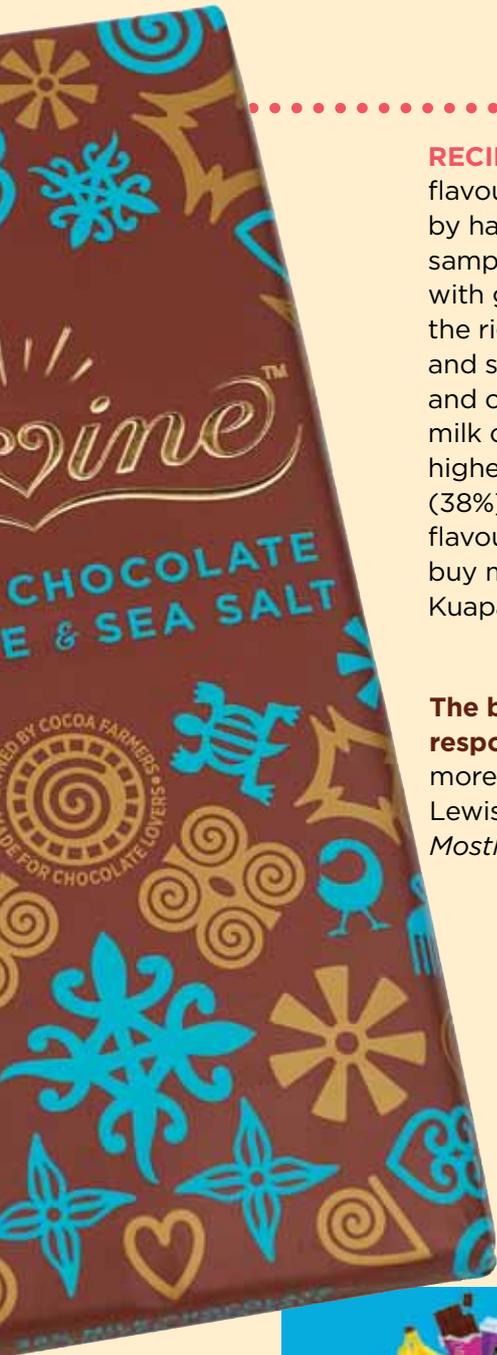
 We work with our designers to explore the right colour to match the ingredients, in this case a bright aqua blue for the sea salt.

**INGREDIENTS** “Best of the best” cocoa from the Kuapa Kokoo farmers in Ghana and sugar cane from the Kasinthula growers in Malawi.

**TASTING** Everyone in the Divine team is involved in making sure the recipe can’t be beaten. This can take days - or months. In this case we hit on the right recipe very quickly. We also have a panel of chocolate lovers who send us feedback.

**RECIPE** The new flavour is first made by hand as “kitchen samples” to experiment with getting exactly the right balance of salt and sweet, smoothness and crunch. Choosing milk chocolate with a higher cocoa content (38%) gives a richer flavour (and means we buy more cocoa from Kuapa farmers).

**The bar gets a great response** “Dangerously moreish,” said Judith Lewis, aka blogger *Mostly About Chocolate*



## WORKING *for women*

**When Divine brings women farmers to the UK for Fairtrade Fortnight to promote our chocolate, far deeper consequences are sown back home.**

Ghana has a tradition of voting men into positions of leadership but women have begun to challenge this dominance.

“Divine has played a tremendous role by bringing women farmers here for Fairtrade Fortnight,” said Hannah Davis of development-through-trade organisation Twin, which runs Divine’s producer support and development programme with Kuapa Kokoo. “Women farmers see other women acting as ambassadors and start to believe they can play a bigger role.”

Kuapa has been organising women’s groups for many years. “Kuapa has led the way with women’s empowerment,” said Davis. “Our research shows that members of women’s groups grow in confidence and demand more for themselves and their daughters.”

Very few women put themselves forward to be recorders, the trusted cocoa-buying officials. One reason can be an inability to read and write, so a pilot literacy programme has been established, directed at these women.

**Farmer Margret Fianko says her ambition is to be a recorder. “Before the course I couldn’t read and write. Now I can recognise letters,” she said. “The best thing about Kuapa is how much they assist women.”**



Margret Fianko, cocoa farmer:  
“Kuapa assists women”

# MAKING OUR MARK

# *worldwide*



Divine is expanding around the world, in terms of distribution and the number of countries we source Fairtrade ingredients from. Find out more at [www.divinechocolate.com](http://www.divinechocolate.com)

 Sales

 Fairtrade ingredients

## **COCOA** *the next generation*

Trading Visions is the 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.

This year the Pa Pa Paa LIVE educational website was re-





launched, featuring videos made by the children of Fairtrade cocoa farmers. It has a fresh look and higher resolution videos on topics including bicycles and bananas.

In Fairtrade Fortnight, Trading Visions collaborated with the Royal College of Art on a Fairtrade Fortnight discussion event called 'What's the Real Cost of Food?' with a lively debate and around

100 attendees. Speakers included Barbara Crowther, Director of Policy & Public Affairs at the *Fairtrade Foundation*, and Patrick Holden, previously Director of the *Soil Association*.

A two-year scheme, funded by *Comic Relief*, started this year to work with Kuapa Kokoo on an exciting new children's rights project in Ghana. This aims to

tackle issues around child labour in the cocoa supply chain by piloting a child-focused approach. It brings children together in safe, creative, fun Kids' Camps and then uses the energy of these events to engage with the whole community to support children being heard and respected.

[www.tradingvisions.org](http://www.tradingvisions.org)  
[www.papapaalive.org](http://www.papapaalive.org)

# FINANCIAL *summary*



## SUMMARY FINANCIAL HIGHLIGHTS

Profit and Loss Account for the 12 months ended 30 June 2014.  
Last year's shorter period reflected a change of year end in 2013

	12 Months to June 2014 (£,000s)	9 Months to June 2013 (£,000s)
TURNOVER	8,257	5,640
Cost of sales	(6,035)	(4,139)
Gross profit	<u>2,222</u>	<u>1,501</u>
Other operating expenses (net)	(2,011)	(1,442)
Other operating income	107	85
<b>OPERATING PROFIT</b>	<b>318</b>	<b>144</b>
Interest payable and similar charges	(78)	(77)
Interest receivable	1	1
PROFIT ON ORDINARY ACTIVITIES before Taxation	<u>241</u>	<u>68</u>
Taxation	(75)	(24)
<b>PROFIT ON ORDINARY ACTIVITIES after Taxation</b>	<b><u>166</u></b>	<b><u>44</u></b>

	12 Months to June 2014	9 Months to June 2013
Producer support (£,000s)	165	113
Fairtrade social premium (\$,000s)	143	98
Tonnes of beans used	714	490

These summary financial highlights do not constitute statutory financial statements for the periods ended 30 June 2013 and 30 June 2014.

The reports of the auditor on the statutory financial statements for the above periods were unqualified. The statutory accounts for the 12 months ended 30 June 2014 have been delivered to the Registrar of Companies.

For further information, the full Directors' Report and the full statutory accounts containing the audit report for the period ended 30 June 2014 should be consulted.

## It has been another interesting year in the world of chocolate.

Enormous companies are concerned that there will not be enough cocoa to fulfil the growing appetite for chocolate in emerging markets. But the prices these companies pay are still not enough to make cocoa farming a viable option for the future generations of farmers.

There are reports that three billion people on the planet are now overweight and the average UK family throws away £700 of food a year, but still we cannot imagine a solution where we pay more for our food and cherish it and the people who grow it.

At Divine, we have been asking the question, "Why should cocoa farmers carry on farming?" and really the only answer for almost all of them is, "Because they have no better choices." Fairtrade and Divine are about giving farmers a real choice, delivering extra income to invest in their communities and the opportunity to improve their business skills and educate their children. This year we have supported a model farm programme - exploring and developing farming techniques and measuring the impact on farmer incomes, plus literacy and numeracy lessons, particularly for women farmers, so they can build their businesses.

Of course Divine is also about giving chocolate lovers all over the world a real choice and continuing to develop a delectable range of delicious chocolate that empowers cocoa farmers. An irresistible combination!

*Sophi Tranchell*

**Sophi Tranchell MBE**  
**Managing Director**  
**Divine Chocolate**



*If our paths should cross one day  
Perhaps  
We could sit and share  
That ridiculous treasure  
That binds us together  
And in that moment  
When more than words  
Are melting in my mouth*

*We'll pause  
And smile  
Together*

Extract from "If" by Katrina Quinn

**"If I met a cocoa farmer" - the theme for the  
Divine Poetry Competition 2014 in partnership with Christian Aid**



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.

**DIRECTORS**

Fatima Ali  
Emmanuel Arthur  
Jeremy Bradley  
Tor Gull  
Jamie Hartzell  
Paul Langley  
Nicolas Mounard  
Michele Settle  
Pauline Tiffen  
Sophi Tranchell  
David Upton  
Carol Wills

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**THE DIVINE TEAM**

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Managing Director

**David Upton**  
Financial Director

**David Francis**  
Commercial Director

**Charlotte Borger**  
Communications Director

**Sarah Watson/Emma Rathbone**  
Operations Manager

**Alistair Menzies**  
Head of Sales & Marketing

**Tom Pick**  
National Account Manager

**Wendy Rowan**  
National Account Manager

**Tal Drori**  
Marketing Manager

**Lisa Storey**  
PR Assistant

**Sonja Salter/Kirsty Beare**  
Operations & Export  
Co-ordinator

**Paul Dennis**  
Finance Manager

**Sarah Sojinrin**  
Accountants Assistant

**Claire Frogley, Rumana Ahmed, Alison Banks, Natasha Procter**  
PA to Managing Director/  
Office Manager

**Simone Lindsay**  
Receptionist

**Kika Williamson**  
Special Projects

**Simon Ward**  
New Product  
Development Manager

**DIVINE USA**

**Erin Gorman**  
Chief Executive Officer

**TRADING VISIONS**

**Tom Allen**  
Policy and Projects  
Manager

**Becca Rowland**  
Child Rights Project  
Manager

www.papapaa.org  
www.tradingvisions.org

**A BIG THANK YOU**

To all the staff, board and everyone at Kuapa Kokoo

Mercy Zaah and Mavis Adu Gyamfi for being Divine Ambassadors on our Fairtrade Fortnight tour. Plus Lydia Agyei and Isaac Baidoo who represented us for World Fair Trade Day in Scotland

The creative people who make Divine look as good as it tastes: Kathryn Samson, Chris Basista, Stephen Waterhouse, GHP, Kube Printers, Jeremy Timings

Photographs: Hilary Moore, James Robinson  
Annual Report writer: Margaret Rooke  
Designer: Anne Metcalfe  
Illustration: Clare Nicholas

Temporary interns and volunteers at Divine:

Emily Balls, Charmaine Morris, Tabi Gillan, Beth Gaunt, Mel Goeller, Jen Shepherd, Andrea Burton, Jane Snell, Anna Pierides, Katie Hocknell, Valerie Joseph, Sue Bentley, Amma Westcott, Ania Klis, Ed Clarke and Helen Daniels

Printed on FSC certified stock produced using 90% ECF pulp

Divine bids a very fond and proud farewell to Dubble, the young people's own Fairtrade brand that achieved so much over the past 14 years as it spread deliciousness and a heightened awareness of fair trade for cocoa farmers across the UK. This sadly means we also say goodbye to Sara Barron, who managed Dubble so brilliantly, with amazing energy and commitment.

