



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.

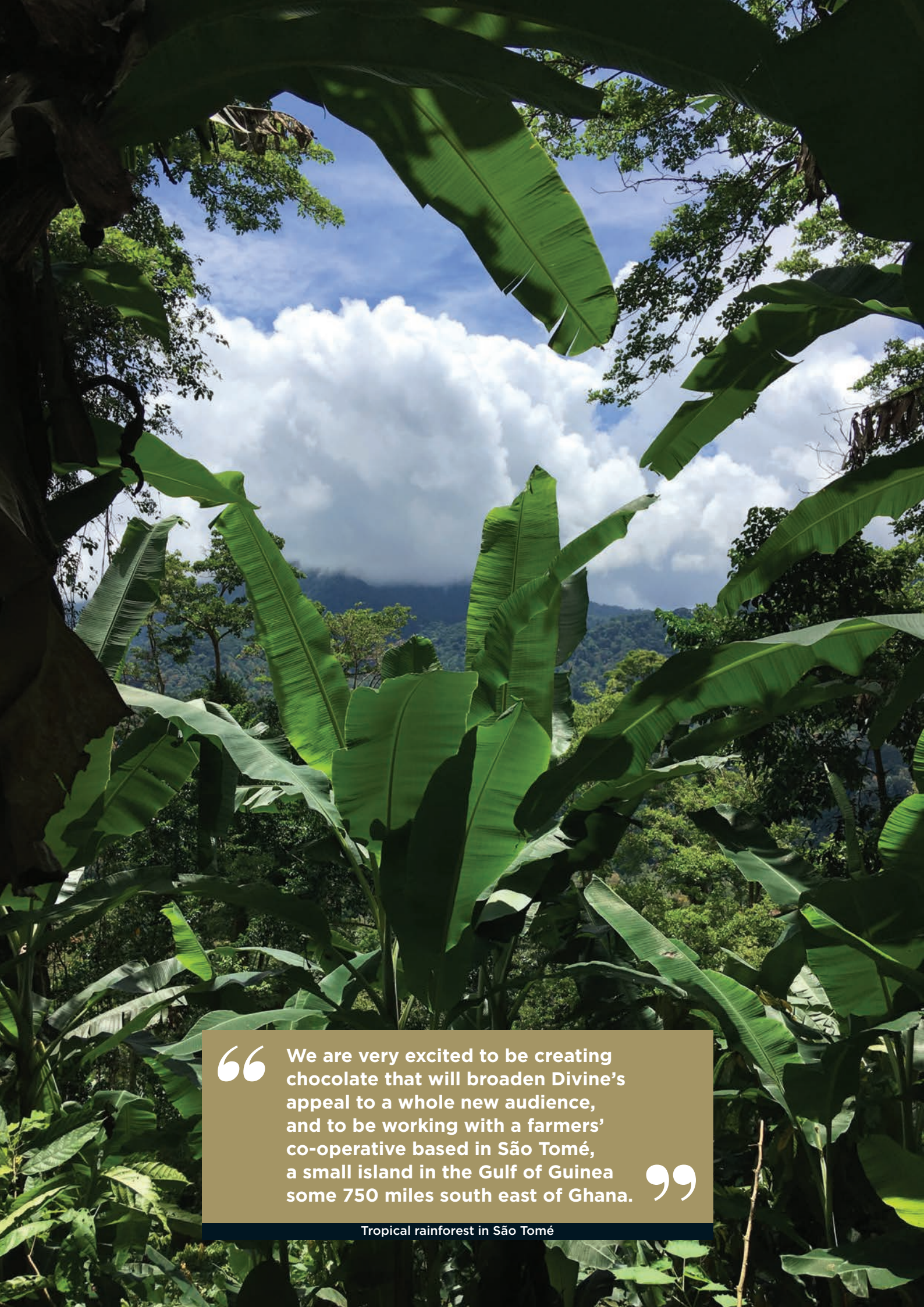


*Annual
Report*
2017 - 2018



*20
years of empowering farmers*





“ We are very excited to be creating chocolate that will broaden Divine’s appeal to a whole new audience, and to be working with a farmers’ co-operative based in São Tomé, a small island in the Gulf of Guinea some 750 miles south east of Ghana. ”

Tropical rainforest in São Tomé



Chair's report

Divine continues to prove that it is possible to grow business differently. As a farmer-owned company, our cocoa producers share in our success. In the 20 years since we were first founded, we have delivered over £3.2 million in support to African farmers over and above the benefits brought by Fairtrade.



Jamie Hartzell
Chair

“ This year, group sales were up by 6.4% to £15 million. In the US, sales rose 8% and passed the \$11 million dollar mark for the first time, led by increases in the natural channel. In the UK sales grew 13% to close to £7.5 million, with growth strongest in Waitrose and Oxfam. The Co-op also took a range of our snack bars in many of their stores.

Uncertainties around Brexit continued to impact our business, and profit for the year was down, primarily due to a fall in both the pound and the dollar against the euro. The dollar also fell against the pound, meaning that sales growth in the US was not fully reflected in the group accounts.

Despite these challenges, Divine continues both to meet our long-term commitment to investing 2% of our turnover in supporting African cocoa and sugar producers, and to enhance our offer to chocolate lovers. We successfully launched a refreshed packaging design, creating a prominent gold roundel communicating our farmer-ownership which we can use across all our marketing, and accentuating the high levels of cocoa content in our products. We had a prolific year of exciting new product development, and held chocolate tastings around the UK, delighting more consumers with the Divine taste.



We also embarked on a major new innovation that will both introduce our first organic range of bars, and enable us to extend the benefits of Divine's unique business model to farmers we have not worked with before. We

are very excited to be planning a new chocolate range that will broaden Divine's appeal to a whole new audience, and to be working with a farmers' co-operative based in São Tomé, a small island in the Gulf of Guinea some 750 miles south east of Ghana.

We are proud that our efforts were recognised in the winning of a prestigious 2018 Queen's Award for Enterprise in Sustainable Development. However, the year was hard for cocoa farmers. World cocoa prices fell dramatically to below \$2,000 a tonne, the same as in the early 1980s. In light of this, discussions within Fairtrade to raise the minimum price paid for cocoa are welcome.

Finally, we are pleased to welcome Troy Pearley to the board of directors. This follows his promotion from VP of Sales to EVP General Manager in the USA.

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Kuapa farmer Bismark Korandine and his children





It's *all* about the *Chocolate*

Over 20 years of delivering fairer trade and empowerment to cocoa farmers we have never lost sight of the fact that our chocolate is the star. Once we have delighted the senses, it's an easier step to engage the desire for fairness and social justice. For those who have a passion for both our delicious products and the mission they serve, there is a doubly strong commitment to our brand.



For all of us lucky people working for a chocolate company, we know from our daily experience that chocolate has a sort of magic. Each time you explain where you are calling from on the telephone, offer someone a little piece to taste, or approach a potential promotion brand partner – that word ‘chocolate’ opens eyes wide, and elicits involuntary exclamations and sighs of appreciation!

It's a magic that has been core to our success. Divine has pursued its founding mission with enormous energy and dedication, but its growth, expansion, and the remarkable things the company has achieved could never have happened if it were not for the exceptional chocolate we sell. From the start we aimed for a chocolate people would fall in love with – creating a flavour and texture that pressed all the right buttons and has as broad and inclusive an appeal as possible. Then, to the indulgence and reward we were delivering, we added a different kind of pleasure; folding and stirring in a sense of connection and of empowerment to our already special recipe.

Over the years we have continued to add our values to the recipe too – saying no to GM, taking out palm oil and soya products, sourcing as many Fairtrade ingredients as possible, and growing our range of higher cocoa bars, with more intensity and less sugar.

Only by being able to seduce people with our chocolate, something nearly everyone loves, have we been able to open so many doors, hearts and minds to our mission to trade fairly and sustainably with the farmers without whom our favourite treat would not exist.

We have learned how to tackle the communication conundrum at the heart of our message – where on the one hand we are asking people to choose a delicious indulgent treat, and on the other to make a stand for smallholder cocoa farmers who deserve a much better deal. We know better how to take people on a journey from beautiful packaging, to first taste, to exploring all the flavours, sharing and baking, and then hearing the stories of the people behind the product – and often getting to meet them face to face.



Zinah Mangera-Lakew enjoying Divine

Why *chocolate* tastes *so good*

What is it that makes chocolate such a universal favourite? What's the magic? Researchers have long probed the physiology and the psychology that seem to determine this special relationship. One of the more unusual theories was proposed recently by Dr Michael Mosley who suggested the gratification we get from chocolate derives from its similarity to our first food experience – breast milk!

The essence of the magic is probably a unique combination of its very special smooth melt in the mouth quality, and a host of positive associations from childhood when it is so often the treat and reward of choice. The cravings people often talk about are most likely due to the sugar content – but as a treat chocolate never fails, and today offers such a wonderful variety of sources, flavours, intensities and ingredient combinations.



For the *love* of chocolate

Chocolate is easy to enjoy. But I know I'm not alone in believing that it is most enjoyable when it has been made with care and love, and due respect and reward for all of those whose labour has gone into producing it.

A bar of good chocolate appeals in an elemental way. Rest a fragment on your palm and almost immediately it melts, because chocolate changes its nature at the temperature of the human body, as if we were born to enjoy it.

It can be a simple food: some of the finest bars in the world contain only cocoa and sugar. But the pleasures and benefits it confers can be profound and complex. That so much comes from so little, and that it is delivered in a way that seems so natural; it is easy to see why the earliest recorded growers and consumers of cocoa identified it as "the food of the gods", why those who classified the plant that grows it allocated the Greek version of that title, Theobroma; and why those who take care to produce

chocolate in the right way call it simply Divine.

But chocolate is not only the food of the gods, it is a crop and a product of people: real people, who should be fully and properly involved in the fruits of their labour.

Those who make chocolate in the right way, with patience and diligence, invariably believe that this can be best done by paying attention to the entire chain of production, from tree to bean. This is not always easy, and individual artisan makers spend a lot of time and energy ensuring that those who grow the beans they use are properly rewarded.

"All good chocolate tastes great. But nothing tastes better than chocolate that has been made by good people in the right way"

Andrew Baker



Andrew Baker interviewing Kuapa farmer Esther Ephraim Mintah at the Chocolate Show in London

Divine's unique organisation takes this concern to a different level – producing great chocolate on an international scale while ensuring that the cocoa growers (and sugar growers) are involved not just through fair transactions and a Fairtrade premium, but as key stakeholders in the entire enterprise.

All good chocolate tastes great. But nothing tastes better than chocolate that has been made by good people in the right way.

Andrew Baker
Sunday Telegraph



My *Divine* experience

To be honest: Divine has changed my life. Yes, that might sound a little bit impassioned, but it is true.

You will ask why this chocolate has changed the life of a chocolate producer who knows this business from his earliest childhood? The reason is quite simple: Divine has brought me much closer to the most important part of our products, the cocoa, and much more important, the cocoa farmers.

The Divine staff invited me to visit Ghana in 2003. I had never been to Africa before and this trip has made me much more sensitive regarding the needs and the livelihoods of those people who are producing this wonderful cocoa. Since 2003 I have visited Ghana almost every year at least once and I think that as a result I know much more about the African way of life and the Ghanaian mentality especially. I have made many friends there

and I am proud to be a part of this wonderful story. I have started to bring other people to Ghana.

Members of my family and also of my staff have travelled there, and we have invited farmers to see how we are producing the chocolates. Together with Divine we have developed numerous fantastic chocolates and the fact that we now know some farmers personally, and they know us, has made us all more enthusiastic about what we are doing.

Together with Divine and the system of Fairtrade, we have already changed something in Ghana. Maybe it is still only a small step, but I am sure that this step will be the basis for a better future for the cocoa farmers.

As chocolate producers we will continue to make great quality chocolates and innovative flavours.



Weinrich CEO Cord Budde with farmer members of the Kuapa Kokoo National Executive visiting his factory

With these efforts we will continue to support the Divine Story and try to teach all chocolate fans to acknowledge the products as what they are: sweet dreams which bring joy and happiness in our lives.

Cord Budde
CEO of Weinrich, the chocolate factory in Germany that has partnered Divine from the start



The *Divine* year

In a challenging trading environment, and with an economy in Brexit paralysis, our marketing needs to work harder than ever to stand out, attract attention and drive sales.



Divine hazelnut pavlova created for us by Great British Bake Off quarter finalist Benjamina Ebuehi

Looks *good*

Divine packaging has a big job to do – it is our vital interface between product and consumer and, without the support of £millions spent on advertising, needs to shout, intrigue, appeal, seduce and inform in about 10 seconds as shoppers peruse the chocolate aisle. For this reason it is an important investment for us, and this year we presented a refreshed design, created by Lewis Moberly, that works even harder to communicate the Divine difference.

Responding to increasing consumer interest in innovation, provenance and cocoa content, the new packaging accentuates flavours and cocoa percentage, and makes even more explicit Divine's farmer ownership on an embossed gold seal. On the back,

where there is ever more information legally required, everything is organised more clearly and succinctly, so a quick glance tells you everything that is, and is not, in each product, along with our new Vegan and B Corp certifications.

We have also continued with our new product development programme, exciting chocolate lovers this year with 60% dark chocolate with toffee and sea salt, our smooth rich new milk chocolate with 45% cocoa, and a dark chocolate with smooth hazelnut filling. The new hazelnut bar proudly carries our 'Empowering Women' roundel and championed all our partnerships promoting gender equality throughout the year. At Christmas we added salted caramel to our popular dark chocolate thins range, and re-introduced a dark chocolate Advent Calendar.



Three of our new products showcasing our refreshed packaging design



Erik Houlihan-Jong and Chris Addison



Selasi Gbormittah tasting Divine



Divine champions the #BuySocial campaign encouraging people to buy from the many companies who are doing business differently

Telling our *story*, extending our *reach*

Over 20 years our commercial environment has shifted and changed, but our marketing formula remains much the same: tell our story, delight the consumer, and let farmers speak for themselves.

Our calendar in the UK and USA, like any chocolate company, is focused around seasonal peaks for Easter and Christmas, but we always ensure there's a distinctive Divine twist. What makes our programme truly different from other chocolate companies is the partnerships we make, and the campaigns we support during the year, that make our values and our message clear.

In the UK one significant partnership was with the **Woodland Trust**, as part of our commitment to the environment, which started in 2016 and continued in 2017 with a promotion on our dark chocolate Advent Calendar. The Divine team also got hands-on, with a day spent planting trees helping with the Trust's project to create Heartwood Forest, England's largest native woodland.

Chocolate Week in October provides a great opportunity for Divine to create a big splash with our new products, and



Visitors at the WOW Festival on Southbank

exciting chocolate range. 2017 was no exception with our 'Sharing Tastes Divine' campaign including a very well attended chocolate tasting presentation at The Chocolate Show, a promotion through **Oxfam** stores, our redesigned Tasting Kit and expanded offer of chocolate demos, workshops and tastings. The week happily coincides with Social Enterprise Day, so we have the chance to raise awareness of different ways of doing business at the same time as delighting audiences with our chocolate. This year our chocolateer Erik Houlihan-Jong joined TV comedian and actor Chris Addison, a vocal social enterprise ambassador, on stage at Borough Market, to talk about what makes Divine extra special. We celebrated the Week with colleagues, customers and influencers at a very glamorous event at the Hush bar in Mayfair, where our guests included celebrated Ghanaians Selasi Gbormittah (Great British Bake Off) and Zoe Adjonyoh (Zoe's Ghana Kitchen).

With Fairtrade Fortnight, International Women's Day and Mother's Day coinciding in spring, we created a major multi-platform and multi-partner (over 400 in total) campaign championing women's empowerment, which ensured we reached new audiences, engaged with both retail customers and consumers, and creatively combined delivering strong messages with discovering our delicious chocolate. Highlights included promotions with **Waitrose**, **WH Smith**, and **Oxfam**, chocolate tasting at Waitrose Cookery School, hosted by our lovely chocolateer Erik, exhibiting at the Women of the World Festival at the Southbank Centre, where we met up with Ruby Wax, and sampling over 130,000 of our special 'Empowering Women' dark chocolate hazelnut bars. At the Festival we also had



SOCIAL STATISTICS

UK

Facebook

21,883 followers
up 33%

Twitter

34,492 followers
up 11%

Instagram

5,259 followers
up 71%

USA

Facebook

51,908 followers
up 2%

Twitter

4,282 followers
up 9%

Instagram

4,682 followers
up 67%



Mayor of London
Sadiq Khan joined us
at City Hall
Scottish First Minister
Nicola Sturgeon meets
CEO Sophi Tranchell



a photobooth where hundreds of visitors wrote and displayed their thoughts on why women should be empowered. We exhibited at City Hall with the welcome support of London's Mayor Sadiq Khan, and in Scotland, where they celebrated International Women's Day at the Scottish Women's Convention, Sophi Tranchell spoke, and met First Minister of Scotland Nicola Sturgeon.

The sales *frontline*

Across our UK and USA markets we are seeing the growing interest in higher cocoa chocolate and in vegan options, in addition to the continuous appetite for innovation in new formats and flavours, and Divine, with the potent addition of its unique farmer-owned proposition, has a very strong offer in line with these trends.

This year has seen some particularly tough competition in premium chocolate, with new high-profile brands from three major multinationals launching into the sector. This level of focus on premium chocolate from the big brands is unprecedented in the UK, and has created a tougher sales environment for Divine. In this context we are extremely pleased to have delivered 13% growth overall in the UK, bucking the trend of a flat market. Among our retailer customers Waitrose particularly continues to perform well for us, with access to secondary space

driving higher uplifts on promotion; **BP** and **Oxfam** were also strong.

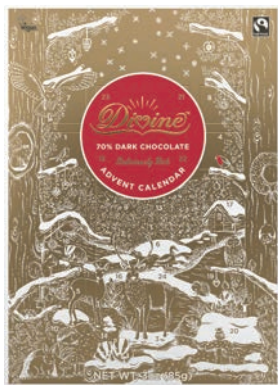
Following Green & Black's move away from Fairtrade on a number of their products, Divine is now the UK's biggest chocolate brand offering only Fairtrade products. This clear focus on our values gives us a valuable point of difference in the market. It is particularly appreciated by many of our independent customers, where we continued to grow in spite of very difficult trading conditions in this sector, with some pleasing new listings this year.

We continue to trade strongly in the food-service channel, and also saw growth from the customers we supply with private label. Convenience is one of the fastest-growing sectors of the grocery market, with the **Co-op** adding to our roster of retailers this year: our impulse bars were launched in a number of their shops as part of a premium chocolate offer.

We had the first opportunity to sell through two new retailer customers who listed our Tasting Set for Father's Day, and a selection of Easter products. Our growing number of products which are suitable for vegans are proving popular, including our new dark Advent Calendar. This and our new Salted Caramel Thins were new product highlights and both sold out quickly.

In the USA, despite an equally challenging market, Divine achieved a good 8% growth overall. Innovation is also driving sales in the USA with variants like the Dark 85% bar doing well. The 'shareables' category is growing, and demos are being requested more frequently by retailers. Private Label in the Natural Channel is also growing, offering a more premium mix of items, for example Natural Grocers launched additional items this year. There is high interest in new organic offers, so there is very positive anticipation of the planned new range Divine is developing for launch in the coming year.

Sales growth was seen across sectors with good selections of Divine products or seasonal ranges being listed across whole estates among our existing customers. As well as our grocery customers it is also great to see Divine in cultural venues like the **Smithsonian African Arts Museum**, which we had visited previously with Kuapa farmer Mercy Zaah when she was in the USA. We were also very pleased to secure new listings across most categories.

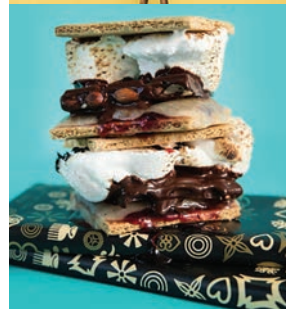
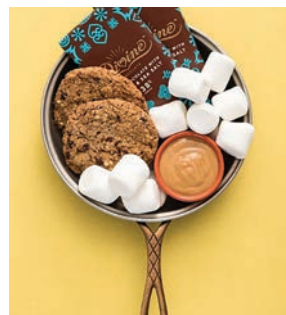




Marketing *Stateside*

In the USA a major focus has been successfully building our profile as a B Corp – the ‘business for good’ movement that is growing worldwide – and joining with other B Corps to mutually promote product lines, reach audiences with shared values, and amplify the message that you can choose to buy from companies doing business differently. This included hosting B Corp VIP events in New York, Philadelphia and Washington DC, running the very popular ‘Days of Divine’ on social media in the run up to Christmas, featuring co-promotions with other B Corps, plus a series of giveaways during B Corp month in February. Divine USA also hooked up once again with fellow B Corp **Cabot Creamery Co-operative**, and together hosted two very successful promotions based at **Whole Foods Market**, and at bespoke stalls outside **Shoptite** stores in New Jersey, which enjoyed major engagement and increases in sales.

Divine’s commitment to empowering women inspired the Divine USA marketing team to create their own way of celebrating women with a promotion encouraging women to send chocolate thankyou’s to the important women in their lives. The iconic American s’more – a marshmallow, chocolate and cracker sandwich – got the Divine treatment too, encouraging followers to send photos of their most inventive s’mores ideas.



Top left: Divine on promotion at Whole Foods Market

Left: Celebrating Divine Women

Above: Some delicious Divine s’mores



Tastes *good*, does *good*

Every new award or accolade is a huge boost for the Divine team, affirming we are fulfilling our mission, and giving us much valued endorsement influencing both our customers and consumers. This year both the quality of our chocolate, and the impact of our business model were acknowledged, with three prestigious Bronze awards from the **Academy of Chocolate**, and the honour of a **Queen’s Award for Enterprise in Sustainable Development**.

We were also named **Best Confectionery Brand** by the **Guild of Fine Food**.

Our second year of being a certified B Corp also brought the accolade of **Best for the World: Community**, placing us amongst the top B Corp companies worldwide in terms of what we deliver to our cocoa farmer owners.





"I joined Kuapa Kokoo four years ago and was able to benefit from the farming training Kuapa runs. I trained for one year and have learned how to better manage my farm, and to increase my yield. I have doubled my output!"

Lucy Manu



"Kuapa has also sunk a borehole in my village which means everyone now has access to clean water. The Fairtrade premium bonus helps a lot and the cutlasses are good for weeding the farm."

Esther Ephraim Mintah



"I worked with the farmers in my society to petition for a new toilet block which was built with money Kuapa Kokoo received from Fairtrade premiums. Farmers appreciate having the toilets and they then know that Kuapa cares about their well-being."

Afriye Kwesi Boateng



"Before the course I couldn't do anything; I couldn't read and couldn't write. But now I can recognise letters and read."

Margret Fianko



"In my community, our old primary school building, made with mud and wood, had big cracks in the walls. It was pulled down and a new six classroom block with a library, head teacher's office and store constructed for our children."

Elias Mohammed



"Before joining Kuapa there were times when no-one came to buy our cocoa, sometimes we were cheated at the scales, and no-one gave us a bonus."

Agatha Adomah



"My role is to educate the farmers about better care of their cocoa - if a farmer comes with inferior cocoa I will explain how they come back with better cocoa. The farmers need to spend the right time for fermenting and for drying, depending on the weather."

Paul Ayepah



"Ownership of Divine Chocolate has enabled me to meet highly placed people I never imagined I would meet. Divine has indeed given us recognition in the chocolate world."

Cecilia Appianim



"The first Kuapa Kokoo Recorder in Mem was my uncle. He told me how the co-operative works and how it cares for the farmers, so I joined it. Now I'm the elected Recorder. The farmers like me and trust me and have faith in me."

Francis Bediako-Manu



"I joined Kuapa Kokoo because the policies are very good and it belongs to the farmers. Democracy has its own power - that's why I wanted to join."

Nare Penten



"I am happy to join the NEC - I like having a plan before we go out and talk to the farmers, and being part of the final decision making. Because of Kuapa's approach to gender I felt able to stand for a position, my exposure to the gender programme gave me confidence."

Linda Berchie



"If you had told me 12 years ago that I was going to be Treasurer of the whole organisation I would have just laughed. But here I am - and what a good example to others."

Comfort Kumeah



of *empowering* *farmers*

Creating a new business model for a chocolate company, with a very bold mission and vision, was a leap of faith. We had no precedent to follow, and each year brought new challenges, and new uplifting examples of people going beyond what you expect.

In 20 years the profile of the chocolate industry has changed – in a world where we are finally learning that we can no longer take so much for granted.

Over two decades working with cocoa farmers in Ghana, we have formed close and rewarding relationships, understood profoundly the challenges they face and done everything in our power to deliver a trading framework which gives the farmers the agency and skills to build their own sustainable future.

Kuapa Kokoo has grown to 50 times its original size, and its members have learned of the real value of their crop once it is made into chocolate. Through owning Divine they have benefitted directly from that value, and invested in their own farms and communities. Underlying all the changes that have happened in their lives has been a real sense of empowerment – for men, for women – and hopefully for the next generation who have seen there can be a future in cocoa farming.

Here are 20 examples of changes Kuapa farmers have experienced – in their own words.



"Kuapa is very democratic and we get to decide on the way our monies and other resources should be used. We get to vote at the Annual Delegates Meetings to approve or disapprove of the various projects of the Kuapa Kokoo Farmers Trust. There is transparency, what more could be better than that?"

Mr PK Buah



"Now because of Kuapa, we have good drinking water which makes us very comfortable. The water is very good and when we drink, we do not fall sick."

Gladys Okai



"In my district, we now have a hand-dug well pipe and this has helped to stop water borne diseases formerly in the area."

Agnes Armah



"I was pleased to be elected on to the NEC. It opened my mind to lots of things - gender issues, empowerment programmes and how to be a better Recorder. It opened the door to how the operations worked in Kuapa."

Janet Owusu



"We women are trained – it's good for women in Kuapa Kokoo. We learn skills to help us generate more income for the family, and also have a voice in decision making in the co-operative."

Mercy Zaah



"I am very happy to be a member of the co-operative that has made me who I am today! My father was able to pay for my education because of Fairtrade and Kuapa Kokoo, and our society also now has access to drinking water."

Harriet Boatemaa



"Farmers join Kuapa Kokoo because it's a democratic organisation. For us democracy means we have a say in the company. We can tell our needs, and if something is going wrong we pour out our grievances and the leaders will listen."

Sampson Cobbina



"The bonus I have received from the Fairtrade premium has helped me continue my studies. I can also help pay my sister's school fees."

Mavis Adu Gyamfi



Bringing *new farmers* to market

Working with our agricultural partner and owner Twin, we continue to invest in farmer projects in Ghana, while also looking to extend Divine benefits to cocoa farmers in other parts of West Africa.



Hortência Pina grafting seedlings



Weighing and recording cocoa sacks



São Tomé

This year Divine wanted to source a supply of organic Fairtrade cocoa to create an exciting new range of bars.

We identified the CECAQ-11 co-operative in São Tomé as a promising option. It was already delivering a high quality traceable supply via GEPA, a leading Fairtrade manufacturer and distributor in Germany, and had a long-time partnership with our fellow Fairtrade company Cafédirect. São Tomé is a small island in the Gulf of Guinea south-east of Ghana, with a beautiful lush landscape of tropical rainforest, perfect for growing cocoa. Its cocoa industry led the world back in the early 1900s but more recently it all but collapsed completely. Now there are efforts to regenerate the island's cocoa business led by the farmers themselves, formed into co-operatives with help from NGOs on the ground, with a new focus on quality - with premiums from Fairtrade and organic certification - rather than quantity.



CECAQ-11 cocoa seedling nursery

In April 2018 a team from Divine, and a representative from our partner and owner Twin, went out to meet members and management of CECAQ-11 to find out more about how it was run, the challenges facing farmers, and what their priorities were in terms of

investing in their farms, communities and their future.

The co-operative has around 1,214 members (over a third are women), organised into 20 village associations. Each village of 40-60 producers has its own facilities for fermentation, drying and storage. The farmers agree democratically how to spend the Fairtrade premium and are already investing it judiciously, one example being a wonderful nursery and daycare centre to help mothers get back to work. However, there are still many challenges, and securing a sustainable income and future for these cocoa farmers is still precarious.

Twin carried out a producer assessment, and collected key data on the organisation, its membership and farming practices. A number of other local stakeholders were also interviewed in order to assess CECAQ-11's viability as a supply partner, and how it might be involved in the Producer Support & Development (PS&D) programme going forward. It was an equally important opportunity for the co-op's management and members to assess Divine as a good customer and partner. We have now come to a trading agreement and hope this will be the start of a mutually beneficial partnership which will not only deliver a Fairtrade premium, but also a share of its PS&D fund to give support to the co-operative's agricultural extension work and gender justice programme.



We feed the world

We were accompanied on our trip to São Tomé by internationally acclaimed photographer David Chancellor, who had been commissioned to contribute to the forthcoming We Feed the World exhibition and campaign highlighting the crucial importance of smallholder farmers to the world's future food security. David captured many stunning images for the exhibition, including this overhead photograph of one of the farmers' villages.



Sierra Leone

Since 2015, Twin has been working in partnership with the Royal Society for the Protection of Birds (RSPB) to assist cocoa farmers in Sierra Leone.

Working with farmer communities bordering the Gola Rainforest National Park in eastern Sierra Leone, the project aims to establish a new Producer Organisation called Goleagorbu and commercialise their cocoa production as a way of preserving the rainforest. The project is highly compatible with our mission and vision and offers strong potential as a new source of cocoa for blending into our existing product range. Divine has committed funds in order to leverage additional finance for this new supply chain. The work will focus on supporting the Producer Organisation to obtain both Fairtrade and organic certification.



Cocoa extension officer Abu Bangura

Ghana Labour Rights project

Many farmers in Ghana own dispersed plots of land and take on tenant farmers to work the plots they cannot manage themselves. Twin has been working on the ground with Kuapa Kokoo members to help develop more formalised arrangements between farmers and tenants. To date these have been informal and non-standardised which can lead to disputes over expectations and benefits.

A roll-out plan has been developed by the Project Manager for the next year focusing initially on Dadieso and Wasa Akropong, in the Western Region. The Ghanaian company Participatory Development Associates (PDA) was commissioned to provide monitoring training for the Project Manager and Kuapa Kokoo Internal Control officers (KKICs), and establish a Monitoring and Evaluation framework.

This project has been conducted from the start in consultation with farmers, and members have been able to clarify their roles and their expectations of the project, before giving their support.

Awareness raising meetings were held in 47 villages in Dadieso and 48 in Wasa Akropong, reaching 1729 farm owners and 910 tenants (35% women overall). As a result, all villages have nominated and confirmed their Labour Rights Committee (LRC) members (each comprising the Recorder, an ordinary member and a tenant representative). Of the total 186 committee members, 33 (17%) are female and 153 are male.

Subsequently 194 participants (34 women and 160 men) comprising the Labour Rights Committee members, Zonal Executives, SEC and KKIC/RSC Officers attended capacity building training sessions for society and zonal leaders (at a village and district level) in Dadieso and Wasa Akropong. The farmer representatives have been trained on core issues including their relevant role on the project; facilitating signing beneficiaries on tenancy contracts; an Alternative Dispute Resolution mechanism; child labour; as well as monitoring and evaluation. There is now a finalised tenancy agreement template which will be distributed to all beneficiary farmers and a process by which the application of the formal agreements will be monitored and evaluated by a dedicated team.



Looking *forward*

“ Divine continues to prove that it is possible to grow business differently. As a farmer-owned company, our cocoa producers share in our success.”



Sophi Tranchell
Group CEO

In challenging and insecure times we seek solace in a chocolate treat. Divine wants to continue to delight chocolate lovers around the world, introducing them to exotic new origins and flavours, working with different farmers, increasing our impact, and sharing our learnings.

In our 20th year Divine is going global – in line with our mission to empower cocoa farmers and chocolate lovers, we are going to work with a small co-operative of cocoa farmers CECOA-11 in the West African island of São Tomé to deliver an organic high cocoa range. It will be our first foray into a new origin from one of the “Chocolate Islands” and we are delighted to be able to continue the work that Cafédirect started back in 2009.

We look forward to supporting Twin’s programme with cocoa farmers in Sierra Leone, enabling them to achieve Fairtrade status and develop their farms in the protected rainforest using climate smart agriculture.

We are also in the process of purchasing our Swedish distributor, House of

Fairtrade, with whom we have worked over the last 15 years. We are looking forward to building Divine’s presence in Scandinavia and having a base in Europe.

Divine has been championing cocoa farmers for 20 years, creating a platform to share their stories with chocolate lovers so that we can all see the women and men behind the products that we love. But we have also been saying that they don’t have access to many of the things we take for granted, like clean water and electricity or the ability to invest in their farms and communities. So we welcome Oxfam’s continued spotlight on who has power, and therefore responsibility, in our food supply chains, and Fairtrade’s focus on Living Income starting with cocoa farmers. There are enormous inequalities of power, gender and wealth in our food system and it is essential that the smallholder farmers we rely on for 70% of our food earn enough to sustain themselves. In the year ahead we will continue to champion farmers and enable chocolate lovers to support a business with farmers at the heart of everything we do.”

Trading Visions

Trading Visions is the UK educational charity set up by Divine to amplify the voices of small-scale producers.

Promoting our educational resources

Trading Visions has a renewed focus on promoting our popular UK educational resources. To that end we have recruited a new 3-day a week ‘Fairtrade Educator’ – Katie Thilthorpe – to manage and market them.

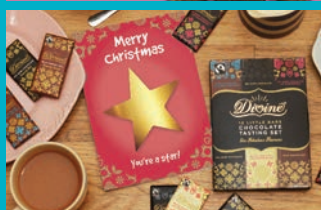
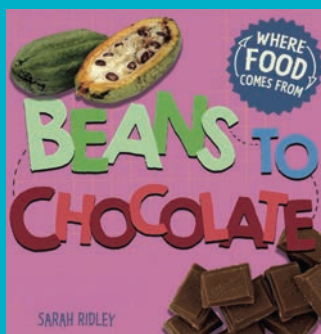
We promoted the Pa Pa Paa resources before and during Fairtrade Fortnight, with online advertising as well as promotions via our existing networks. We saw a significant increase in use of the resources compared to the previous year, which we hope to build on for the following year.

We also ran workshops

at schools and school conferences, working directly with around 600 children in this year. We also worked with Edinburgh Zoo to use our kinaesthetic ‘Be a Cocoa Farmer’ kit for their holiday activity programme.

Beans to Chocolate book

Trading Visions worked closely with Hachette Publishing and author Sarah Ridley on a new book telling the bean to bar story of chocolate, which has a big focus on the story of Divine Chocolate and Kuapa Kokoo, and on Fairtrade. It is an update of a 2005 version produced in conjunction with Divine



Thank you teacher gift

We teamed up with Divine Chocolate to create a ‘thank you teacher’ gift, to raise awareness among teachers of the Pa Pa Paa resources, while providing a new way for parents to engage with

Divine Chocolate.

The gift comprises a tasting set, a £1 donation to the Ayaasu Project near Amankwatia in Ghana, and a card containing information about Trading Visions and Pa Pa Paa. It can be purchased at the Divine Chocolate online shop. We were pleased that it was featured on ITV’s ‘This Morning’ as a recommended gift.

Reviewing our education resources

We ran a survey of educators who use Pa Pa Paa and have planned a 12 month process of updating the website and resources. These changes will make Trading Visions’ websites easier to navigate and suited to teachers’ needs.





Summary Financial Highlights

Profit and Loss Account for the
12 months ending 30 June 2018

12 months to
June 2018
£000s

12 months to
June 2017
£000s

Divine Group Turnover

Cost of sales	(10,064)	(8,998)
Gross profit	4,936	5,099

Administrative expenses	(4,898)	(4,691)
Other operating income	9	9
Gains/(Losses) from future forward exchange contracts	(34)	(151)

Operating profit	13	266
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Interest payable	(5)	(11)
Interest receivable	1	2
Profit Before Tax	9	257

Taxation	(6)	(21)
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NET PROFIT	3	236
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Other Comprehensive Income/(Expense)	(2)	39
Total Comprehensive Income	1	275

IMPACT INDICATORS

Producer support (£000s)	300	282
Producer dividend and interest	0	38
Fairtrade social premium (cocoa) (\$000s)	172	190
Fairtrade social premium (sugar) (\$000s)	22	19
Tonnes of Fairtrade cocoa beans used	861	953
Tonnes of Fairtrade sugar used	375	313
Tonnes of Fairtrade almonds used	3	6
Tonnes of Fairtrade mangoes used	2	2

These summary financial highlights for the year ended June 2018 have been prepared under FRS102. They do not constitute statutory financial statements for the periods ended 30 June 2017

and 30 June 2018. 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 2018 have been delivered to the Registrar

of Companies in the UK. For further information, the full Directors' Report and the full statutory accounts containing the audit report for the period ended 30 June 2018 should be consulted.

BOARD DIRECTORS

Fatima Ali
Richard Anstead
James Averdieck
David Croft
Tor Gull
Jamie Hartzell
Troy Pearley
Cheryl Pinto
Pauline Tiffen
Sophi Tranchell
David Upton

A BIG THANK YOU

To all the staff, board and members of **Kuapa Kokoo**.

To our Divine Chocolateers **Erik Houlihan-Jong** and **Gloria Lilley**

To the creative people who make Divine look as good as it tastes: **Lewis Moberly, Chocolate Films, Big Mallett, GHP Design, Spinnaker, Hillary Moore, Ian Tuttle, & Stephen Waterhouse.**

Additional photography: **Kim Naylor, Olivier Asselin**

To our temporary intern at Divine: **Kate O'Neill**

Front cover: Photos of Kuapa Kokoo women farmers from Aboaboso

Printed on FSC certified stock produced using 90% ECF pulp

Printed by: **Fountain**

Designed by: **Jane Davies**

DIVINE GROUP DIRECTORS

Sophi Tranchell
Group CEO

David Upton
Group CFO

THE DIVINE TEAM UK

Chris Noel
Sales Director

Charlotte Green/
Sophie Loveday-Davies
Marketing Director

Mai-Ling Lee
Operations Manager

Jay Butcher
National Account Manager

Steve Rudkin
National Account Manager

Monish Mehmi
National Account Executive

Zoe Green
PR and Social Media Manager

Zinah Mangera-Lakew
Marketing Assistant

Roxy Rocks-Engelman
Marketing Co-ordinator

Paul Dennis
Finance Manager

Mpho Sephula
Operations Assistant

Sarah Sojinrin
Accounts Assistant

Tom Mitchell
New Product Development Manager

Hannah Bowrey
New Product Development Co-ordinator

Elizabeth Sowula
HR Manager

Charlotte Borger
Communications Consultant

Natasha Procter
PA to Group CEO/
Office Manager

Yasmine Gbormittah
Receptionist/Admin Assistant

THE DIVINE TEAM USA

Troy Pearley
EVP General Manager

Molly Skelly
Chief Financial Officer

Steve Barrella
Sales Director

Reno Yanes/Michele Hyden
Natural Sales Manager

Aurora Haydostian
West Coast Regional Manager

Paula Luxenberg
Business Development Manager

Liz Miller
Senior Marketing Manager

Ayomide Meletoyitan/
Qwante Brinkley
Operations Manager

Morgan McKenna
Trade Marketing Associate

Callie Yow
Marketing Associate

Dierdre Lee
Finance & Operations Analyst

Eric Vincent
Sales & Business Analyst

PS&D LIAISON AT TWIN

Hannah Davis
Senior Programme Manager

Deborah Bickler
Senior Programme Manager

Katie Sims
Programme Officer

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Chartered Accountants
and Statutory Auditor
150 Aldersgate Street
London EC1A 4AB

Bankers
National Westminster Bank Plc
15 Bishopsgate
London EC2N 3NW

TRADING VISIONS

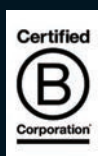
Tom Steele
Policy and Projects Manager

Katie Thilthorpe
Fairtrade Educator

www.papapaa.org
www.papapaalive.org
www.tradingvisions.org

Useful links

www.fairtrade.org.uk
www.bcorporation.uk
www.socialenterprise.org.uk



Kuapa farmer's son Kwabena with a model of our first bar