



Operational Case Study Examination

November 2026 - February 2027

Pre-seen material

Context statement

We are aware that there has been, and remains, a significant amount of change globally. To assist with clarity and fairness, we do not expect students to factor these changes in when responding to, or preparing for, case studies. This pre-seen, and its associated exams (while aiming to reflect real life), are set in a context where current and ongoing global issues have not had an impact.

Remember, marks in the exam will be awarded for valid arguments that are relevant to the question asked. Answers that make relevant references to current affairs will, of course, be marked on their merits.

Contents

Context statement.....	2
Your role	4
Company background.....	5
Article: The evolution of Tendra Tents	6
The industry	8
Extract from www.tendratents.com: Our mission	9
Extract from www.tendratents.com: Our products	10
Extract from www.tendratents.com: Our directors	12
Key management teams	13
Chapters from the Tendra Tents Employee Manual	15
Other information about company operations	18
Financial statements for the year ended 30 June 2026	20
Budget information for the year ending 30 June 2027	23
Articles	28
Tax regime in Teeland	31

Your role



You are a Finance Officer working within the Finance Department of Tendra Tents. You are principally involved in the preparation of management accounting information and providing information to managers to assist with decision making. At times, you are also expected to assist with the preparation of the financial statements and answer queries regarding other financial matters.

Company background

Tendra Tents is a company that manufactures and sells tents. The company also sells a small range of camping accessories which it buys in from trusted suppliers. Tendra Tents is based in Teeland, a country in Northern Europe with dramatic landscapes and a growing culture for eco-tourism. The currency of Teeland is T\$.

The company was founded in 2004 by three friends: Rhona Velic, Talia Morel and Fredrick Calvern. All three are passionate about the outdoors and camping, especially wild camping.

Initially, the company was launched with just one tent design, the Tendra One, which had been the winner in a national sustainability competition. Growth in the early years was slow but steady as Rhona, Talia and Fredrick worked hard to build the brand, range of products and customer base.

From 2008, after the launch of the company website, the rate of growth increased, with consumers loving the eco-friendly ethos of the business. In 2016, keen to keep production within Teeland, it was decided to relocate from the company's original site in the north, to a much larger Production Facility in the south of the country near to the capital, where distribution networks are better.

Current operations

Tendra Tents remains committed to its core product, the tent. It now produces and sells three ranges, Tendra Essential, Tendra Explorer and Tendra Elite, to accommodate casual campers through to serious mountaineers. Each range is offered in three sizes and incorporates the best features of the original Tendra One.

The ranges are sold throughout Teeland and wider Europe through the company's website and also through retailers located in Teeland. The company also sells a small range of camping accessories such as sleeping bags and rucksacks which it buys in from trusted suppliers that are located in Teeland. Accessories are only sold through the website.

All production takes place at the company's Production Facility. The company also now has a small Distribution Centre and a Head Office, both located very close to the Production Facility.

The company is owned by the founder members, Rhona, Talia and Fredrick, who are all directors of the business and actively involved in its running. The latest set of financial statements for the year ended 30 June 2026 show revenue of T\$23.8m and a gross profit margin of 29%.

TEELAND DAILY

The evolution of Tendra Tents

Ben Jonson talks to Rhona Velic, Talia Morel and Fredrick Calvern, founders of Tendra Tents

Ben: Can you tell me what gave you the idea to start Tendra Tents?

Talia: Well, Rhona and I first had the spark of an idea back in 1997, seven years before we started the company. We've been friends since starting university in 1994 and were, and still are, keen wild campers. One particular trip, we battled all night to save our tent from blowing away and the following morning, over the campfire, we discussed how frustrated we were in not being able to find a tent that was durable, sustainable and looked good! It was actually Rhona that suggested we should design our own.

Rhona: Yes, I had just completed my degree in Textile Engineering and was really interested in material innovation. I wanted to design a tent that was lightweight, eco-friendly and sustainable. Talia had just finished her degree in Sustainable Business and wanted to work on ease of assembly and durability, as well as the business side of things. As soon as we came back from the trip, we set to work trying to develop a concept and a prototype.

Ben: So, why did it take another 7 years before the company was formed?

Talia: Basically, we needed to earn a living and we decided that some real-life work experience would be good. So, Rhona left Teeland to work on product design for an outdoor gear company in North America and I became a wilderness guide in

Teeland. Our idea had to sit on a shelf for a while.

Ben: What was the catalyst to start you working on it again?

Rhona: Well, that's down to Fredrick really!

Fredrick: Nice of you to say that, Rhona! Yes ... I had known Talia at university and we met up again at a university reunion in 2003, which is where I met Rhona. At the time, I was managing a large outdoor gear store in Teeland. We talked about our joint love of the outdoors and wild camping and Talia and Rhona reminisced about their idea for designing their own tent. I told them about a national sustainability competition for start-ups and agreed to use my networks to help them develop the prototype which they could enter into the competition.

Ben: How did the competition go?

Talia: Well, with Fredrick's help, we soon had a prototype that was close to the vision we had originally discussed around that campfire years before. We named the tent the Tendra One, evoking a sense of comfort and safety, blended with connections to the earth and outdoors. I'm pleased to say that with its pop-up design for easy assembly and a strong focus on sustainable lightweight materials and durability, the Tendra One was awarded first place in the competition.



Ben: That's fantastic, I take it that is what gave you the impetus to start the company?

Rhona: Yes, in 2004, Talia and I decided to leave our jobs and use the winnings from the competition and our savings to form the company. We invited Fredrick to invest, which he did, and within 3 months he had left his job and joined us as a director.

Ben: So what was the first year of trading like?

Talia: It was exciting! We set up a very small production facility in the town where we attended university. That's where the three of us, along with a small team, produced the Tendra One. Using Fredrick's contacts in retail, we got the tent stocked in some local outdoor gear stores and in the first year sold 250 tents.

Ben: That does sound exciting ... how did you build the business from there?

Rhona: Growth was initially slow and we grew organically. We strengthened the production team to free the three of us up to focus on the strategic direction of the company. With my background, I focused on the product development side and with my small team expanded our range so that we could appeal to a wider customer base than just wild campers. We focused on using eco-materials and practical designs. Our range now caters for all types of campers.

Talia: I found that I had a talent for sales and marketing and so that was my focus. I attended countless trade fairs to build brand awareness. With Fredrick's help, I developed retailer contacts and many of these retailers from the early days are still with us now.

Fredrick: And my focus was really on the

big picture and pulling the strategic vision together. I was also keen on making sure that we developed a good website through which we could sell direct to our customers. Working with a team of excellent website designers, our online store opened in 2008 and has gone from strength to strength as we've embedded emerging technologies such as AI to make the customer experience more dynamic and immersive.

Ben: It's obvious that you've made a real success of Tendra Tents ... so, my last question, what does the future hold in store?

Fredrick: Well, we are facing some challenges... competition from imports, rising costs of materials, supply chain disruptions, increasing environmental regulation... and not least that our demand is seasonal and to an extent weather dependent. However, set against all of this, there are some opportunities... growth in outdoor recreation, particularly eco-tourism, as well as improving technologies.

Rhona: Yes, we have numerous new products in development to try and capitalise on all of this... although obviously secret at the minute!

Talia: And we are looking to expand our customer base, possibly in a different region of the world, as well as looking at developing strategic partnerships linked to eco-tourism to expand our product offer.

Fredrick: Whatever the future holds though, we will always stay focused on our core values of sustainability, durability and quality.

Ben: Well, thank you all, it's been fascinating getting to know a little more about Tendra Tents.

The industry

Based on T\$, the global camping tent market generated T\$4.4 billion of sales revenue in 2025 and is growing at around 6.4% per year. Europe (in which Teeland is located) is the largest market at T\$1.4 billion.

The key drivers of market dynamics are:

Growing demand for outdoor recreation

An increasing interest in camping, hiking, van life, festivals and outdoor tourism coupled with the benefits of such activities on mental health and wellbeing are encouraging more people to enjoy the outdoors, even in colder climates.

Sustainability and circular design pressures

Many, especially younger, consumers are insisting on eco-friendly and sustainable gear capable of repair. Companies must focus on the use of recycled materials, biodegradable components and ethical labour practices in the production of tents.

Global supply chains

A reliance on suppliers based in Asia exposes brands to currency risks, shipping delays and geopolitical impacts. This is driving manufacturers to look to local supply chains which are inherently more costly.

Innovation in design

Consumers increasingly demand tents that are lighter and easier to carry, especially for those who partake in hiking, festivals and wild camping. More innovations include modular tents and smart technology to improve comfort and functionality.

Fragmented market

The industry is highly fragmented, creating the space for niche brands with unique product innovations to penetrate the market. Branding is becoming more important to differentiate between similar products.

Seasonality

Tent sales typically peak in spring and summer. However, tents are a discretionary product and as such are sensitive to economic downturns. This puts greater importance on pricing strategies.

Material and labour cost volatility

The costs of materials such as nylon, polyester and aluminium are increasing. Balancing sustainability and quality with cost control is a challenge. Simplification of design helps to maintain value without lowering the product offer.

Extract from www.tendratents.com: Our mission



Tendra Tents

[Home](#) [Our mission](#) [Our products](#) [Our directors](#) [Contact](#)

Our mission

At Tendra Tents, our mission is to design and produce exceptional tents that bring people closer to nature and the great outdoors without compromising it. We use high-performance materials, sustainable and ethical production practices and cutting-edge innovation to create tents that are durable, highly functional and comfortable.



Extract from www.tendratents.com: Our products



Tendra Tents

[Home](#) [Our mission](#) [Our products](#) [Our directors](#) [Contact](#)

Our products

Camping accessories

We offer you a comprehensive choice of sleeping bags, sleeping pads, mats and rucksacks. We are constantly updating our accessory range to reflect the latest designs and innovations.

[Click here for the full range](#)

Tent ranges

Tendra Essential

The Tendra Essential range offers the most accessible and user-friendly tents. Built for comfort, easy assembly and weather resistance, our Essential tents are ideal for leisure and family campers who value simplicity and quality. The Essential range features an easy assembly pole system and panelling to reduce condensation.

Essential Solo (1-2 person)	• This tent is lightweight and easily compacted to make carrying simple. It is designed for up to two people. Our quick-pitch design makes it ideal for wild camping.
Essential Duo (3-4 person)	• A versatile tent with room to stand. With an option to separate into two rooms, integrated storage pockets and a standard doorway design, this tent is popular with couples and small families.
Essential Family (5-6 person)	• This tent is more spacious and comfortable for larger families or groups. Having a separate sleeping area and general living space, it is ideal for family camping trips.

Tendra Explorer

The Tendra Explorer range achieves a balance of performance and comfort. Tents in this range benefit from a stronger tent material with double stitched seams and storm flaps, breathable mesh windows with optional blackout panels and a UV-resistant outer shell. These features make it ideal for campers who need more flexibility and durability.

Explorer Solo (1-2 person)

- Lightweight and easy to carry with ample space for gear storage. Ideal for solo treks or minimalist camping.

Explorer Duo (3-4 person)

- Features more dividers for flexible sleeping arrangements and an extended awning space. Perfect for a small family.

Explorer Family (5-6 person)

- A high-performance family tent with multiple integrated rooms and reinforced flooring. Perfect for larger active families with a love for the outdoors.

Tendra Elite

The Tendra Elite range is our top-tier range, designed for the most demanding conditions but with a homely feel. Advanced features and high-end materials provide total comfort in the most hostile of environments.

Elite Compact (1-2 person)

- This expedition-grade solo shelter has lightweight carbon poles and a thermal lining. It also comes with an optional snow skirt for alpine trekking and wild camping.

Elite Trek (3-4 person)

- This tent is robust in stormy conditions. It includes a weather-sealed vestibule, internal gear loft and double-wall insulation.

Elite Basecamp (5-6 person)

- Our most advanced tent with two bedrooms, a central living space and insulated floors. Made from ultra durable materials with thermal insulation and carbon poles, it is ideal for larger group camping in any climate or environment.

Extract from www.tendratents.com: Our directors



Tendra Tents

[Home](#) [Our mission](#) [Our products](#) [Our directors](#) [Contact](#)



Chief Executive Officer: Fredrick Calvern (co-founder)

Working for many years in the outdoor gear industry, Fredrick uses his management experience to guide the strategic direction of the business. He utilises his wide network of industry and business contacts to keep up to date with innovations in tent design as well as the wider business context.



Product Development Director: Rhona Velic (co-founder)

Rhona has vast experience in tent design and with her clear vision for Tendra Tents, she leads a small Product Development Team. The team strives to design tents using sustainable materials and is at the cutting edge of design. Rhona is currently working on new products including modular tent systems and smart tents.



Sales & Marketing Director: Talia Morel (co-founder)

With a love of the wilderness and her talent for showcasing products and devising exciting promotional campaigns, Talia leads the Sales & Marketing Team. She strives to maintain strong relationships with existing retail partners and to build new relationships and new sales channels.



Production Director: Rafael Ortega

Rafael joined Tendra Tents when the Production Facility was expanded in 2016. He brought considerable experience in operations and supply chain management. He is supported by managers who run the operational aspects of their own departments on a day-to-day basis.



Human Resources Director: Lien Chen

Lien joined Tendra Tents back in 2014. Having graduated from university with a master's degree in human resources in 2000, she gained her experience at a competitor tent manufacturer in Teeland. She has a keen interest in employee rights.

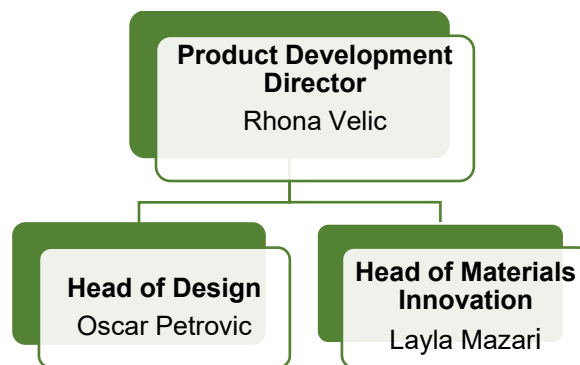


Finance Director: Peter Trafford

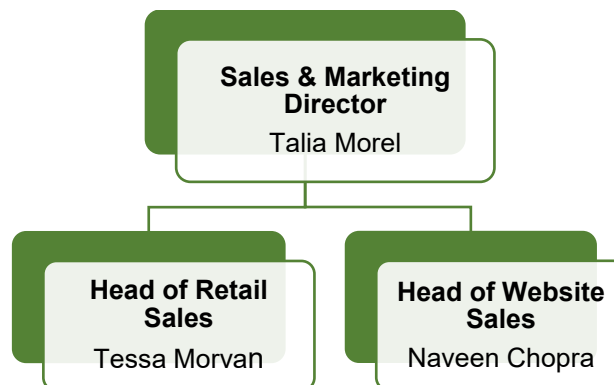
Peter joined Tendra Tents in 2012, bringing his experience of scaling eco-conscious brands from his time leading the finance function of a swimwear brand. Peter has a love of the outdoors and mountaineering and was recently sponsored to climb Mount Everest. Peter brings discipline, clarity and a commitment to environmental stewardship.

Key management teams

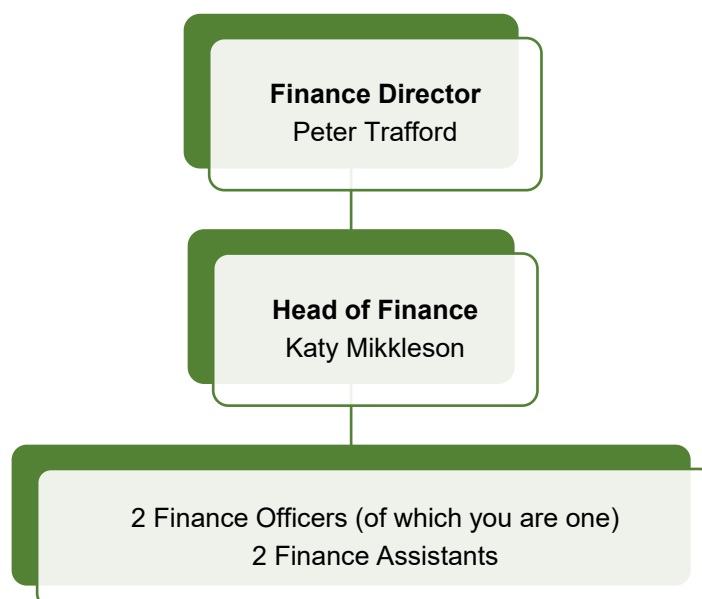
Product development



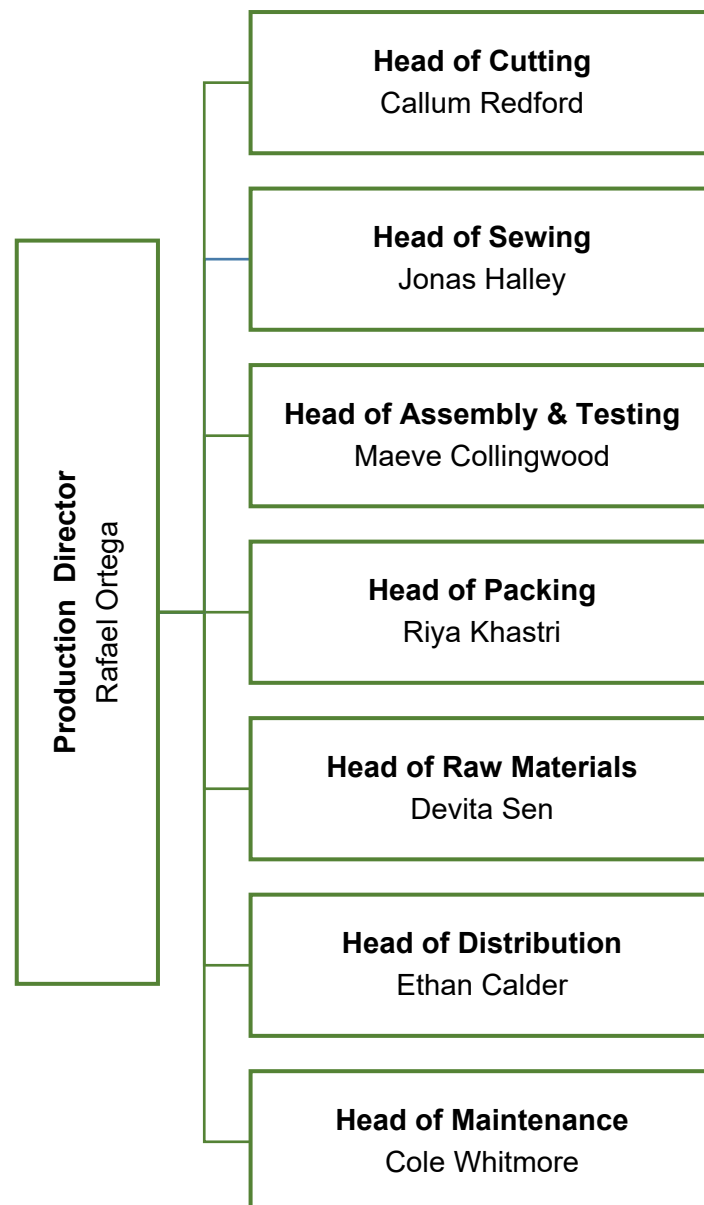
Sales and marketing



Finance



Production



Chapters from the Tendra Tents Employee Manual

Chapter 2: The raw materials we use to make our tents



Our ethos: As far as possible, we use raw materials that are eco-friendly and recyclable, reducing plastic waste otherwise destined for landfill. Producing tents from recycled materials enables us to reduce our carbon footprint by lowering emissions. Our customers buy our tents knowing they are contributing to a sustainable planet whilst enjoying the hobby they love.

Our main raw materials:

Tent fabric	The fabric used for the outer rainfly panels of our tents (exposed to the elements) is recycled ripstop polyester. This is a lightweight, durable textile made from recycled polyester (rPET). It is derived from shredded plastic bottles, otherwise destined for landfill. A 'ripstop' weave incorporates thick reinforced polyester yarns in a crosshatch pattern. This minimises the chances of the fabric ripping and increases durability to all weather conditions. A silicone coating ensures the fabric is entirely waterproof. Tent fabric is supplied in rolls.
Floor fabric	The floors of our tents are made from recycled polyethylene (rPE). This is a sustainable fabric made from recycled plastic waste such as bottles, containers and packing materials. It is durable, waterproof and resistant to abrasions, making it suitable for many terrains. Floor fabric is supplied in rolls.
Mesh panels	The mesh panels are made from recycled nylon mesh and are for the inner part of the tent. The mesh is finely woven into a yarn which makes it breathable to allow air to flow into the tent and also to keep unwanted insects out. The mesh for the panels is supplied in rolls.
Zippers	Our zippers are made from recycled materials and are made for durability and a smooth operation. We buy in zippers from a local supplier in various sizes.
Poles	We use recycled aluminium for our tent poles. It is strong, lightweight and recyclable whilst still high quality. It is resistant to corrosion and takes 95% less energy to manufacture than it does to produce new aluminium. We buy in our tent poles in standard lengths.
Webbing	Webbing, used to reinforce stress points, is made from recycled nylon which we buy in rolls. It is strong and highly resistant to abrasion.
Guy lines	Guy lines connect the tent to the ground. Our guy lines are made from reflective recycled polyester cord. This not only gives visibility at night but can hold the tent under tension. Guy line cord is supplied in reels.
Packaging	Our tents are packaged in a hemp fabric bag which is durable and sustainable and can be used to store camping accessories. Hemp is supplied in rolls. The final tent is dispatched to customers in recycled cardboard.

Chapter 3: Our production process



Before production even begins, the following happens:

Design & Patterning	All of our tent models are developed using CAD (Computer Aided Design) tools to create a 3D design in the Product Development Department. After the development phase, the CAD files are converted into precise 2D patterns for each component. These patterns are fed into specialised computer software used in the cutting process (see later). This software ensures that cutting wastage is minimised, which is essential for sustainability and cost control.
Materials Inspection	All raw materials are received into the Raw Materials Department located in a distinct area of the Production Facility. Here, they undergo a visual inspection and a mechanical quality inspection. The tear strength of the tent and the floor fabrics is measured using a tensile testing machine and waterproofing is tested using hydrostatic head testing. Each roll or other component is then labelled and given a barcode and stored before it is needed.

The production process: The following describes the production process for the Tendra Essential Solo.

Cutting	Cutting takes place in the Cutting Department. Rolls of fabric are loaded onto a cutting machine by a skilled technician who programmes the cutting machine to read the appropriate digital pattern files. The machine stacks multiple layers of fabric, before cutting it using lasers. Laser cutting seals the edges of each pattern piece to avoid fraying. After cutting, the fabric pieces are unloaded from the machine, grouped and labelled by skilled labour.
Sewing	Sewing takes place in the Sewing Department. The process consists of three phases: • Inner tent construction: The inner tent is constructed from mesh and floor panels. A skilled technician loads tent sections into a high-speed industrial sewing machine and joins pieces together using reinforced stitching. Mesh pockets for camping gear and hooks to hang tent lighting are added manually. Finally, the floor panel is attached using waterproof stitching and seam taping for added protection. • Rainfly construction: Rainfly panels are joined together by a skilled technician on sewing machines using fully waterproof seams. These are sealed after stitching for extra protection using a hot air-seam taping machine. Ventilation flaps and guy line attachment points are incorporated into the structure. Other attachment systems are sewn into the panels to connect the tent with the poles. • Zipper installation: Zippers are sewn into the tent doors by a skilled technician using smaller sewing machines and double stitching for durability. The skilled technician manually tests each zipper to ensure that it operates easily. Reinforcement patches are added to corners and seams to prevent any tearing with repeated use.
Assembly & Testing	Assembly and testing takes place in the Assembly & Testing Department. The process is made up of three phases: • Pole assembly: Tent poles are cut to specific lengths and bent to specific curves by a skilled technician using pole bending machines. Colour coding is used to identify each segment for ease of assembly by customers. Poles are pre-threaded with elastic shock cord internally to link them together when assembled. This is carried out by hand. • Tent assembly: The full tent is assembled by skilled technicians on a test rig to test the final structure and finish. • Testing: A team conducts three standardised tests for every tent. These are rain testing using spray booths; wind resistance testing (using a wind tunnel); and zip and seam testing. Any tents failing any of the tests are either repaired or recycled.
Packing	Packing takes place in the Packing Department. Each tent is packed into a hemp bag. The bag is placed into outer packaging made from recycled cardboard which is branded with water-based inks. All finished goods are transferred to the Distribution Centre.

Other information about company operations

Sales markets and channels

The company's three tent ranges are sold direct to customers in Teeland through the company's website and by Teeland retailers. Sales are also made to European customers through the company's website. In terms of revenue, around 70% is sold via the website and 30% is sold to retailers.

The company's website uses artificial intelligence (AI) tools to provide potential customers with an interactive shopping experience to help them find a tent that is best suited to their needs. The website offers detailed product descriptions, including each tent's eco-credentials, as well as instructional videos on tent assembly. Approximately 75% of website sales are to customers in Teeland and 25% to customers in other European countries.

The company also partners with retailers in Teeland. Most retailers are outdoor gear stores, but a smaller number are specialist camping stores. Not all retailers stock the full range. The company currently does not partner with any retailers outside of Teeland. Payment terms given to retailers are between 30 and 60 days.

The company's range of accessories is available for sale only on the company website.

Production Facility

The company makes all of its tents at its Production Facility. There are four production departments:

- ❖ Cutting
- ❖ Sewing
- ❖ Assembly & Testing
- ❖ Packing

These production departments are supported by the following support departments:

- ❖ Product Development
- ❖ Raw Materials
- ❖ Maintenance

Camping is a largely seasonal activity with sales of tents and tent accessories higher in the spring and summer months dropping off in autumn and winter. Despite this, production of tents is undertaken evenly throughout the year. Some production is to order, but most production is for inventory.

Distribution Centre

The company has a small Distribution Centre located close to the Production Facility. All finished goods inventory (tents and accessories) is stored at the Distribution Centre. From here, goods are despatched to retailers using an external logistics company.

There is a dedicated area of the Distribution Centre where website orders are processed and packaged for shipment direct to customers. A separate third-party courier company is used for these shipments.

Purchasing and suppliers

All raw materials are sourced from certified sustainable suppliers with whom the company has established long-term partnerships. The company believes that this is essential to ensure consistent high quality and compliance with ethical practices. It is also critical so that the company maintains its reputation as an eco-friendly sustainable producer. To minimise the company's carbon footprint, all suppliers are located in Teeland. The company is always striving to find more ways to support sustainable practices throughout the business.

Supplier payment terms range from 30 days to 90 days and a number of suppliers offer bulk purchase discounts. The company usually takes advantage of these discounts where possible to minimise the number of deliveries and to limit carbon footprint.

Employees

Tendra Tents had the following number of employees on 30 June 2026:

	Number
Production Facility	65
Distribution Centre	12
Head Office	19
Total	96

Financial statements for the year ended 30 June 2026

Tendra Tents

Statement of profit or loss for the year ended 30 June

	2026 T\$000	2025 T\$000
Revenue	23,756	21,860
Cost of sales	(16,811)	(15,648)
Gross profit	6,945	6,212
Distribution and selling costs	(3,920)	(3,670)
Administrative expenses	(1,356)	(1,320)
Operating profit	1,669	1,222
Finance costs	(66)	(75)
Profit before tax	1,603	1,147
Income tax expense	(475)	(340)
Profit for the year	1,128	807

Tendra Tents
Statement of financial position at 30 June

	2026 T\$000	2026 T\$000	2025 T\$000	2025 T\$000
ASSETS				
Non-current assets				
Property, plant and equipment		2,634		2,456
Current assets				
Inventory	3,454		3,086	
Trade receivables	1,347		1,170	
Other receivables	192		168	
Cash and cash equivalents	1,084		923	
		6,077		5,347
Total assets		8,711		7,803
EQUITY AND LIABILITIES				
Issued T\$1 equity share capital		200		200
Retained earnings		3,238		2,760
Total equity		3,438		2,960
Non-current liabilities				
Bank loan	950		1,100	
		950		1,100
Current liabilities				
Bank loan	150		150	
Trade payables	2,763		2,429	
Other payables	935		824	
Tax liability	475		340	
		4,323		3,743
Total equity and liabilities		8,711		7,803

Tendra Tents
Statement of cash flows for the year ended 30 June

	2026 T\$000	2026 T\$000
Cash flows from operating activities		
Profit before tax		1,603
Adjustments		
Depreciation of property, plant and equipment	390	
Finance costs	66	
		456
Movements in working capital		
Increase in inventory	(368)	
Increase in trade and other receivables	(201)	
Increase in trade and other payables	445	
		(124)
Cash generated from operations		1,935
Tax paid		(340)
Interest paid		(66)
Net cash inflow from operating activities		1,529
Cash flows from investing activities		
Purchase of property, plant and equipment	(568)	
Net cash outflow from investing activities		(568)
Cash flows from financing activities		
Dividend paid	(650)	
Repayment of borrowings	(150)	
Net cash outflow from financing activities		(800)
Net increase in cash and cash equivalents		161
Cash and cash equivalents at the start of the year		923
Cash and cash equivalents at the end of the year		1,084

Budget information for the year ending 30 June 2027

Budgeted gross profit

	Essential range T\$000	Explorer range T\$000	Elite range T\$000	Accessories range T\$000	Total T\$000
Sales revenue	4,885	10,779	5,693	4,200	25,557
Cost of sales	(3,709)	(7,199)	(3,540)	(3,450)	(17,898)
Gross profit	1,176	3,580	2,153	750	7,659
Gross profit margin	24.1%	33.2%	37.8%	17.9%	30.0%

Essential range: sales revenue

	Solo	Duo	Family	Total
Sales volumes (units):				
Website	5,250	3,150	4,550	12,950
Retailers	2,250	1,350	1,950	5,550
Total	7,500	4,500	6,500	18,500
Average sales prices:	T\$	T\$	T\$	
Website	150.00	280.00	420.00	
Retailers	127.50	238.00	357.00	
Sales revenue:	T\$000	T\$000	T\$000	T\$000
Website	788	882	1,911	3,581
Retailers	287	321	696	1,304
Total	1,075	1,203	2,607	4,885

Essential range: cost of sales

	Solo	Duo	Family	Total
Total sales volumes	7,500	4,500	6,500	18,500
Average production cost per unit:	T\$	T\$	T\$	
Raw materials	66.50	107.95	174.30	
Direct labour	22.80	29.60	34.40	
Variable overhead	9.25	11.89	13.83	
Fixed overhead	37.01	47.54	55.30	
Total cost per unit	135.56	196.98	277.83	
	T\$000	T\$000	T\$000	T\$000
Total cost of sales	1,017	886	1,806	3,709

Essential range: gross profit

	Solo T\$000	Duo T\$000	Family T\$000
Sales revenue	1,075	1,203	2,607
Cost of sales	(1,017)	(886)	(1,806)
Gross profit	58	317	801
Gross profit margin	5.4%	26.4%	30.7%

Explorer range: sales revenue

	Solo	Duo	Family	Total
Sales volumes (units):				
Website	4,200	2,700	6,000	12,900
Retailers	2,800	1,800	4,000	8,600
Total	7,000	4,500	10,000	21,500
Average sales prices:	T\$	T\$	T\$	
Website	270.00	450.00	770.00	
Retailers	221.40	369.00	631.40	
Sales revenue:	T\$000	T\$000	T\$000	T\$000
Website	1,134	1,215	4,620	6,969
Retailers	620	664	2,526	3,810
Total	1,754	1,879	7,146	10,779

Explorer range: cost of sales

	Solo	Duo	Family	Total
Total sales volumes	7,000	4,500	10,000	21,500
Average production cost per unit:	T\$	T\$	T\$	
Raw materials	121.50	189.00	309.50	
Direct labour	29.20	36.20	43.40	
Variable overhead	11.65	14.44	17.38	
Fixed overhead	46.58	57.75	69.54	
Total cost per unit	208.93	297.39	439.82	
	T\$000	T\$000	T\$000	T\$000
Total cost of sales	1,463	1,338	4,398	7,199

Explorer range: gross profit

	Solo T\$000	Duo T\$000	Family T\$000
Sales revenue	1,754	1,879	7,146
Cost of sales	(1,463)	(1,338)	(4,398)
Gross profit	291	541	2,748
Gross profit margin	16.6%	28.8%	38.5%

Elite range: sales revenue

	Compact	Trek	Basecamp	Total
Sales volumes (units):				
Website	750	500	1,000	2,250
Retailers	750	500	1,000	2,250
Total	1,500	1,000	2,000	4,500
Average sales prices:	T\$	T\$	T\$	
Website	850.00	1,250.00	1,900.00	
Retailers	680.00	1,000.00	1,520.00	
Sales revenue:	T\$000	T\$000	T\$000	T\$000
Website	638	625	1,900	3,163
Retailers	510	500	1,520	2,530
Total	1,148	1,125	3,420	5,693

Elite range: cost of sales

	Compact	Trek	Basecamp	Total
Total sales volumes	1,500	1,000	2,000	4,500
Average production cost (per unit):	T\$	T\$	T\$	
Raw materials	394.00	580.00	873.00	
Direct labour	43.00	46.00	51.00	
Variable overhead	16.07	17.88	20.06	
Fixed overhead	64.28	71.53	80.22	
Total cost per unit	517.35	715.41	1,024.28	
	T\$000	T\$000	T\$000	T\$000
Total cost of sales	776	715	2,049	3,540

Elite range: gross profit

	Compact T\$000	Trek T\$000	Basecamp T\$000
Sales revenue	1,148	1,125	3,420
Cost of sales	(776)	(715)	(2,049)
Gross profit	372	410	1,371
Gross profit margin	32.4%	36.4%	40.1%

Example standard cost card

Explorer: Solo				
	Quantity / hours	Standard price / rate T\$	Standard cost T\$	Standard cost T\$
Raw materials:				
Tent fabric	4.50	9.00	40.50	
Floor fabric	2.00	4.00	8.00	
Mesh panels	2.50	5.00	12.50	
Poles	8.00	3.50	28.00	
Other			25.00	
Packaging			7.50	
Total				121.50
Direct labour:				
Cutting	0.16	20.00	3.20	
Sewing	0.60	20.00	12.00	
Assembly & Testing	0.60	20.00	12.00	
Packing	0.10	20.00	2.00	
Total				29.20
Variable production overheads:				
Cutting	0.16	15.75	2.52	
Sewing	0.60	10.25	6.15	
Assembly & Testing	0.60	3.61	2.17	
Packing	0.10	8.13	0.81	
Total				11.65
Fixed production overheads:				
Cutting	0.16	62.99	10.08	
Sewing	0.60	40.99	24.59	
Assembly & Testing	0.60	14.44	8.66	
Packing	0.10	32.50	3.25	
Total				46.58
Total production cost				208.93

Notes on standards and budget preparation

1. Standards are reviewed and updated annually.
2. Normal raw material losses are included in the standard cost of each product.
3. All direct labour overtime premium is treated as variable production overhead. Idle time is not budgeted for.
4. Production overheads are allocated and apportioned to production cost centres and absorbed on a direct labour hour basis. Each production cost centre has its own variable and fixed production overhead absorption rates.
5. Standard selling prices include an allowance for planned discounts and promotions.
6. Budgets are prepared annually on an incremental basis. Operational managers have limited involvement in budget setting.



Camping Today

The rise of the smart tent: How innovation is reshaping the camping experience

Written by Tim French

What was once a relatively simple action of pitching a canvas tent under the night sky is evolving. Innovation in tent design means that tents are not just a shelter – they are interactive, responsive and increasingly intelligent. Driven by demanding consumer expectations, significant advances in materials science and integration of advanced technologies, the development of smart tent technology is gradually infiltrating the outdoor gear industry.

Traditionally focused on weight, waterproofing and easy packing, innovation is turning toward connectivity, adaptability and sustainability. This shift brings opportunity and challenge for tent manufacturers. Meeting growing demand for tech-enhanced products while maintaining affordability, simplicity and ecological responsibility is not an easy problem to solve. Modern campers are both tech-savvy and comfort oriented and want to satisfy their passion for the outdoors with digitisation.

Some manufacturers are incorporating sensors into their tents that monitor temperature, air humidity and quality. Such sensors are capable of activating adaptive mesh panels that open or close tent doors based upon sensor readings. The advantage to campers is clear: these innovations help manage condensation and provide steadier interior temperatures. These are features that are useful for all campers and especially those who choose to camp in unpredictable mountain areas.

Some smart tents now feature built-in solar panels, USB ports and battery packs that allow campers to charge phones, lights and GPS devices. Foldable or rollable panels have made this technology lightweight and flexible. Some smart tents now even contain motion sensors and alarm systems to detect wildlife or theft. Features like smart lighting, music control and integration with voice assistants are entering the market at the luxury end.

These innovations may be a dream for campers, but they bring a new level of complexity to tent manufacturers if they are to compete. More cross disciplinary product development is required, forcing companies to expand their research and development teams and enter into collaborative partnerships with electronics suppliers and software developers.

Despite this, the purpose of the tent remains the same: a place to rest, connect and shelter in nature. Whilst smart technology and smart tents are a great opportunity for the industry to evolve, they also pose a challenge. How does it welcome the future without losing the simplicity that made camping special in the first place?



Teeland Times

Music festivals: Are discarded tents still going to be a problem in 2027?

By Tanya Gomez

Here in Teeland, we have some of the world's biggest and best music festivals. Every summer, hundreds of thousands of people make their way to festival sites, pitch their tents and enjoy music from some of the most famous artists in the world.

But when the music ends, what's left behind is often a sea of waste. We've all seen the pictures – 1,000s of discarded tents strewn across fields, waste bins over-flowing – an ecological and sustainability nightmare!

Many of these tents have in the past ended up in landfill, taking 100s of years to degrade. Tents designed to be cheap and throw-away, made from inexpensive but light-weight synthetic materials.

Things are changing though on two fronts:

Firstly, due to innovations in recycling techniques, discarded tents from festival sites are being given a new lease of life. The tents are collected, processed and converted into pellets which in turn are made into fabric which can be used for all sorts of things, from clothing to new tents.

Secondly, due to increasing eco-awareness, festival goers are starting to become less throw-away. There is increasing demand for tents that are super lightweight, easy to carry and simple to construct, but also reusable... and traditional tent makers are starting to take heed of this.

So, to answer the question... yes, discarded tents are likely to still be a problem in 2027... but things are definitely moving in a more sustainable direction!



Camping Today

Glamping: Why we need more luxury in the outdoors

Written by Tim French

Over recent years, the way in which people connect with the outdoors has changed. Once, camping was considered an activity for people who loved to experience the 'getting back to basics' side of camping. Now, this is not the case. 'Glamping' a blend of the words 'glamorous' and 'camping', once a niche alternative to camping, has now become a mainstream vacation choice for consumers who want to experience nature but without sacrificing comfort.

The growth of glamping is rooted in the desire of the consumer. Today's consumers want to make memorable experiences that combine the wonders of nature with the convenience and luxury of a hotel. The glamping industry has also capitalised on the consumers' shift towards wellness and sustainability. Rather than enduring a sleeping bag on the floor of a basic tent, a glamping experience provides glamorous tents of various designs, plush beds, spa facilities, stylish modern furnishings, private bathrooms and high-end services.

The appeal of such an experience is not limited to one demographic. All age groups and demographics are now embracing the glamping experience as a means of making meaningful connections and enjoying nature. Sustainability also plays a part in the rise of the popularity of glamping. Many glamping sites promote their commitment to sustainable practices.

These may go as far as solar-powered heating, composting toilets and provision of locally sourced food. As the trend continues, glamping is evolving. Urban glamping pop-ups, themed luxury glamping experiences and culinary retreats are some of the recent offers across Europe.

For those who want to connect with nature and enjoy the great outdoors but are still reluctant to 'rough it' in a tent, glamping provides the perfect solution!



Tax regime in Teeland

- The corporate income tax rate to be applied to taxable profits is 30%.
- Unless otherwise stated below, accounting rules on recognition and measurement are followed for tax purposes.
- The following expenses are not allowable for tax purposes:
 - accounting depreciation
 - amortisation
 - impairment charges
 - entertaining expenditure
 - donations to political parties
 - taxes paid to other public bodies
- Tax depreciation allowances are available on all items of plant and equipment (including computer equipment) at a rate of 25% per year on a reducing balance basis. A full year's allowance is available in the year that the asset is acquired. Tax depreciation allowances are not available for property assets.
- Tax losses can be carried forward indefinitely to offset against future taxable profits from the same business.
- Sales tax is charged on all standard rated goods and services at a rate of 20%. Tax paid on inputs into a business can be netted off against the tax charged on outputs from that business. All businesses are required to pay over the net amount due on a monthly basis.



Founded by AICPA® and CIMA®, the Association of International Certified Professional Accountants® powers leaders in accounting and finance around the globe.

© 2026 Association of International Certified Professional Accountants. All rights reserved. CIMA and The Chartered Institute of Management Accounts are trademarks of The Chartered Institute of Management Accountants and are registered in the United Kingdom and other countries. The Globe Design is a trademark owned by the Association of International Certified Professional Accountants and licensed to CIMA. 2510-665658