

Study on Profitability in Subcontracted Textile Companies: The Case of Serafim Abreu–Unipessoal, Lda.

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Abstract

This study aims to analyze the profitability of subcontracted textile companies, focusing on the specific case of Serafim Abreu–Unipessoal, Lda. In subcontracting environments characterized by intense competition, strong cost pressure, and limited pricing autonomy, the integration of financial accounting and management accounting tools plays a central role in monitoring performance and supporting managerial decision-making. The guiding research question of this study is: "How can the profitability of a subcontracted textile company be analyzed?". Accordingly, the main objective is to analyze profitability in subcontracted textile enterprises, particularly in the selected case study. The specific objectives are: (1) to identify and characterize the internal and external factors that impact profitability; (2) to identify and characterize the cost calculation methods used within the company; (3) to calculate and analyze the costs of the services provided; and (4) to calculate and analyze the company's overall profitability using financial indicators.

Methodologically, the study adopts a pragmatic philosophy, which allows methodological flexibility and practical adaptation to the complex business reality of the textile sector. The quantitative method was chosen, and the action-research strategy is used to study the company in its natural environment, bridging the gap between theoretical knowledge and professional practice. Data collection is carried out through rigorous document analysis (financial statements, invoices, and internal records) and direct observation, which helps to capture non-financial information and operational nuances not always reflected in formal documents. The study follows a longitudinal time horizon, analyzing data over the 2024–2025 period to identify trends and seasonal variations. Regarding objectives, the study is exploratory, addressing a topic with limited prior research in the context of Portuguese textile micro-entities; descriptive, as it organizes and systematizes financial information; and evaluative, as it interprets results to provide practical recommendations for economic sustainability.

In addition to the analytical component, this study complies with the requirements established in Article 10 of the Regulation of Registration, Internship, and Professional Examinations (RIEEP) of the *Ordem dos Contabilistas Certificados* (OCC). The professional internship plan, carried out in a specialized accounting firm, includes comprehensive practical training in the organization of accounting under the Portuguese Accounting Standardization System (SNC). This involves the implementation of internal control procedures, the calculation of various taxes and social contributions, and the preparation and supervision of tax and social security declarations related to payroll processing. Furthermore, the work includes the closing of accounts, the preparation of financial statements such as the Balance Sheet and Income

Statement, and the elaboration of the fiscal dossier. The internship also covers the preparation of accounting information for management reporting, consultancy activities in accounting and taxation, and interaction with public institutions like the Tax Authority (AT) and Social Security. Throughout the process, there is strict compliance with the ethical and deontological standards of the accounting profession.

The expected contributions of this study are both academic and practical. Academically, it contributes to the accounting literature by deepening the understanding of profitability analysis in subcontracted textile companies, an area that remains insufficiently explored empirically. Practically, the study aims to provide a structured analytical framework to support managers in improving cost control, financial analysis, and strategic decision-making in a sector where margins are extremely narrow. The findings are expected to assist in the development of business strategies focused on profitability maximization, operational efficiency, and long-term sustainability. Furthermore, this study may serve as a reference for future research on the relationship between subcontracting, financial structure, and business performance, confirming the importance of management accounting as a key tool for ensuring the financial stability and resilience of subcontracted enterprises.

Keywords: Accounting, Cost Calculation, Financial Performance, Management Accounting, Small and Medium-Sized Enterprises, Subcontracting, Textile Industry.