**Closing Rate Approach**  
(Functional to Presentation)

Asset/Liabilities = Closing Rate

Equity:

- Share Capital/Share Premium @ Historical rate xx
- RE Beg @ Prior Year Translation Rate xx
- Dividends declared @ Spot at Declaration (xx)
- NI/(NL) @ Translation date rate or Average rate \( xx/(xx) \)

RE End xx

Forex Differences = OCI, reclassifiable to P/L

**Temporal Approach**  
(Forex to Functional)

Monetary Asset/Liabilities = Closing rate  
Nonmonetary Asset/Liabilities = Historical rate

Equity:

- Share Capital/Share Premium @ Historical rate xx
- RE Beg @ Prior Year Translation Rate xx
- Dividends declared @ Spot at Declaration (xx)
- NI/(NL) @ Translation date rate or Average rate \( xx/(xx) \)

RE End xx

Forex Differences = Profit/Loss

Net Asset per Rollforward > Net Asset Per Closing = Loss  
Net Asset per Rollforward < Net Asset Per Closing = Gain  
Cumulative Translation Adjustment = Equity  
Current Year Translation Adjustment = OCI

*If Hedge item is an investment in foreign operations and entered into a hedge activity to migrate the risk related to that operation, the hedging activity is accounted for as Cashflow Hedge.*