

Glossary

Abbey	Abbey National plc.
AC rolling stock	Rolling stock which is powered by electrical energy drawn from the railway infrastructure—specifically an overhead line at 25kV ac.
Adelante	Brand name for a generic design of diesel multiple unit manufactured by Alstom , which includes the Class 180 used in Great Britain. It is a member of the Coradia family of trains .
Adtranz	ABB Daimler Benz Transportation (also known as ABB). A rolling stock manufacturer which was purchased by Bombardier in 2001.
Alstom	Alstom SA. A manufacturer, maintainer and overhauler of rolling stock and railway equipment.
Alternative rolling stock	Non-incumbent rolling stock that is suitable for displacing incumbent rolling stock on a new or replacement franchise .
Angel	Angel Trains Limited. One of the three ROSCOs . A wholly-owned subsidiary of Royal Bank of Scotland from December 1997 to June 2008. In June 2008, it was announced that RBS had signed a definitive agreement for the sale of Angel to a consortium of investors, which included Babcock and Brown European Infrastructure Fund.
Anglia	Anglia Railways Train Services Ltd. A former TOC owned by GB Railways which operated services on the Anglia franchise (now part of the Greater Anglia franchise) from 1997 to 2004.
Arriva	Arriva plc, a UK-based transport company which owns two current TOCs , Arriva Trains Wales and Arriva Cross Country .
Arriva Cross-Country	XC Trains Ltd. A TOC owned by Arriva plc, which currently operates services on the New Cross Country rail franchise . These services are branded as Cross Country .
Arriva Trains Wales	Arriva Trains Wales Ltd. A TOC owned by Arriva plc, which currently operates services on the Wales and Borders rail franchise .
Asset Beta	A parameter in the CAPM .
Associated Rewinds	Associated Rewinds (Ireland) Ltd. A traction motor service company.
ATP	Automatic Train Protection. A system which monitors a train's speed and applies its brakes if the train driver fails to reduce the train's speed when signalled to do so. Currently fitted on the Chiltern and Great Western lines.
Axiom Rail	Axiom Rail Limited. A rolling stock maintenance and refurbishment company.

Axle weight limit	The maximum load that can be supported by the track and any bridges and viaducts over which rolling stock passes.
BAA	BAA Limited. The British Airports Authority.
Babcock & Brown	Babcock & Brown Ltd.
Barclays	Barclays plc.
Beta	A parameter in the CAPM that is a measure of volatility.
Bombardier	Bombardier Transportation UK Ltd. A manufacturer, maintainer and overhauler of rolling stock and railway equipment.
BR	British Rail.
BRB	British Railways Board.
British Rail	Trading name of British Railways, the nationalized rail company for Great Britain which operated from 1948 until the railway's privatization between 1994 and 1997.
British Railways Board	The governing body of British Railways (also known as British Rail) from 1962 until privatization in 1997.
Buyer power	See countervailing buyer power .
C2C	c2c Rail Limited. A TOC owned by National Express Group which currently operates the Thameside (London, Tilbury & Southend (LTS) franchise).
Call option	Call options give the Government the right to require the ROSCOs to enter into a new lease with the Government (or a TOC nominated by the Government) for up to three years from the end of the current franchise at the same lease rental for the rolling stock as the previous lease between the ROSCO and the TOC . Call options currently exist in all direct agreements covering post-MOLA rolling stock . The call options contained in Direct Agreements (the OPRAF/ROSCO Agreements) covering MOLA rolling stock are no longer applicable.
Capital asset pricing model	A model of asset pricing used to analyse the relationship between risk and expected return in securities.
Capital rental	The rental paid by a TOC to a ROSCO to lease rolling stock assets but excluding maintenance rentals.
CAPM	Capital asset pricing model.
Car	A coach , usually one that forms part of a multiple unit .
Carriage	A vehicle on a railroad (or railway) that is not a locomotive .
Cascade	The total movement of rolling stock throughout franchises that is brought about by the introduction of new rolling stock in one franchise .

CB Rail	CB Rail Ltd. A joint venture between HBOS and Babcock and Brown .
Central	A former rail franchise which existed from 1997 to 2007. In November 2007 its services were reallocated to three new franchises : West Midlands , East Midlands and New Cross Country .
Central Trains	Central Trains Ltd. A former TOC which operated services on the Central franchise . Central Trains ceased operating this franchise in November 2007.
Chiltern	A current rail franchise . Its services are operated by Chiltern Railways .
Chiltern Railways	Chiltern Railway Company Ltd. A TOC , which currently operates services on the Chiltern franchise . Previously owned by Laing Rail , it was purchased in 2008 by Deutsche Bahn and is now part of Deutsche Bahn's DB Regio division.
Class	The means whereby particular types of rolling stock are identified. Diesel locomotives have class numbers between 0 and 69, electric locomotives between 70 and 99, DMUs between 100 and 199, DEMU s between 200 and 299, AC and AC/DC EMUs between 300 and 399, and DC EMUs above 400.
Clubman	Alternative brand name for Class 168 DMU .
Coach	A vehicle that can carry passengers and which may or may not form part of a multiple unit . Coaches developed by British Rail were designated as Mark I, II, III or IV , to reflect successive generations in design.
Code of Practice	Refers to the Codes of Practice each of the ROSCOs have in place which include a set of commitments which govern the ROSCOs' relationship with existing and prospective customers. These commitments include a set of requirements that the ROSCOs will not discriminate in the terms they offers bidders to a franchise . The ROSCOs introduced the Codes of Practice following a review of the rolling stock market by the ORR in 1998. Each ROSCO publishes its own individual code which may differ slightly from those of the other ROSCOs .
Cold storage	The practice of storing off-lease rolling stock in a warehouse or sidings where routine maintenance or preservation activity is not undertaken. (As opposed to warm storage).
Concession	An arrangement for the provision of passenger rail services which shares some similar features to a franchise , but is more akin to a management contract where the specification is fully priced and set out in the contract, and the revenue generated goes directly to the authority letting the concession.
Connex	Brand name for the transport division of Veolia Environment SA. A TOC -owning group which previously operated two TOCs in Great Britain, Connex South Central and Connex South Eastern .

Connex South Central	Connex South Central Ltd. A former TOC which operated services on the South Central franchise from 1996 to 2001.
Connex South Eastern	Connex South Eastern Ltd. A former TOC which operated services on the South Eastern franchise from 1996 to 2003.
Coradia	Brand name for a generic design of multiple unit manufactured by Alstom . There are two subgroups of these trains in use in Great Britain. The Coradia 1000 group includes the Class 175 and 180 DMUs and the Coradia Juniper includes the Class 334, 458 and 460 EMUs .
Coradia 1000	Subgroup of Coradia family of trains manufactured by Alstom . The members of this subgroup used in Great Britain are the Class 175 and Class 180 DMUs .
Countervailing buyer power	Where a buyer, either because of, for example, its size or commercial significance to its suppliers, has market power which gives it the ability to prevent the exercise of market power by its suppliers.
Cross Country	A former rail franchise . In 2007, it was expanded to include parts of the former Central franchise . It also lost some routes to the Inter-City West Coast franchise at the same time. The revised version of the franchise is known as New Cross Country . Services on the new franchise are operated under the brand name 'Cross Country'.
Cross Rail	A project to build major new railway connections under central London. The name is also used to refer to the first route proposed by the project, which is based around an east–west tunnel from Paddington to Liverpool Street station, and more formally known as Crossrail Line 1 .
CTRL—DS	Channel Tunnel Rail Link—Domestic Services.
DB Regio	DB Regio UK Ltd . The subsidiary of Deutsche Bahn which owns Chiltern Railways and jointly operates Wrexham, Shropshire and Marylebone Railway and LOROL .
DCF	Discounted Cash Flow .
DC Rolling Stock	Rolling stock which is powered by electrical energy drawn from the railway infrastructure—specifically a third rail alongside the track at nominally 650 to 750V dc.
Debt Beta	A parameter in the CAPM .
DEMU	Diesel Electric Multiple Unit. A multiple unit powered by one or more diesel engines incorporating an electrical transmission.
Depreciated Replacement Cost	The replacement cost of an item adjusted for economic depreciation.
Deprival value	The value of the loss that the entity would suffer if it were deprived of the asset. Defined as the lower of its (a) replacement cost or

(b) its economic value.

Desiro	Brand name for a generic design of multiple unit manufactured by Siemens . Includes the Class 185 DMUs and Class 350, 360, 444 and 450 EMUs .
Deutsche Bahn	Deutsche Bahn AG. The German national railway operator. In 2008 it purchased Laing Rail and through its subsidiary DB Regio now owns Chiltern Railways and jointly operates Wrexham, Shropshire and Marylebone Railway and LOROL . It also wholly owns EWS .
DfT	Department for Transport. The UK Government department responsible for the transport network in England and certain non-devolved transport matters in Scotland, Wales and Northern Ireland.
Diesel Locomotive	A locomotive powered by a diesel engine.
Direct Agreement	An agreement between the Government and the ROSCOs that in part enables the Government to be able to fulfil its Section 30 duty , by among other things giving the Government various contractual options to lease rolling stock from the ROSCOs in the event of an early termination of a lease between a ROSCO and a TOC . For MOLA rolling stock , the Government entered into a direct agreement with each of the ROSCOs at privatization (often referred to as the OPRAF/ROSCO agreements). For post-MOLA rolling stock the Government has entered into a direct agreement with the relevant ROSCO each time new rolling stock is leased on a franchise .
Discounted Cash Flow	Projections based on reliable estimates of future cash flows discounted back to present value using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.
DMU	Diesel Multiple Unit. A multiple unit powered by one or more diesel engines incorporating a mechanical or hydrostatic transmission.
DRC	Depreciated Replacement Cost .
Driving Van Trailer	A non-passenger-carrying vehicle with a driving cab positioned at the opposite end of a train to a locomotive and from which the locomotive and train functions can be controlled, such that the locomotive may propel the train instead of hauling it, and the need to re-marshall the train or turn it around can be avoided when the train reverses direction.
Dry lease	A lease where the TOC takes contractual responsibility for providing both heavy and light maintenance work.
Dual fitted	See Dual voltage .
Dual power	See Dual voltage .

Dual voltage	A train or EMU capable of operating using either the 25Kv ac or 750v dc systems of electrification. Also referred to as ' dual fitted ' or ' dual power '.
DVB Bank	DVB Bank Aktiengesellschaft.
DVT	A Driving Van Trailer .
Dwell time	The time that a train is stationary at a station stop. It includes the time for releasing door locks, opening and closing the doors, allowing passengers to alight and board, dispatch safety procedures, releasing the brakes and engaging the drive system.
East London Railway	The former East London Underground line, which is currently closed for extension works and which will re-open in 2010 as part of the London Overground network.
East Midlands	A current rail franchise formed in 2007 by the amalgamation of the former Midland Mainline franchise with the eastern part of the former Central franchise . Services on this franchise are currently operated by East Midlands Trains .
East Midlands Trains	Stagecoach Midland Rail Limited. A TOC owned by Stagecoach . It currently operates services on the East Midlands franchise .
EBIT	Earnings before interest and tax.
Economic Value	The higher of either the value in use of an asset or its realizable value.
Electric Locomotive	A locomotive which is powered by electrical energy drawn from the railway infrastructure. Provides propulsion and in some cases electrical power for train facilities.
Electrostar	Brand name for a generic design of multiple unit manufactured by Bombardier . Includes the Class 357 EMU (AC) and Classes 375, 376, 377 and 378 EMUs (Classes 376, 377 and 378 all have DC only and dual voltage variants) .
EMU	Electric Multiple Unit . A multiple unit powered by electrical energy drawn from the infrastructure.
Equity Beta	A parameter in the CAPM that is a measure of volatility.
Equity Risk Premium	The amount of extra return to compensate investors for taking on the relatively higher risk of the equity market compared to a risk free investment.
ERP	Equity Risk Premium .
Eurostar	A high-speed train service which operates from London to Paris and Brussels. The service is jointly operated by Eurostar UK Ltd, SNCF (France) and NMBS/SNCB (Belgium). Can also refer to the type of train currently used to provide this service, which is a Class 373 EMU .

Eversholt	Eversholt Leasing. Former name of HSBC Rail (UK) Limited.
EWS	English, Welsh and Scottish Railway Ltd. A freight rail company operating in Great Britain.
Fair value	The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. This is usually equivalent to economic value .
First Capital Connect	First Capital Connect Ltd. A TOC , owned by First Group , which currently operates services on the Thameslink/Great Northern rail franchise .
First GB Railfreight	A freight rail company operating in Great Britain. It is a wholly-owned subsidiary of First Group .
First Great Western	First Greater Western Ltd. A TOC , owned by First Group , which currently operates services on the Greater Western rail franchise .
First Great Western Link	First Great Western Link Ltd. A former TOC owned by First which operated services on the Thames franchise .
First Group	First Group plc. A transport company which wholly owns the following TOCs : First Capital Connect , First Great Western , and First ScotRail . It jointly owns one other TOC , First TransPennine Express (with Keolis) and one open access operator , Hull Trains (with Renaissance Trains).
First North Western	North Western Trains Company Limited. A former TOC which operated services on the former North West Regional Railways franchise from 1997 to 2004.
First ScotRail	First ScotRail Limited. A TOC , owned by First Group , which currently operates services on the ScotRail franchise .
First Trans Pennine Express	First/Keolis TransPennine Limited. A TOC , jointly owned by First Group and Keolis , which currently operates services on the Trans Pennine rail franchise . It has been previously branded as Trans Pennine Express .
Fleet	Either (a) a group of one particular class of trains owned by a ROSCO which is operated by a TOC or (b) all the trains of one particular class owned by a rolling stock lessor (which may be leased to more than one TOC).
Franchise	The services for the carriage of passengers by railway designated under Section 23 of the Railways Act 1993 (as amended) to be provided under a franchise agreement by a franchisee .
Franchise agreement	An agreement with Scottish Ministers (for the Scottish franchise (ScotRail)) or the Secretary of State and the Welsh Assembly Government jointly (for the Welsh franchise (Wales and Borders)), or the Secretary of State in relation to all other franchises under which a franchisee agrees to provide services for the carriage of passengers by rail throughout the franchise term as designated in accordance with section 23 of the Railways

Act 1993 (as amended).

Franchisee	The TOC that provides the franchised services or a person who undertakes to secure that a subsidiary wholly owned by him provides the franchised services.
Franchise re-let	The situation where a new franchise has been let and leases agreed.
Franchising authority	The authority that selects the person who is to be franchisee from those to submit tenders in response to an ITT , being: the Scottish Ministers for the Scottish franchise (currently ScotRail); and the Secretary of State for all other franchises .
Freightliner	Freightliner Ltd.
Freight rolling stock lessor	Any company which leases freight rolling stock .
Gatwick Express	Gatwick Express Limited. A former TOC , owned by National Express , which operated a shuttle service between London Victoria and Gatwick Airport. The same name was used for the franchise , which became part of the South Central franchise in June 2008.
GB Railways	GB Railways plc. Parent company of Anglia Railways , a former TOC . It is now owned by First Group .
Gearing	Debt as a proportion of debt plus equity, expressed as a percentage.
GNER	A TOC , owned by Sea Containers Ltd, which operated services on the InterCity East Coast franchise from 1996 to December 2007.
Go-Ahead	The Go-Ahead Group PLC.
GoIndustry Henry Butcher	GoIndustry Henry Butcher International Ltd. A firm of industrial asset valuers.
Govia	Govia Ltd. A transport company which currently operates the Southern, Southeastern and London Midland TOCs . It is jointly owned by Go-Ahead and Keolis .
Grand Central	Grand Central Company Railway Ltd. An open access operator .
Greater Anglia	A current rail franchise . Services are operated by National Express East Anglia .
Greater Western	A current rail franchise . Services are operated by First Great Western .
Great Northern/Thameslink	See Thameslink/Great Northern .
Great Western	A former franchise .

Great Western Holdings	Great Western Holdings Ltd. A former TOC .
Great Western Link	A former rail franchise .
GWF	Greater Western .
Halifax	Halifax Leasing (September) Limited now part of HBOS plc.
Hambro's	Hambros PLC.
Hambro's IM	The information memorandum published prior to the sale of the ROSCOs at privatization.
HBOS	HBOS plc.
Health and Safety Executive	The non-departmental public body of the UK Government responsible for the regulation of risks to health and safety in Great Britain.
Heathrow Connect	An open access operator service jointly operated by BAA and First Group .
Heathrow Express	An open access operator owned by BAA .
Heavy maintenance	The planned overhaul of major components of rolling stock requiring a longer duration of repair or a greater level of facilities than required for light maintenance . Usually the responsibility of the ROSCO , through the lease , in which case the work may be contracted by them to the TOC or to a third party maintainer.
High Level Output Specification	A statement published by the Secretary of State for Transport setting out the improvements he or she wants to secure for the rail network for the next five years and how these improvements are to be funded.
Hitachi	Hitachi Ltd. A Japan-based manufacturer of railway vehicles .
HLOS	High Level Output Specification .
HSBC	HSBC Rail (UK) Limited, a wholly-owned subsidiary of HSBC Group . One of the three ROSCOs .
HSBC Group	HSBC Holdings plc.
HSH Nordbank	HSH Nordbank AG.
HST	High Speed Train. 125mph diesel train built by British Rail , comprising a power car (effectively, a Class 43 locomotive with a driving cab) at each end and up to nine Mark III coaches . (Note that Mark III coaches for HST operation have a completely different electrical system to locomotive-hauled Mark III coaches .) This train is also referred to as an Intercity 125 or IC 125 .
HST2	Forerunner of current IEP .
Hull Trains	Hull Trains Company Limited. An open access operator which is

jointly owned by **First Group plc** and **Renaissance Trains**.

IC 125	Intercity 125 . See HST .
IC 225	Intercity 225 .
ICEC	The Inter-City East Coast franchise .
IEP	Intercity Express Programme. A DfT-coordinated project to procure a new fleet of intercity express trains. These are intended to replace the diesel HST fleet, the electric intercity trains on the East Coast main line, and may also replace some other high speed services.
IFRS	International Financial Report Standards.
IKF	Integrated Kent Franchise .
Impairment charge/ provision	A provision or charge made for writing down the book value of an asset in statutory accounts.
Incumbent rolling stock	Used rolling stock that a TOC has on lease from a rolling stock lessor prior to a franchise re-let .
Indifference pricing	A method of price calculation used to set the initial lease prices of MOLA rolling stock during privatization. The lease prices were based on the finance lease rental of equivalent replacement rolling stock adjusted to reflect the revenue and cost characteristics of existing rolling stock compared with new rolling stock and to include operating lease premia.
Information Memorandum	The formal documentation supplied to prospective purchasers which includes financial and other information about the businesses for sale.
Initial Public Offering	When a company issues common stock to the public for the first time.
Integrated Kent Franchise	A current rail franchise . Services are operated by Southeastern .
Intercity	Generally, the type of rail service provided between major towns and cities, usually at high speeds and with limited calling points. Can also refer to the type of trains used to provide these services.
Intercity 125	See HST .
Intercity 225	InterCity 225 a locomotive-hauled train comprising a Class 91 locomotive , and nine Mark IV coaches and a Driving Van Trailer .
Inter-City East Coast	A current rail franchise . Services are operated by National Express East Anglia .
Inter-City West Coast	A current rail franchise Services are operated by Virgin Trains .

Internal Rate of Return	The discount rate that will give an investment a net present value of zero.
IPO	Initial Public Offering.
IRR	Internal Rate of Return.
Island Line	A rail line on the Isle of Wight which since February 2007 has formed part of the South Western franchise .
ITT	Invitation to Tender. Statement of the DfT 's expectations as to the services to be provided on a franchise .
Juniper	Brand name for a generic design of multiple unit manufactured by Alstom . Includes the Class 334, 458 and 460 EMUs .
Keolis	Keolis (UK) Ltd. It is the joint owner, along with First Group , of First TransPennine Express . It is also a joint owner, along with Go-Ahead , of Govia , which currently owns the Southern, Southeastern and London Midland TOCs .
Laing Rail	Laing Rail Ltd, a former subsidiary of John Laing plc. Laing Rail was purchased in 2008 by Deutsche Bahn and is now part of Deutsche Bahn's DB Regio subsidiary.
Lease	An agreement between an owner of rolling stock (lessor) and a TOC or other operator of rolling stock (lessee) which allows the lessee to use the rolling stock for a specified number of years at a specified rent.
Life-expired stock	Rolling stock which has reached the end of its useful economic life .
Light maintenance	Day-to-day maintenance of a vehicle, unit or train . Includes servicing (including fuelling where necessary), inspection, examination and repair of defects, scheduled repairs to machines, the scheduled replacement of consumable items such as electrical brushes, brake pads and filters and cleaning etc.
Lloyds TSB	Lloyds TSB plc.
Loco	Locomotive.
Loco-hauled	Locomotive-hauled.
Locomotive	A self-powered vehicle , with no passenger-carrying capability, used to haul (or propel) coaches (or freight vehicles). May be electric or diesel powered. It can also provide electrical power for train facilities in some cases. Diesel locomotives may also be used for hauling electric trains over sections of track on which electrical infrastructure is inoperative or not provided.
Locomotive-hauled	Describes the type of passenger train operation for which a locomotive is required. Also refers to unpowered rolling stock which requires a locomotive to haul it.

Lombard	Lombard Leasing Contracts Limited. Originally a subsidiary of NatWest , which is now part of the Royal Bank of Scotland Group .
London & Continental Railway	Parent company of Eurostar (UK) Ltd.
London Midland	London and Birmingham Railway Ltd. A TOC owned by Govia . It currently operates services on the West Midlands franchise .
London Overground	Brand name for railway services overseen by TfL as part of the London Rail Concession . Operated by London Overground Railway Ltd .
London Overground Rail Operations Ltd	A company jointly owned by DB Regio (formerly Laing Rail) and MTR Corporation. It began operating London Overground services from November 2007. Formerly known as MTR Laing .
London Rail Concession	Concession arrangement under which TfL is responsible for procuring rail services for the North London Railway and the East London Railway through an operating concession.
LOROL	London Overground Rail Operations Ltd.
Maintenance	The means and attention, mainly applied on a planned basis, whereby rolling stock is kept in a condition of full functionality and safe operation for passenger service.
Maintenance reserve	A fund into which TOCs leasing rolling stock from a ROSCO on a dry lease pay in order to cover the costs of heavy maintenance to the rolling stock which may not occur during the term of the lease to the TOC but will be required partly or wholly as a result of its use. Correspondingly, the TOC can also draw monies from the maintenance reserve to pay for heavy maintenance the requirement for which has been partly or wholly caused by another lessee's use.
Margin	Represents the difference between the overall rate of return on the lessor's investment (in effect the maximum rate of interest on a loan that would be repaid by the lease cash flows) and the actual funding rate.
Mark I, II, III, IV	Terms describing the successive generations in design of coaches introduced by British Rail .
Market value	The price at which an asset would trade in a competitive setting. Can be used interchangeably with fair value .
MEA	Modern Equivalent Asset Value .
Meridian	Brand name for Class 222 DEMUs manufactured by Bombardier . They are similar to the Pioneer units of the same class and are closely related to the Class 220 and 221 Voyager and Super Voyager DEMUs also manufactured by Bombardier .
Merseyrail	The passenger railway services concession awarded by the Merseyside PTE . This part of the rail network is self-contained and

separate from the rest of the British passenger rail network.

Midland Mainline	Midland Mainline Ltd. A former TOC owned by National Express which operated services from 1996 to 2007 on a franchise also called Midland Mainline. In 2007 the Midland Mainline franchise was merged into the new East Midlands franchise .
Midlands Three	The West Midlands , East Midlands and New Cross Country franchises created in 2007.
Modern Equivalent Asset Value	The value of an existing asset based on the cost of a modern equivalent asset that has the same service potential as the existing asset and is then adjusted to take account of obsolescence.
MOLA	Master Operating Lease Agreement. The standard form leases put in place during railway privatization under which rolling stock was first leased to TOCs .
MOLA rolling stock	Rolling stock owned by British Rail which was sold to the ROSCOs when British Rail was privatized.
Monopoly	A market structure where there is only one seller of a particular good or service.
Monopsony	A market structure where there is only one buyer of a particular good or service. Monopsony power is an extreme example of buyer power . When monopsony power exists, the sole buyer is able to exert sufficient pressure on the sellers to prevent them from pricing above the competitive level. However, the existence of monopsony may not constrain the seller's behaviour when there is only one seller (ie a monopoly situation) or where the buyer is obliged to purchase.
MTL Services	Former TOC which operated the Northern Spirit and Merseyrail electrics franchise on what is now the Merseyrail concession .
MTR	MTR Corporation.
MTR Laing	MTR Laing Metro Ltd. A company jointly owned by Laing Rail and MTR Corporation. It began operating London Overground services from November 2007 as London Overground Rail Operations Ltd . In 2008, Laing Rail was purchased by Deutsche Bahn , and is now known as DB Regio .
Multiple unit	A self-contained set of passenger vehicles (also referred to as cars) which is self-propelled with either diesel engines (generally one per car), or equipment for drawing ac or dc electrical power from the infrastructure, and with a driving cab at each end. Able to couple to others of the same class to form longer trains and in some cases to others of different classes .
NAO	National Audit Office .
National Assembly for Wales	The legislative branch of the devolved Welsh government. Until May 2007 it also held executive power and acted as a co-signatory for the Wales and Borders franchise . Following the passage of

the Government of Wales Act 2006 and the assembly elections of the May 2007, the **Welsh Assembly Government** took over the role of co-signatory for the **Wales and Borders franchise**.

National Audit Office	Body which reports to Parliament on public expenditure.
National Express	National Express Group plc. A transport company which currently operates three TOCs : c2c , National Express East Coast , and National Express East Anglia (formerly One).
National Express East Anglia	London Eastern Railway Ltd. A TOC owned by National Express which currently operates services on the Greater Anglia franchise . Until February 2008 it operated under the brand name One .
National Express East Coast	NXEC Trains Ltd. A TOC owned by National Express which currently operates services on the Inter-City East Coast franchise .
NatWest	National Westminster Bank plc. NatWest is part of the Royal Bank of Scotland Group.
NBV	Net Book Value.
Net Book Value	The original acquisition cost of rolling stock assets less accumulated depreciation.
Net Present Value	The value of an initial investment minus the value of future cash flows, where future cash flows are discounted at a rate that takes into account the cost of financing the investment.
Net realizable value	The estimated selling price of an asset in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.
Networker	Brand name for a group of multiple unit trains built by British Rail . The group includes the Class 165 and 166 DMUs and the Class 325 (mail transport only), 365 , 465 and 466 EMUs .
Network Rail	Network Rail Limited, the company responsible for managing the railway network infrastructure in Great Britain. It is a 'not for dividend' company limited by guarantee.
New Cross Country	A current rail franchise Services are operated by Arriva under the brand name Cross Country .
New rolling stock	Rolling stock which is currently being leased for the first time or rolling stock which has not yet been leased.
Non-capital rental	The rental paid by a TOC to a ROSCO to pay for the provision of maintenance services for rolling stock assets.
Non-incumbent rolling stock	Rolling stock that a TOC leases on a new or replacement franchise that is either new rolling stock or used rolling stock that comes from elsewhere on the network (from off-lease or previously leased on another franchise).

Non-MOLA rolling stock	See post-MOLA .
Northern	A current rail franchise . Services are operated by Northern Rail .
Northern Rail	Northern Rail Ltd. A current TOC , operated by Serco Ned Railways , which provides services on the Northern franchise .
Northern Spirit	Northern Spirit Ltd. A former TOC , owned by MTL Trust Holdings Ltd, which operated services on the Regional Railways North East franchise from 1997 to 2000. MTL was purchased by Arriva in 2000 and Northern Spirit was rebranded as Arriva Trains Northern .
North London Railway	A set of railway lines consisting of the North London Line, the West London Line, the Gospel Oak to Barking Line and Watford DC Line. Services on these lines are operated by London Overground .
North West Regional Railways	A former rail franchise , now part of the Northern franchise .
NPV	Net Present Value .
NRV	Net realizable value .
OAD	Open Access Operator .
OEM	Original Equipment Manufacturer .
Off-lease	Term used to describe rolling stock which is not currently leased to a TOC or other passenger service provider.
OFT	Office of Fair Trading.
One	Former name of National Express East Anglia .
Open Access Operator	A train service provider, other than a TOC operating a franchise or a company owned by the franchising authority , which is permitted by the ORR to operate a passenger service on specific routes on an unsubsidized and fully commercial basis. Current operators are Heathrow Connect , Heathrow Express , Hull Trains , WSMR , and Grand Central .
OPRAF	Office of Passenger Rail Franchising. The rail franchising authority, headed by the Franchising Director, from privatization until 2001, OPRAF was succeeded in 2001 by the SRA following a period from 1999 to 2001 during which OPRAF operated as the Shadow SRA (SSRA) .
Original Equipment Manufacturer	A manufacturer of rolling stock that also carries out maintenance work.
ORR	Office of Rail Regulation. The statutory body which is the economic and safety regulatory authority for the UK railway network.

Pacer	Brand name for a group of DMUs built by British Rail , includes classes 141, 142, 143 and 144.
Passenger Transport Executives	Regional organizations responsible for the provision, planning, procurement and promotion of public transport in six of England's largest conurbations: Greater Manchester (GMPTE), Merseyside (Merseytravel), South Yorkshire (SYPTe), West Midlands (Centro), Tyne & Wear (Nexus) and West Yorkshire (Metro). PTEs are responsible to Passenger Transport Authorities.
Pendolino	Brand name for the Class 390 built by Alstom . A 140mph, fixed-formation tilting train constructed for operation over the West Coast Main Line.
PFI	Private Finance Initiative. An arrangement to facilitate the funding of Government projects by private investment.
PIN	Prior Information Pack.
Pioneer	Brand name for Class 222 DEMU s manufactured by Bombardier . They are similar to the Meridian units of the same class and closely related to the Class 220 and 221 Voyager and Super Voyager DEMU s also manufactured by Bombardier .
Porterbrook	Porterbrook Leasing Company Limited, a wholly-owned subsidiary of Abbey National plc. One of the three ROSCOs .
Post-MOLA	Any rolling stock purchased by a rolling stock lessor after privatization.
Power car	A special kind of locomotive which provides propulsion and electrical power to a train for passenger facilities. Power cars are usually integrated into a unit or train (permanently coupled) and have a driving cab at one end.
PPI	Producer Price Index. An index of prices that measures average change in the selling prices received by domestic producers of goods and services over time.
Present value	The value of future payments discounted to reflect the time value of money.
Prior Information Pack	Information supplied by the DfT which sets out the anticipated programme for procuring a specific franchise .
Prism Rail	Prism Rail plc. A transport company which operated four TOCs between 1995 and 2000, when it was purchased by National Express .
PTE	Passenger Transport Executive.
PV	Present value.
Quasar Associates	Quasar Associates Ltd. A consultancy firm which advises TOCs on preparing bids to win rail franchises .

QW Rail Leasing	QW Rail Leasing Ltd. A joint venture between Sumitomo Mitsui Banking Corporation and National Australia Bank.
RAB	Regulatory Asset Base. The measure of the regulatory value of the company, based on its underlying assets. It is a key element in setting a company's price caps; the cost of capital is applied to it to generate a significant part of the company's allowable revenue.
Railtrack	The railway network infrastructure company which preceded Network Rail .
Rail Vehicle Accessibility Access Regulations	Rail Vehicle Accessibility Regulations 1998 (SI 1998/2456) to which a small number of amendments were made by The Rail Vehicle Accessibility (Amendment) Regulations 2000 (SI 2000/3215).
RBS	Royal Bank of Scotland.
Refurbishment	Major improvements to vehicles often undertaken as a result of a franchise commitment and which may involve re-liveries if a change of franchisee occurs.
Regional Railways North East	A former rail franchise . Now part of the Northern and TransPennine Express franchises.
Renaissance Trains	Renaissance Trains Limited. Joint operator of two open access services: Hull Trains (with First Group) and WSMR (with DB Regio).
Residual Value	The value of an asset at the end of a lease period.
Residual Value Risk	At any point in time, the potential for volatility in the residual value of an asset.
Retail Prices Index	A price index based on a broad basket of goods and services whose price is calculated monthly and which provides a broad measure of inflation.
RFR	Risk-Free Rate.
Risk-Free Rate	The theoretical rate of return of an investment with zero risk. It represents the interest an investor would expect from an absolutely risk-free investment over a specified period of time. The risk-free rate is taken to be the rate on government bonds over the period.
ROCE	Return On Capital Employed.
Rolling stock	Generic term for any vehicle equipped to operate on the railway network.
Rolling Stock Leasing Company/ Rolling Stock Lessors	Any company which leases rolling stock to TOCs or other Train Service Providers. This includes the three ROSCOs .
Rolling Stock Plan	A plan, published by the DfT on 30 January 2008 , which sets out in detail how the DfT proposes to meet those parts of the High

Level Output Specification relating to the provision of **rolling stock**. The plan details the expected new procurement of **rolling stock** and reallocations of displaced **rolling stock** between **franchises**.

ROSCO	One of three companies established at the privatization of British Rail to own and lease to TOCs the rolling stock inherited from British Rail , and to finance the purchase of new rolling stock for leasing to TOCs . The three ROSCOs are Angel , HSBC Rail and Porterbrook .
Route Acceptance	Process carried out by Network Rail which confirms the compatibility of particular rolling stock with parts of the railway infrastructure by the completion of specific assessments.
Royal Bank of Scotland	Royal Bank of Scotland Group plc.
RPI	Retail Prices Index.
RVAR	Rail Vehicle Accessibility Regulations 1998.
RV Risk	Residual Value Risk .
ScotRail	A current rail franchise operated by First Group .
Scottish Ministers	The appropriate franchising authority that selects the TOC to run the Scottish franchise .
Sea Containers	Sea Containers Ltd. A transport company which was the ultimate parent of one former TOC , GNER .
Secretary of State	The Secretary of State for Transport.
Section 30 duty	Refers to section 30 of the Railways Act 1993. This section places a duty on the franchising authority to provide passenger railway services in the UK in the event that a franchise agreement is terminated or otherwise comes to an end but no further franchise agreement has been entered into.
Section 54 undertaking	Refers to an undertaking given to encourage investment in railway assets (such as rolling stock) in accordance with section 54 of the Railways Act 1993 by the appropriate franchising authority . It is given to ROSCOs to assure them that their rolling stock will continue to be leased for a specific period after the first lease of the stock expires.
Self-supply	The practice of TOCs purchasing their own rolling stock instead of leasing it from a rolling stock lessor , or leasing rolling stock from a company within their own corporate groups.
Serco	Serco Group plc.
SercoNed	SercoNed Railways. Joint venture formed by Serco Group plc and Nederlandse Spoorwegen (the Netherlands national railways operator). It owns the Northern Rail TOC and Merseyrail

concession operator.

Service Level Commitment	Level of service specified by the appropriate franchising authority in its franchise agreements with TOCs . This is defined in terms of overall capacity and typically includes service intervals, times of early and late services, maximum journey times and stopping patterns of franchised services.
SET	South Eastern Trains.
Short-term lease	A lease of rolling stock that lasts for less than the full franchise term.
Siemens	Siemens AG. A rolling stock manufacturer and maintenance provider.
Silverlink	Silverlink Train Services Ltd. A former TOC owned by National Express Group which operated services within Greater London (Silverlink Metro) and services in Bedfordshire, Buckinghamshire, Hertfordshire and Northamptonshire (Silverlink County). In November 2007 Silverlink's County services became part of the new West Midlands franchise and its Metro (London) services were taken over by TfL .
Silverlink (County)	Services operated by Silverlink between London Euston and Northampton, Watford Junction and St Albans Abbey, and between Bletchley and Bedford.
Silverlink (Metro)	Services formerly operated by Silverlink on the North London Railway .
Slam-door	Passenger-operated unpowered exterior doors on rolling stock, as fitted to Mark I, II and Mark III coaches .
SMBC	Sumitomo Mitsui Banking Corporation.
SNCF	Société Nationale des Chemins de fer Français. The French national railway operator.
Soggy lease	A lease under which the rolling stock lessor takes contractual responsibility for heavy maintenance work and the TOC takes responsibility for light maintenance work.
South Central	A current rail franchise . Services are operated by Southern .
Southeastern	London and Southeastern Railway Ltd. A TOC owned by Govia . It currently operates services on the Integrated Kent franchise . Also previous name of Integrated Kent franchise .
South Eastern Trains	A former TOC , which was publicly owned and which operated services on the South Eastern (now Integrated Kent) franchise from 2003 to 2006.
Southern	New Southern Railway Limited. A TOC owned by Govia . It currently operates services on the South Central franchise .

South West	A former rail franchise which now forms part of South Western .
South Western	A current rail franchise . Services are operated by South West Trains .
South West Trains	Stagecoach South Western Trains Limited. A TOC owned by Stagecoach . It currently operates services on the South Western franchise .
Sovereign Trains	Sovereign Trains Limited, a company which leases rolling stock to Grand Central .
Special Purpose Vehicle	A company that is created solely for a particular financial transaction or series of transactions.
Sprinter	Brand name for a group of DMU trains built by British Rail . Includes Classes 150, 153, 155 and 156s (known as Super Sprinters), Class 158s (known as Express Sprinters) and Class 159s (known locally as South West Turbos).
SPV	Special Purpose Vehicle .
SRA	Strategic Rail Authority. A former non-departmental public body which operated from 2001 to 2006. It succeeded OPRAF and had responsibility for the allocation of passenger rail franchises to TOCs . Following the passing of the Railways Act 2005 it was wound up and its functions transferred to the Secretary of State, Scottish Ministers and the National Assembly for Wales.
SSNIP Test	Small but Significant Non-transitory Increase in Price Test. A test used to determine the substitutability of products by reference to the extent to which a small but significant non-transitory rise in the price of one product from a competitive level causes customers or suppliers to switch to another product.
SSRA	Shadow Strategic Rail Authority. A former non-departmental public body established in 1999. It incorporated the former Franchising Director and the Office of Passenger Rail Franchising (OPRAF). It was succeeded in 2001 by the SRA .
Stagecoach	Stagecoach Group plc. A transport company which owns the following TOCs : South West Trains and East Midlands Trains . It also has a 49 per cent share in Virgin Trains .
Stranding risk	An extreme residual value risk scenario where a fleet with significant residual value and lifespan is at risk of being left standing off-lease , possibly incurring warm storage charges.
Structure gauge	The clear space around a railway corridor through which rolling stock can pass without striking surrounding infrastructure.
Sublease	A lease by one TOC , of rolling stock already leased to it by a rolling stock lessor , to another TOC .
Swap	An exchange, organized by TOCs , of rolling stock between franchises .

Switching	A situation where a TOC leases alternative rolling stock on a franchise , primarily at franchise re-let . A switch must involve the movement of rolling stock to a different franchise . It does not include the situation where rolling stock is moved from one franchise to another because of franchise remapping or where there is a change in franchisee without movement of rolling stock .
SWT	South West Trains .
TfL	Transport for London. The statutory body responsible for most aspects of the transport system in Greater London, including the London Overground rail services.
Thameside	A current rail franchise . Services are operated by C2C.
Thameslink	A former rail franchise . It was amalgamated with the Great Northern services from the West Anglia Great Northern franchise in 2006.
Thameslink/ Great Northern	A current rail franchise created in 2006 comprising the former Thameslink franchise and the Great Northern services from the former West Anglia Great Northern franchise . Services are operated by First Capital Connect .
Thames Trains	A former rail franchise .
TOC	Train Operating Company . Provider of train services usually under a franchise agreement granted by the DfT .
Traction Motor	An electric motor fitted to the axle of an EMU , DEMU , Power Car or Locomotive which converts the power supplied by the infrastructure into propulsion.
Train	A discrete assembly of rolling stock vehicles that provide a transport service.
Trans Pennine	A current rail franchise . Services are operated by First Trans-Pennine Express .
Trans Pennine Express	Previous name of TOC now known as First Trans Pennine Express .
Transport Scotland	The national transport agency for Scotland (an agency of the Scottish Executive, accountable to the Scottish Parliament and the public through Scottish Ministers), which has responsibility for most aspects of the management of the railways in Scotland. It has a similar role to that played by the DfT in England, with safety, the licensing of railway operators, and the regulation of Network Rail remaining the responsibility of the ORR .
Transport Wales	A department of the Welsh Assembly Government . It is responsible for the financial and performance management of passenger services covered by the Wales and Borders franchise and any enhancements to those services.

TUPE	The Transfer of Undertakings (Protection of Employment) Regulations.
Turbostars	Brand name for a generic design of multiple unit manufactured by Bombardier . Includes the Class 168 (also known as Clubman), Class 170 , Class 171 and Class 172 DMUs .
Tying	A method of price discrimination where a seller of a good or service makes the sale of product B conditional on the purchase of product A.
Unit	Shorthand for multiple unit .
Used rolling stock	Rolling stock that has been previously leased.
Useful Economic Life	The period during which an asset is expected to be in operation and generating income over which it is depreciated.
Utility	A measure of the benefit derived from a particular type of rolling stock that captures its costs of operation, speed, reliability, and the quality of its passenger environment and facilities.
Utility beta	A parameter in the CAPM .
Vehicle	Any individual item of rolling stock , such as a coach or locomotive , or an individual car within a multiple unit .
Victory Railways	Victory Railway Holdings Ltd. A former TOC operated by Go-Ahead .
Virgin Cross Country	Cross Country Trains Ltd. A former TOC which operated services on the former Cross Country franchise . Its services were branded as Virgin Trains .
Virgin Group	Virgin Group Investments Ltd.
Virgin Trains	Virgin Rail Group Holdings Ltd. A company, jointly owned by Virgin Group and Stagecoach , which is the parent of West Coast Trains Ltd (see Virgin West Coast) which currently operates rail services on the Inter-City West Coast rail franchise . From 1997 until November 2007, it also operated services on the Cross Country franchise (Virgin Cross Country) .
Virgin West Coast	West Coast Trains Ltd. A TOC owned by Virgin Trains which currently operates services on the Inter-City West Coast rail franchise . Its services are branded as Virgin Trains .
Voyager	Brand name for Class 220 and 221 (also known as Super Voyager) DEMU s manufactured by Bombardier . They are closely related to the Class 222 Meridian and Pioneer DEMU s also manufactured by Bombardier .
Voyager Leasing	Voyager Leasing Limited. Manages and partly owns (in a 50/50 split with HBOS) the Voyager and Super Voyager trains leased to Virgin Trains and Arriva Cross Country . Voyager Leasing is a wholly-owned subsidiary of the Royal Bank of Scotland .

Wabtec	Wabtec Rail Ltd, a subsidiary of Wabtec Corporation. A maintainer and overhauler of rolling stock and railway equipment.
WACC	Weighted Average Cost of Capital.
WAGN	A former TOC which operated services on the West Anglia Great Northern franchise between 1995 and 2004 and continued to operate the Great Northern services from 2004 to 2006 prior to their integration into the current Thameslink/Great Northern franchise . Originally owned by Prism Rail , it was purchased by National Express in 2000.
Wales & Borders	A current rail franchise . Services are operated by Arriva Trains Wales .
Warm storage	The practice of storing unused rolling stock in a warehouse or sidings and in which routine maintenance and preservation activity is undertaken. (As opposed to cold storage .)
WCML	West Coast Main Line.
Weighted Average Cost of Capital	The cost of capital derived from a weighted average of its two components; the cost of debt and the cost of equity weighted by gearing. It may be expressed in either pre-tax or post-tax terms.
Welsh Assembly Government	The executive branch of the devolved Welsh government. It took over executive powers from the National Assembly for Wales following the assembly elections in May 2007. It is a co-signatory for the Wales and Borders franchise .
Wessex	A former rail franchise .
Wessex Electrics	Brand name for Class 442 EMUs built by British Rail .
Wessex Trains	Wales and West Passenger Trains Ltd. A former TOC .
West Anglia Great Northern	A former rail franchise . Its West Anglia services were absorbed into the Greater Anglia franchise in 2004 and its Great Northern services were amalgamated with the Thameslink franchise in 2006 to form the new Thameslink/Great Northern franchise .
West Coast	Shorthand for the Inter-City West Coast rail franchise .
West Midlands	A current rail franchise formed in 2007 by the amalgamation of parts of the former Silverlink franchise (Silverlink County services) with parts of the former Central franchise . Services are operated by London Midland .
Wet lease	A lease where the rolling stock lessor takes contractual responsibility for both heavy and light maintenance work.
Wiltshire Leasing	Wiltshire Leasing Company Limited. A subsidiary of Great Western Holdings , set up to finance the new Class 175s (Coradias) for the Northern franchise and the new Class 180s (Adelantes) for the Great Western franchise .

**Wrexham,
Shropshire and
Marylebone Railway**

The Wrexham, Shropshire & Marylebone Railway Company Limited. An **open access operator** which is jointly operated by **DB Regio** (formerly **Laing Rail**) and **Renaissance Trains** which began operation in April 2008.

WSMR

Wrexham, Shropshire and Marylebone Railway.

WYPTE

West Yorkshire **Passenger Transport Executive**.