

Loan agreement

Date

This agreement is dated 7 October 2026

Parties

1. Graham Talbot of 9 Orchard Close, Harrogate HG2 0PL (the Lender); and
2. Kestrel Joinery Ltd, a company registered in England and Wales with number ZZ123456, whose registered office is at Unit 7, Tannery Yard, Otley LS21 3HN (the Borrower).

1 Definitions

In this agreement:

Business Day means a day other than a Saturday, Sunday or bank holiday in England.

Drawdown Date means the date the Loan is paid to the Borrower.

Event of Default means any event listed in clause 8.1.

Loan means the principal amount lent under this agreement, or the amount of it outstanding.

Repayment Date means each date listed in the Schedule.

Final Repayment Date means 2 November 2028, or the last Repayment Date if earlier.

2 The loan

2.1 The Lender agrees to lend the Borrower £60,000 on the terms of this agreement.

2.2 The Borrower must use the Loan only for the purchase of a CNC router and dust extraction system for the Otley workshop.

2.3 The Lender is not obliged to pay the Loan until it has received, in a form it is satisfied with:

- a copy of the Borrower's board minutes approving this agreement;
- the signed security documents described in clause 9;
- a personal guarantee from Nadia Kerr.

3 Drawdown

3.1 The Lender will pay the Loan in one sum to the Borrower's bank account: Kestrel Joinery Ltd, Barclays, sort code 20-45-77, account number 30918274, on 2 November 2026 or another date agreed in writing.

4 Interest

4.1 The Borrower will pay interest on the Loan at a fixed rate of 7% a year.

4.2 Interest accrues daily from the Drawdown Date on the amount outstanding, and is calculated on the basis of a 365-day year.

4.3 Interest is payable on each Repayment Date in arrears, and on the Final Repayment Date.

4.4 Default interest. If the Borrower does not pay any amount when due, it will pay interest on that amount from the due date until it is paid at 3% a year above the rate otherwise payable. This rate applies before and after any judgment.

5 Repayment

5.1 The Borrower will repay the Loan in instalments on the Repayment Dates and in the amounts set out in the Schedule.

5.2 All amounts outstanding must be paid on the Final Repayment Date at the latest.

5.3 If a payment falls due on a day that is not a Business Day, it is due on the next Business Day.

5.4 The Borrower will make all payments in full, in pounds sterling, without set-off or counterclaim, to the Lender's account: G Talbot, Nationwide, sort code 07-04-36, account number 11223344, or another account the Lender notifies in writing. If the law requires the Borrower to deduct tax from a payment, it will make the deduction and give the Lender evidence of it.

6 Early repayment

6.1 The Borrower may repay all or part of the Loan early by giving the Lender at least 10 Business Days' written notice, without any fee.

6.2 The Borrower must pay accrued interest on the amount repaid at the same time. Amounts repaid early reduce the remaining instalments in reverse order of their due dates.

6.3 Amounts repaid may not be borrowed again.

7 The Borrower's promises

7.1 The Borrower confirms to the Lender, on the date of this agreement and on the Drawdown Date, that:

it is a company duly incorporated and in existence, and has the power to enter into this agreement;

it has taken all necessary steps to authorise this agreement, and this agreement does not breach its articles or any other agreement binding on it;

it is not insolvent, and no step has been taken to wind it up or appoint an administrator or receiver;

the information it has given the Lender is true in all material respects.

7.2 Until the Loan is repaid in full, the Borrower will:

send the Lender its annual accounts within 6 months after each financial year end and management accounts within 30 days after each quarter;

tell the Lender promptly of any Event of Default, or anything likely to become one;

not, without the Lender's written consent, create any security over its assets (other than existing security listed here: none); dispose of a substantial part of its assets; or change the nature of its business.

8 Events of default

8.1 Each of the following is an Event of Default:

the Borrower does not pay any amount when due, and does not pay it within 5 Business Days;

the Borrower breaches any other term of this agreement and, if the breach can be remedied, does not remedy it within 15 Business Days of the Lender's written notice;

any statement in clause 7.1 is materially untrue when made or repeated;

the Borrower is unable to pay its debts as they fall due, or stops or threatens to stop paying its debts, or starts negotiations with its creditors generally;

a winding-up petition is presented (and not withdrawn or dismissed within 14 days) or an order is made, or a resolution is passed, for the Borrower's winding up, other than a solvent reorganisation the Lender has approved;

an administrator, receiver or similar officer is appointed over the Borrower or any of its assets, or a notice of intention to appoint an administrator is filed;

the Borrower stops or threatens to stop carrying on all or a substantial part of its business;

there is a change of control of the Borrower without the Lender's consent;

any other borrowing of the Borrower above £25,000 becomes payable early because of a default.

8.2 At any time after an Event of Default, while it is continuing, the Lender may by written notice to the Borrower declare all or part of the Loan, with accrued interest and all other amounts outstanding, immediately due and payable.

9 Security and guarantee

9.1 The Borrower's obligations under this agreement are secured by a debenture over the Borrower's assets, and guaranteed by Nadia Kerr under a personal guarantee.

9.2 Any charge created by the Borrower must be delivered to Companies House for registration within 21 days beginning with the day after it is created. If it is not, the charge is void against a liquidator, an administrator and the Borrower's creditors. The Borrower will deal with registration.

10 Costs

10.1 Each party pays its own costs of preparing this agreement.

10.2 The Borrower will pay the Lender's reasonable costs of enforcing this agreement after an Event of Default.

11 General

11.1 Notices must be in writing and delivered by hand, sent by first-class post, or sent by email to graham.talbot@mailbox.example and nadia@kestreljoinery.example. A notice is received on delivery by hand, two Business Days after posting, or when sent by email if within business hours, otherwise at 9am on the next Business Day.

11.2 Assignment. The Borrower may not assign or transfer its rights or obligations. The Lender may assign its rights with notice to the Borrower.

11.3 No waiver. A delay or failure by the Lender to exercise a right does not waive it.

11.4 Entire agreement. This agreement and the documents referred to in clause 9 are the whole agreement between the parties about the Loan.

11.5 Variation. Any change must be in writing and signed by both parties.

11.6 Third parties. No one other than the parties may enforce this agreement.

11.7 Counterparts. This agreement may be signed in counterparts, including electronically.

11.8 Law and jurisdiction. This agreement is governed by the law of England and Wales, and the courts of England and Wales have exclusive jurisdiction.

Schedule: Repayment schedule

Instalment	Repayment Date	Principal (£)	Interest (£, estimated)	Total (£)	Balance after payment (£)
1	2 May 2027	£15,000	£2,100	£17,100	£45,000
2	2 November 2027	£15,000	£1,575	£16,575	£30,000
3	2 May 2028	£15,000	£1,050	£16,050	£15,000
4	2 November 2028	£15,000	£525	£15,525	£0
Total		£60,000	£5,250	£65,250	0

Signatures

Signed by Graham Talbot: _____ Date:

Signed by Nadia Kerr, director, for and on behalf of Kestrel Joinery Ltd: _____ Date: