# THE REPUBLIC OF UGANDA IN THE HIGH COURT OF UGANDA AT KAMPALA (CIVIL DIVISION)

#### **CIVIL SUIT NO. 295 OF 2018**

- 1. ST. AUGUSTINE INTERNATIONAL UNIVERSITY LTD

# BEFORE: HON. JUSTICE BONIFACE WAMALA JUDGMENT

#### Introduction

- [1] The Plaintiff brought this suit against the Defendants seeking payment of outstanding dues in the sum of UGX 82,500,000/=, general damages, interest and costs of the suit arising out of breach of contract.
- [2] The brief facts according to the Plaintiff are that sometime in August 2016, the Plaintiff was appointed the Chairperson of the 1st Defendant University Council at an agreed monthly sum of UGX 5,000,000/= as allowances and dues, although there was no formal contract. The Plaintiff stated that he executed his duties as Chairperson of the University Council during the period of August 2016 May 2018. The Defendant paid the agreed fees for the period between August 2016 and December 2017 and thereafter kept promising to pay but nothing materialized despite several requests by the Plaintiff. The Plaintiff resigned from his duties with the 1st Defendant in May 2018 but the Defendants have refused to pay his outstanding monies at a net of UGX 82,500,000/= unpaid from January 2017 to May 2018; a total of 16.5 months. The Plaintiff also stablished that the Defendants never remitted his NSSF dues as required by the law. The Plaintiff thus brought this suit.

[3] The Defendants filed a written statement of defence (WSD) denying the Plaintiff's claims and stated that the Plaintiff was a personal friend of the 2<sup>nd</sup> Defendant and offered to assist in providing general advice and counsel in the development of the 1<sup>st</sup> Defendant. The Plaintiff assisted the 2<sup>nd</sup> Defendant for some time until very grave allegations regarding the conduct of the Plaintiff were raised on 13<sup>th</sup> April 2017 which, when brought to the Plaintiff's attention, both parties agreed on an amicable mutual separation. It was agreed and the Plaintiff accepted UGX 30,000,000/= as full and final settlement and the Plaintiff has since then not provided any form of services to the Defendants. The Defendants prayed for dismissal of the suit with costs.

#### Representation and Hearing

[4] At the hearing, the Plaintiff was represented by Mr. Sam Ahamya and Mr. Kasumba Noah of M/s Ahamya Associates & Advocates while the Defendants were represented by Mr. Alexander Kibandama, Mr. Makumbi Benon, Mr. Ronald Tusingwire and Mr. Sadam Solomon from M/s Ortus Advocates. Counsel made and filed a joint scheduling memorandum. Evidence was adduced by way of witness statements. Each side led evidence of one witness. Counsel made and filed written submissions which have been considered by the Court in the determination of the matter before Court. In their submissions, Counsel for the Defendants raised a preliminary objection to the effect that this court lacks jurisdiction to entertain this matter. I will first deal with this preliminary matter.

## Preliminary Objection: Want of Jurisdiction

[5] It was submitted by Counsel for the Defendants that this Court has no appellate or first instance jurisdiction to determine a labour dispute over unpaid allowances and dues under a contract of service with an entity in the private sector. Counsel submitted that it is the Plaintiff's evidence that he was appointed to the post of Chairperson of the University Council under a contract of service where under he claims unpaid dues. Counsel argued that the labour

offices and the Industrial Court were fully operational at the time this labour dispute arose.

[6] In reply, Counsel for the Plaintiff cited Article 139(1) of the Constitution of the Republic of Uganda to the effect that the High Court has unlimited original jurisdiction in all matters and such other jurisdiction as may be conferred on it by the Constitution or other law. Counsel also cited the case of *C* & 11 Others *v* Attorney General HC Civil Suits No. 278-296 of 2013 to the effect that the High Court was vested with jurisdiction to determine any issues arising out of a contract of employment. Counsel submitted that the Plaintiff is seeking to enforce his rights under a contract of service and that the Employment Act does not oust the jurisdiction of the High Court.

[7] Like was submitted by Counsel for the Plaintiff, the timing of this objection is problematic. Although the law allows a matter of law to be raised at any stage of the proceedings, there is a specific provision of the law that sets the course of action in the case of an intention by a defendant to challenge the jurisdiction of the court in a particular suit. Order 9 rule 3 of the CPR provides for the procedure for disputing jurisdiction and under rule 3(6) thereof, it is provided that upon failure to follow that procedure, any defence filed by such a defendant will be treated as a submission by the defendant to the jurisdiction of the court in the proceedings. This rule appears to have a mandatory effect and overrides the general permission under the law to the raising of any matter at any stage of the hearing. This is especially so where, like in this case, the matter was raised after closure of the hearing and during final submissions.

[8] Be that as it may, I will proceed to pronounce myself on the merits of the point of law raised by defence Counsel. The position of the law is that the High Court is vested with original unlimited jurisdiction by virtue of Article 139 of the Constitution and such appellate or other jurisdiction conferred on it by the Constitution or any other law. It is also the law that for a provision of a statute

to oust the jurisdiction of the High Court as provided for in the Constitution, it must state so expressly or by clear implication. The same cannot be presumed. This position can be deciphered from the holding of the Courts on the subject in a number of decided cases, which include *David Kayondo v The Co-operative Bank (U) Limited, Court of Appeal Civil Appeal No. 1091 of 1992; Kameke Growers Cooperative Society Limited v North Bukedi Co.operative Union, SCCA No. 8/1994; Uganda Revenue Authority v Rabbo Enterprises (U) Limited & Another, SCCA No. 12 of 2004 [2017] UGSC 20.* 

[9] In the present case, as rightly submitted by Counsel for the Defendants, the provisions in Sections 12, 13, 14 and 93 of the Employment Act 2006 and Sections 3, 4, 5 and 8 of the Labour Disputes (Arbitration and Settlement) Act 2006 by implication made the office of the Labour Officer the court of first instance in labour disputes. Although such provisions have the effect of ousting jurisdiction for courts and tribunals with limited jurisdiction, they are incapable of ousting the unlimited original jurisdiction of the High Court by virtue of the legal position set out above. For a provision of a statute to oust the jurisdiction of the High Court, it must state so expressly or by clear implication. The implication of the above cited provisions is not such as would ouster the jurisdiction of the High Court. It was clearly intended to oust jurisdiction of the other courts and tribunals with limited jurisdiction. In the circumstances, there is nothing that would bar the Plaintiff from lodging the current dispute in this Court.

[10] Lastly and equally important, even if I were to hold otherwise, the present dispute is not one that involves an unequivocal contract of service. As will be seen in the forthcoming arguments, the Defendants themselves raise questions as to whether any contract of service existed; and whether the relationship between the parties was that of employment or some other engagement. In such circumstances, a party is better placed commencing an action in a court

with unlimited jurisdiction. In all circumstances, therefore, the objection raised by defence Counsel is wholly without merit and it fails.

### Issues for Determination by the Court

- [11] Four issues were agreed upon for determination by the Court but they boil down to two issues, namely;
- (a) Whether the Plaintiff was employed by the  $1^{st}$  Defendant and/or the  $2^{nd}$  Defendant?
- (b) Whether the Plaintiff is entitled to the remedies claimed?

#### **Burden and Standard of Proof**

- [12] In civil proceedings, the burden of proof lies upon he who alleges. Section 101 of the Evidence Act, Cap 6 provides that;
- (1) Whoever desires any court to give judgment as to any legal right or liability dependent on the existence of facts which he or she asserts must prove that those facts exist.
- (2) When a person is bound to prove the existence of any fact, it is said that the burden of proof lies on that person.
- [13] Section 103 of the Evidence Act provides that "The burden of proof as to any particular fact lies on that person who wishes the court to believe in its existence, unless it is provided by any law that the proof of that fact shall lie on any particular person". Accordingly, the burden of proof in civil proceedings normally lies upon the plaintiff or claimant. The standard of proof is on a balance of probabilities. The law however goes further to classify between a legal burden and an evidential burden. When a plaintiff has led evidence establishing his/her claim, he/she is said to have executed the legal burden. The evidential burden thus shifts to the defendant to rebut the plaintiff's claims.

#### Resolution of the Issues

# Issue 1: Whether the Plaintiff was employed by the 1<sup>st</sup> and/or the 2<sup>nd</sup> Defendant?

#### Submissions by Counsel for the Plaintiff

[14] Counsel relied on the provision under Section 2 of the Employment Act for the definition of an employee and of a contract of service. Counsel also cited the case of Ready Mixed Concrete (South East) Ltd v Minister of Pensions and National Insurance [1968] 2 QB 497 for the different tests used to establish the existence of an employer-employee relationship to wit; the control test, the integration test and the multiple test. Counsel submitted that under the control test, a person is said to be an employee if the employer retains a right of control not only over the work he does but also the way in which he does it; the integration test looks at whether the employee and work done are integral part of the business; while the multiple test amalgamates the control and integration test.

[15] Counsel submitted that due to the Plaintiff's expertise and experience in running educational institutions, he was approached by the 2<sup>nd</sup> Defendant, a shareholder and director of the 1<sup>st</sup> Defendant, who requested him to come and work as the Chairman University Council of the 1<sup>st</sup> Defendant, and an oral agreement was reached. Counsel referred the Court to an email to the University community communicating the appointment of the Plaintiff as Chairman of the University Council which was marked Exhibit P1 and other emails produced in Court and marked Exhibit P2 which showed constant communication between the Plaintiff and the 2<sup>nd</sup> Defendant as director of the 1<sup>st</sup> Defendant. Counsel submitted that according to that evidence, the 2<sup>nd</sup> Defendant stood in a position of authority over the Plaintiff. Counsel also pointed to evidence by way of other emails through which the Plaintiff appointed staff for the 1<sup>st</sup> Defendant. Counsel submitted that all such evidence

alludes to the fact that the Plaintiff was under the control of the Defendants and indeed his services were an integral part of the 1st Defendant's business.

[16] Regarding the contention of the Plaintiff being employed by the 2<sup>nd</sup> Defendant, Counsel submitted that the 1<sup>st</sup> Defendant was being run by the 2<sup>nd</sup> Defendant, that it did not have any formal structures and that everything from finances to paying salaries was being handled by the 2<sup>nd</sup> Defendant. Counsel stated that it was difficult to ascertain if the two where separate entities. Counsel further submitted that as a director of the 1<sup>st</sup> Defendant, the 2<sup>nd</sup> Defendant ran the 1<sup>st</sup> Defendant in his own capacity as individual and as such was an agent of the 1<sup>st</sup> Defendant. Counsel argued that by his conduct, the 2<sup>nd</sup> Defendant is estopped from denying that he was an agent of the 1<sup>st</sup> Defendant and as such should be held severally liable with the 1<sup>st</sup> Defendant as employers of the Plaintiff.

### Submissions by Counsel for the Defendants

[17] In reply, Counsel for the Defendants submitted that the relationship between the parties was not that of a master and servant under a contract of service but the Plaintiff was an independent contractor hired to advise on the development of the  $1^{\rm st}$  Defendant University. Counsel submitted that the Plaintiff was under no obligation to obey orders since he was hired as an expert who served simultaneously as Chairperson of highest governing organ of different universities and his remuneration was a retainer fee to take care of his transport costs. Counsel invited the Court to find that the Plaintiff was not an employee of the Defendants since the three essential conditions for existence of a contract of service are not met by the Plaintiff's evidence, namely; payment of a wage or other remuneration to the Plaintiff, sufficient degree of control making one party the master and the other a servant, and the other provisions of the contract being consistent with the existence of a contract of service. Counsel relied on the decision in *Ready Mixed Concrete (South East) Ltd v Minister of Pensions and National Insurance (supra)*.

### **Determination by the Court**

[18] The present dispute requires the Court to establish the nature of the contractual relationship between the Plaintiff on the one hand and the Defendants on the other. While it is asserted by the Plaintiff that it was a contract of service, it is on the other hand asserted by the Defendants that the Plaintiff was merely an independent contractor offering advice to the 2<sup>nd</sup> Defendant and not an employee of either Defendants. In the view of the Defendants, the relationship was that of a contract for services at the most.

[19] Under Section 2 of the Employment Act 2006, a contract of employment, otherwise known as a contract of service, means any contract, whether oral or in writing, whether express or implied, where a person agrees in return for remuneration, to work for an employer and includes a contract of apprenticeship. From decided cases, a contract of employment exists where three conditions are fulfilled, namely; (i) the servant agrees that, in consideration of a wage or other remuneration, he or she will provide his or her own work and skill in the performance of some service for his master; (ii) he or she agrees, expressly or impliedly, that in the performance of that service he or she will be subject to the other's control in a sufficient degree to make that other person master and he or herself a servant; and (iii) the other provisions of the contract are consistent with its being a contract of service. See: Waga B. Francis v The Chief Admistrative Officer Maracha District & Anor [2017] UGHCCD153 and Ready Mixed Concrete Southeast Ltd v Minister of Pensions and National Insurance [1968] 2 QB 497, [1968] 1 AllER 433.

[20] The difference between a contract of service and a contract for services was more succinctly put by <u>Shantimal Jain</u>, in a text titled: <u>Contract of Service and Contract for Service</u>, published in the Journal, <u>The Practical Lawyer</u>, cited as (2003) 8 SCC (Journal) 2. The author states thus;

"A contract of service is different from a contract for service. In a contract of service, the employer normally enjoys the power of control over the work of the servant and the servant is bound to obey the orders or instructions of the master. An independent contractor, on the other hand, undertakes to produce the required result, but in the actual execution of the job to produce the result, he is not under the order or control of the person for whom he executes that work. He is free to use his discretion. The line of demarcation between an employee and an independent contractor is very thin and the two concepts sometimes overlap. In such a situation, the question about the relationship of employer and employee needs to be determined with reference to the facts and circumstances of each case as to who are the parties to the contract, who pays the wages, who has the power to dismiss, what is the nature of the job, and the place of executing the job; all have to be kept in mind. Out of the many tests, the vastly important test which till now held ground was the element of control and supervision of work".

[21] On the case before me, the Plaintiff was primarily engaged as the Chairperson of the 1st Defendant's University Council. The engagement was discussed orally between the Plaintiff and the 2<sup>nd</sup> Defendant but according to the email correspondence that was published to the 1st Defendant University Community, of 5th August 2016, the engagement was by way of appointment as Chairman of the University Council. A set of the email correspondence which includes this particular email was admitted as PE1. The Plaintiff was expected to issue an acceptance of the offer the following day. In another part of the email correspondence (PE1), the 2<sup>nd</sup> Defendant had on 2<sup>nd</sup> August 2016 communicated the terms of the engagement between the Plaintiff and the Defendants. In these terms, the Plaintiff is referred to as a consultant. According to the testimony of the Plaintiff in Court, the Plaintiff's task was to use his experience and render advice to the Defendants to facilitate the growth of the 1st Defendant. It is because of this role as a consultant and advisor that the Defendants claim that the Plaintiff was an independent contractor. However, the total sum of the evidence shows otherwise. The Plaintiff was

appointed as Chairperson University Council of the 1<sup>st</sup> Defendant. If during the performance of his role, he acted or was expected to work as a consultant, such did not change his designation; it was simply a manner of executing his role.

[22] It is clear to me that the Plaintiff was not engaged to carry out an assignment, project or other such work for a fee as to make him an independent contractor. The agreed mode of payment was a periodic retainer, which is a form of remuneration. The scope of his work was set out by the employer. I find that the Plaintiff has satisfied the Court on a balance of probabilities that his engagement with the Defendants satisfied the essential elements of a contract of service, namely; payment of a wage or other remuneration to the Plaintiff, sufficient degree of control making one party the master and the other a servant, and that the other provisions of the contract are consistent with the existence of a contract of service. The relationship between the Plaintiff and the Defendants cannot therefore be termed as a contract for services but rather a contract of service.

[23] The facts and the evidence on record also reveal that the Plaintiff was contacted by the 2<sup>nd</sup> Defendant who offered him the employment with the 1<sup>st</sup> Defendant University as Chairperson of the University Council. The 2<sup>nd</sup> Defendant is a director and shareholder of the 1<sup>st</sup> Defendant. He is also the Chairperson of the Board of Trustees of the 1<sup>st</sup> Defendant. It was also shown in evidence that the 2<sup>nd</sup> Defendant was responsible for payments of the employees of the 1<sup>st</sup> Defendant. It is clear to me therefore that the 2<sup>nd</sup> Defendant was acting both in his own capacity and also as an officer of the 1<sup>st</sup> Defendant. I would agree that the Plaintiff was employed by both the 1<sup>st</sup> and 2<sup>nd</sup> Defendants. Issues 1 is therefore answered in the affirmative.

# Issues 2: Whether the Plaintiff is entitled to the remedies claimed? Submissions by Counsel for the Plaintiff

[24] Counsel for the Plaintiff cited the provisions of Section 41 of the Employment Act 2006 to the effect that an employee is entitled to payment/wages for work done or rendered and argued that the Plaintiff worked with the Defendants for the period starting July 2016 to May 2018 and it had been agreed that the Plaintiff would be paid a retainer of 5 Million exclusive of taxes. Counsel submitted that the Plaintiff was only paid 30 Million Shillings in cash in December 2016 and the period from January 2017 to the time he resigned in May 2018 remained in arrears amounting to 82,500,000/=. Counsel referred to the demand letter issued to the Defendant where the Plaintiff was demanding for his arrears, on record as PE4. Counsel stated that the Defendants after being threatened by legal action made a counter offer of 50,000,000/= which he turned down. The Plaintiff refuted the Defendants' claim that it was just "a token of appreciation" and argued that it is evidence to the fact that the Defendants were indebted to the Plaintiff. Counsel invited the Court to find that indeed the Plaintiff was entitled to the sums claimed in the Plaint.

#### Submissions by Counsel for the Defendants

[25] In reply, it was submitted that the Plaintiff assisted the 2<sup>nd</sup> Defendant for some time until very grave allegations regarding his conduct were raised in April 2017 whereupon the 2<sup>nd</sup> Defendant and the Plaintiff agreed to a mutual separation upon payment of UGX 30,000,000/= which was accepted and received by the Plaintiff as a full and final settlement for his services with the 1<sup>st</sup> Defendant University. Counsel stated that the 2<sup>nd</sup> Defendant did not owe the Plaintiff any more money. Counsel disputed the Plaintiff's claim that the acknowledgement of UGX 30,000,000/= was a disguised contribution for his campaigns at Makerere University and argued that no exceptions to the parole evidence rule under Sections 91 and 92 of the Evidence Act has been

established by the Plaintiff in the instant case since the Plaintiff never pleaded fraud, intimidation, illegality, want of capacity, failure of consideration or mistake of fact and law.

[26] Counsel further refuted the claim by the Plaintiff that the offer by the 2<sup>nd</sup> Defendant to pay UGX 50,000,000/= constituted evidence that a debt was owing and stated that it was meant to be an ex gratia payment. Counsel cited the case of *Specioza Kalungi & Others v Attorney General & Anor, HCCS No. 63* of 2008 to the effect that an ex-gratia payment is a payment without consideration of the legal merits and it assumes that the person settling it is not legally liable for the payment. Counsel submitted that the proposal to make an ex-gratia payment of UGX 50,000,000/= does not prove liability for any money owed to the Plaintiff. Counsel invited the Court to find that the Plaintiff is not entitled to any unpaid allowances and dues as claimed in the plaint since he acknowledged a full and final payment for his services offered to the 1<sup>st</sup> Respondent University.

#### **Determination by the Court**

[27] The evidence adduced by the Plaintiff regarding the fact of payment is inconsistent in material particulars. To begin with, in his evidence in chief, the Plaintiff (PW1) stated that according to the agreement with the 2<sup>nd</sup> Defendant, the Plaintiff was to be paid a retainer of UGX 5,000,000/= at every end of 6 months. PW1 made this statement twice. I am thus convinced it was not mistakenly made. There is no other evidence on record indicating that the Plaintiff was to be paid UGX 5,000,000/= every month. However, the Plaintiff's case herein is based on a claim for payment of UGX 5,000,000/= per month. Secondly, in the same testimony, the Plaintiff stated that he was paid UGX 30,000,000/= in December 2016 after six months from when he started offering his services. The written evidence, however, by way of DE2 shows that the payment of UGX 30,000,000/= was made on 12<sup>th</sup> June 2017. Other evidence appears agreed that the Plaintiff received payment of UGX

30,000,000/= once. Owing to the rules of evidence, the Plaintiff's oral testimony having the effect of contradicting documentary evidence cannot be accepted.

[28] Going by the Plaintiff's own evidence that he was supposed to be paid a sum of UGX 5,000,000/= at every end of six months, it follows that by end of June 2017, he was entitled to payment of UGX 10,000,000/=. It is the evidence of the Defendants that in around April 2017, the Plaintiff and the 2<sup>nd</sup> Defendant agreed to have a mutual separation whereupon the 2<sup>nd</sup> Defendant agreed to pay and the Plaintiff agreed to receive a sum of UGX 30,000,000/= in full and final settlement of the Plaintiff's claims for any service rendered to the Defendants by the Plaintiff. This agreement was documented by way of an acknowledgment made by the Plaintiff, on record as DE2. This document is personally written by the Plaintiff, in his own handwriting and in clear terms. For emphasis, I will set out its contents here;

"I Professor Venansius Baryamureeba do hereby acknowledge receipt of UGX 30,000,000/= (in words) as full settle (sic) of payment due to me from King Ceasor Mulenga for services offered to St. Augustine International University. King Ceasor does not owe me any more money.

Signed

.....

V. Baryamureeba

12.06.2017"

[29] The above acknowledgement is clear and unequivocal. The Plaintiff did not adduce any factors capable of vitiating that instrument. The Plaintiff did not lead any evidence showing that the said instrument was affected either by fraud, intimidation, illegality, want of due execution, want of capacity to contract, failure of consideration, mistake, misrepresentation or any other exceptional factor to the parole evidence rule. In absence of any such exceptional circumstance, oral evidence that seeks to add to, vary or contradict

such clear written evidence is inadmissible, owing to the clear provisions under Sections 91 and 92 of the Evidence Act Cap 6 and the well laid out position of the law in decided cases such as *General Industries (U) Ltd v Non-Performing Assets Recovery Trust, SSCA No. 05 of 1998* and DSS Motors Ltd vs Afri Tours and Travels, HCCS No. 12 of 2003 [2006] UGCOMC 27.

[30] In the circumstances, the Plaintiff has not led any evidence to satisfy the Court on a balance of probabilities that the sums claimed by him in the plaint are due and owing to him and against the Defendants. To the contrary, the Defendants have established that the Plaintiff received a sum of UGX 30,000,000/= in full and final settlement in respect of the services rendered by the Plaintiff to the 1st Defendant and that the Defendants were not owing any more money to the Plaintiff. This is, at least, as of June 2017.

[31] There is a claim by the Plaintiff that he continued working for the Defendants after June 2017 up to May 2018. This claim is set out in paragraph 5(v) of the reply to the WSD. I have seen email correspondences forming part of PE1 that show continued engagement between the Plaintiff and the Defendants after June 2017. These include the copies marked B4 dated between 10<sup>th</sup> and 13<sup>th</sup> October 2017 (at pages 9 – 11 of the Plaintiff's Trial Bundle); and B9 dated between 9<sup>th</sup> November 2017 and 21<sup>st</sup> May 2018 (at pages 13, 15 – 24 of the Plaintiff's Trial Bundle). Looking at these correspondences, they are written either by the 2<sup>nd</sup> Defendant, the officers of the 1<sup>st</sup> Defendant or by the Plaintiff; to either of the above named and copied to others. The correspondences contain discussion of matters pertaining to the running of the 1<sup>st</sup> Defendant. This evidence was not controverted by the Defendants. I have found it believable and capable of proving on a balance of probabilities that the Plaintiff continued rendering services to the Defendants after June 2017 until May 2018 when he indicates to have resigned.

[32] From the foregoing, the evidence that I have found consistent shows that the sum of UGX 30,000,000/= paid to the Plaintiff on 12<sup>th</sup> June 2017 was full payment to the Plaintiff's services up to June 2017. There is no evidence that any further payment was made to the Plaintiff in respect of the period of July 2017 to May 2018; a period of 11 months. The already accepted evidence is that the initial agreement between the Plaintiff and the 2<sup>nd</sup> Defendant was that the Plaintiff would be paid a retainer of UGX 5,000,000/= at the end of every six months. There is no evidence that this position was varied. Even the payment of the sum of UGX 30,000,000/= for the period ending June 2017 is not capable of being construed as evidence of variation of that position. DE2 is self-contained and made no reference to any further dealing. As such, the reasonable inference is that for the period July 2017 to May 2018, the Plaintiff was entitled to payment of UGX 5,000,0000/= multiplied by two; totaling to UGX 10,000,000/=. This is the sum that I have found as payable to the Plaintiff by May 2018 when he ended his services with the Defendants.

[33] In the circumstances, the Plaintiff has only proved that he is entitled to payment of UGX 10,000,000/= from the Defendants and not UGX 82,500,000/= as claimed in the plaint. The Plaintiff's principal claim has, therefore, only succeeded to that extent.

[34] The Plaintiff also made a claim for general damages. The law on general damages is that the damages are the direct natural or probable consequence of the act complained of and are awarded at the discretion of the court. The damages are compensatory in nature with the purpose of restoring the aggrieved person to the position they would have been in had the breach or wrong not occurred. See: Hadley v Baxendale (1894) 9 Exch 341; Kibimba Rice Ltd v Umar Salim, SC Civil Appeal No. 17 of 1992 and Robert Cuossens v Attorney General (SCCA No. 8 of 1999) 2000 UGSC 2 (2 March 2000). In the assessment of general damages, the court should be guided by the value of the subject matter, the economic inconvenience that the plaintiff may have been

put through and the nature and extent of the injury suffered. See: *Uganda Commercial Bank v Kigozi* [2002] 1 EA 305. Under the law, general damages are implied in every breach of contract and every infringement of a given right.

- [35] In the present case, the Plaintiff showed that he worked with the Defendants and constantly reminded the 2<sup>nd</sup> Defendant of his dues. The Plaintiff also stated that the other staff were paid except him. The Defendants instead denied having employed him. Considering the inconvenience suffered by the Plaintiff in pursuing payment for services rendered, and all the facts and circumstances of this case, I find a sum of UGX 5,000,000/= as an appropriate award in general damages to the Plaintiff against the Defendants.
- [36] On interest, the discretion of the court regarding award of interest is provided for under Section 26(2) of the Civil Procedure Act. In this case, the Plaintiff prayed for interest on the principal sum at a commercial rate and on the other awards at the rate of 7% p.a. from the date of judgment. I find that the Plaintiff is entitled to interest on the awarded sums and he is awarded interest on the principal sum at the rate of 15% per annum from the date of judgment until full payment and on the general damages at the rate of 7% per annum from the date of judgment until full payment.
- [37] Regarding costs of the suit, under Section 27 of the Civil Procedure Act, costs follow the event unless the court upon good cause determines otherwise. Given the findings above, the Plaintiff is entitled to costs of the suit and the same are awarded to him.
- [38] In the result, judgment is entered for the Plaintiff against the Defendants jointly and severally for payment of;
  - a) UGX 10,000,000/= being the outstanding sum due to the Plaintiff.
  - b) UGX 5,000,000/= being general damages to the Plaintiff.

c) Interest on (a) above at the rate of 15% per annum from the date of judgment until full payment and on (b) above at the rate of 7% per annum from the date of judgment until full payment.

d) The taxed costs of the suit.

It is so ordered.

Dated, signed and delivered by email this  $23^{rd}$  day of May, 2024.

**Boniface Wamala** 

**JUDGE**