

COMMONWEALTH OF THE BAHAMAS
SUPREME COURT
Commercial Division

Claim No. 2023/COM/lab/FP/00009

IN **THE MATTER** OF THE EMPLOYMENT ACT

AND IN THE MATTER OF THE INDUSTRIAL RELATIONS ACT

AND IN THE MATTER OF THE EMPLOYMENT CONTRACT ENTERED INTO
BETWEEN AVERIL RICKETTS AND ST. PAUL'S METHODIST COLLEGE DATED 24TH
SEPTEMBER 2021.

BETWEEN

AVERILL RICKETTS

AND

Claimant

ST. PAUL'S METHODIST COLLEGE

Respondent

Before: Honourable Madam Justice Constance A. Delancy

Appearances: Samuel Rahming for the Claimant
Constance McDonald, KC for the Respondent

Dates: 3 February, 2025

JUDGMENT

DELANCY, J.

Background:

[1.] The Claimant brought a claim against the Respondent for Breach of Contract. The facts are uncontested, the parties declining to conduct cross-examination and agreeing the facts and issues.

[2.] The Claimant is teacher and the Respondent is a school governed by the Methodist Church in The Bahamas/Turks & Caicos Islands Conference/District.

[3.] The Claimant and the Respondent entered into a contract for employment on the 24 September, 2024 for the period of one (1) year from the 1 September 2021 to the 31 August 2022 for the sum of \$22,500 per annum.

[4.] The Respondent provided the Petitioner with a letter dated 18 August, 2023 informing her that her contract would not be renewed.

[5.] The Claimant filed a Standard Claim Form and Statement of Claim on 12 June 2023 seeking:

1. Twelve months payment of salary in lieu of notice.
2. Alternatively, Damages.
3. Further Alternatively, Compensation under the Employment Act for Unfair Dismissal.
4. Interest in accordance with the Award of Interest Act from the date termination until date of Judgment at 6% and thereafter until satisfaction of the Judgment at 8%
5. Such other relief as to the Court seems just.

[6.] The Respondent filed a Defence on 19 July 2023 which consisted of bare denials, save and except for the hand written paragraph which is found at the bottom of page that the Respondent admits to owing 3 months' salary.

Evidence

[7.] The Claimant's evidence is contained in her Witness Statement filed on 21 August 2024 and the Respondent's evidence is contained in the Witness Statement of Elkanah Brian Seymour filed on 29 February 2025.

[8.] The parties agreed facts are summarized below:

1. That the parties entered into an employment contract dated 24th September 2021 for a term of 1 year, 1st September, 2021 to 31st August, 2022 for an annual salary of \$22,500 payable by equal monthly instalments.
2. By letter dated 18 August 2022 the Respondent informed the Claimant of its decision not to renew her contract.
3. That Clause 5 of the Employment Contract and Item (p) (xi) a. of the Respondent's Policy Manual sets out the procedure to be followed for re-employment and/or termination

Issue:

[9.] The issue to be determined is whether the Respondent breach the employment contract.

Analysis and Discussion:

[10.] The Court notes that Clause 5 of the employment contract contains the following:

*It is further mutually agreed that the **SCHOOL shall offer the TEACHER a new contract of employment for the ensuing year on or before May 1, unless the SCHOOL gives the TEACHER written notice of its intention not to re-employ the TEACHER on or before April 30.** The TEACHER can also give the SCHOOL notice that he/she will opt out or will not re-commit for the ensuing school year on or before May 1, in writing. [Emphasis added]*

[11.] The Court also notes that Clause 3 of the employment contract contains the following: *The **TEACHER agree to comply with all the rules, regulations and policy directions published by the Board of Management of St. Paul's Methodist College** under the direct supervision of the Principal and members of the administrative team. [Emphasis added]*

[12.] The corresponding provisions relating to rules, regulations and policy are contained in the Policy Manual and specifically item (p) "OTHERS" (xi) a. "Termination of Agreement":

*The Board **may at any time terminate the engagement of the teacher on giving him/her three month's notice in writing or on paying him/her one month's salary in lieu of such notice.***

The teacher will be paid for days worked plus a 4% of salary earned from 1st of September to time of termination.

*The **teacher may at any time after the expiration of three (3) months from the commencement of his/her engagement, and while serving at the school, terminate his/her engagement on giving to the Board three (3) months' notice in writing, during the school year, or on paying to the board, one month's salary.***

*All Teachers are **required to give notice in writing, of their intent for the incoming school year by February of that calendar year.** A teacher giving notice after May is in breach [breach] of the School's Contract and Pension Policy.*

***Teachers who are between contracts are also required to give to the Board three (3) months notice in writing.** [Emphasis added]*

[13.] The Respondent's letter of 18 August 2022 to the Claimant:

I regret to inform you that the Board has decided not to offer you another contract for the new school year (2022 – 2023).

In addition, this letter serves to advise you that you will be paid two (2) week's salary in lieu of notice and two (2) week's salary for each of the two (2) years for which you served as a full-time employee at St. Paul's Methodist College.

[14.] Counsel for the Claimant contends that the language in Clause 5 of the Contract is clear as it relates to the amount of Notice which the Respondent ought to have given the Claimant that it was renewing her contract. Further that the Claimant stated at paragraph 4 of her Witness Statement that she gave the Respondent notice of intent for the incoming school as stipulated in Policy Manual. The Respondent did not dispute Claimant's assertion.

[15.] Counsel for the Respondent contends that the contract for 1 year, it had a beginning and ending date, and it was open to the Claimant to indicate to the Respondent that she request renewal. In the absence of such a request the contract came to a natural end.

[16.] Whether the employment contract was breach depends upon the interpretation of Clause 5 of the Claimant's contract of Employment and Item (p)(xi) a. of the Respondent's Policy Manual.

[17.] Generally, when a contract is ambiguous the interpretation should favor the party that did not write it. In **Single Phase Investments Ltd. (t/a Bain's Electric Company) v Adler Construction Co. Limited**, 2015/CLE/gen/01840, *Fraser, Snr. J.* at para.60 stated:

[60.] I also rely on the analysis of relevant principles on ambiguity in contracts as discussed by Bain J in **Dodge et Al v Pate and McCartney-Pedroche** - CLE/gen 1778 of 2009. There, the learned judge at paragraphs 24, 25, and 27 to 30 opined:

“24. It is a long held principle that the proper mode of construction of a contract is to take the instrument as a whole to ascertain the meaning of words and phrases from their general context and to give effect to every part of it. (Anson's Law of Contract 20th Edition).

25. In considering the rules of interpretation of the contract counsel for the First defendant submits that the *contra proferentem rule* should apply. The *contra proferentem rule* provides that an ambiguous term will be construed against the party that imposed its inclusion in the contract - interpreted against the interest of the party who imposed it.

27. Commercial contracts should be construed in light of all the background which could reasonably have been expected to have been available to the parties in order to ascertain what would objectively have been understood to be their intention. Lord Hoffman in **Monnai Investment Co. Ltd. v. Eagle Star 18 Assurance** AC 749 in discussing interpretation of the commercial contracts stated –

“The fact that the words are capable of a literal application is no obstacle to evidence which demonstrates what a reasonable person with knowledge of the background would have understood the parties to mean, even if this compels one to say that they used the wrong words. In this area, we no longer confuse the meaning of words with the question of what meaning the use of the words was intended to convey.”

[18.] The Court finds as a fact that the Clause 5 of the employment contract deals with renewal of contract. The Policy Manual, in particular Item (p)(xi)a., the terms of which are reference in Clause 3 deals with termination of agreement. It is clear from the language in Clause 3 of the employment contract that the Policy Manual was incorporated into the same and therefore forms part thereof.

[19.] The language of Clause 5 of the employment contract is clear and unambiguous. That the Respondent shall offer the Claimant a new contract of employment for the ensuing year on or before May 1, unless the Respondent gave the Claimant written notice on or before April 30 of its intention not to re-employ her. The Claimant received a letter dated 18 August, 2022 advising her that the Respondent would not be re-employing her for ensuing year.

[20.] In **Single Phase Investments Ltd**, *supra. Fraser, Snr. J.* stated at para.65 hereof:

[65.] The purpose of damages is to put the aggrieved party in the position as if the breach never occurred. This was accepted and applied by *Evans J* (as he then was) in the case of **Moss v Bahamas Reef Condominium Association**. At paragraphs 76 and 79 of that decision, the learned judge had this to say:

“Parke B in **Robinson v Harman** *supra* stated what has become the general rule at common law that: **‘where a party sustains loss by reason of a breach of contract he is, so far as money can do it, to be placed in the same position with respect to damages as if the contract had been performed’** and Alderson B opined: “where a person makes a contract and breaks it, he must pay the whole damage sustained”... [Emphasis added]

[21.] The Claimant made efforts to mitigate her losses. The Claimant stated in her Witness Statement, which is not disputed by the Respondent, that she earned the aggregate amount of \$4,725 during the period 4 January to 15 June, 2023.

Conclusion

[22.] In the all the circumstances I find that the Respondent is in breach of contract which has resulted in the Claimant suffering damages.

[23.] I make the following order:

- (a) The Respondent is liable for breach of contract for its failure to pay the Claimant funds owed in accordance with the terms of the Contract and is hereby ordered to pay to the Claimant the sum of \$17,775 being \$22,500 less \$4,725 earned by the Claimant in mitigation of her losses.
- (b) The Respondent shall pay the Claimant’s costs to be assessed by this Court if not agreed.

Dated 28 February, 2025

[Original signed and sealed]

Constance A. Delancy
Justice