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Richo's down to his final play

By PAUL KENT

SHANE Richardson will have to quit as South Sydney chief executive immediately if today's Russell Crowe-Peter Holmes a Court bid to take over the club fails.

The great general, who came in promising to turn the club around as he licked his formidable lips while declaring he loved a challenge, has been beaten down. His war is lost.

“We can go on and continue to just pay the wages on Friday, certainly with the assistance of the Juniors in the next 12 months. But after that I'm not sure we can pay our wages,” Richardson said last week.

Richardson has conceded he does not know how to ensure the long-term future of the club without the Russell-Holmes a Court bid to boost funds.

If the bid is foiled, Richardson must go as soon as possible so that South Sydney can start looking immediately for somebody who actually can do the job.

This may not be as hard as it seems.

Richardson threatened last week to quit as Souths chief executive if George Piggins regained power.

While it seemed a noble gesture, a man willing to go out on his shield, the word has been around town for months that if Henry Morris and Souths Juniors take control of the Rabbitohs, the first thing they will do is sack Richardson.

This does not say that Richardson has also heard those whispers, but the Crowe-Holmes a Court bid is his only chance of survival.

It is one small part of what has become a very confusing, at times malicious, nearly always agenda-filled, battle for a club that many now wonder if it was ever truly worth saving.

Like all of you, I am tired and worn down by the South Sydney saga.

The club is so poisoned by its factions that it is hard to tell what is real anymore.

All I will trust is the figures. The figures that smarter men than me say don't lie.

Last month, Holmes a Court was in the midst of his campaign and he appeared on Fox Sport's The Back Page program, which occasionally calls me in to fill a vacancy or prick the utopian balloon of the big bloke always sitting on the end.

My doubt about the Holmes a Court bid was how little he and Crowe were prepared to pay, \$3million for 75 per cent control.

I compared it to the Manly buyout and we argued the figures, Holmes a Court saying the \$14 million I suggested was far too high.

He agreed that while there was no argument on the \$8million Max Delmege paid for 40 per cent, he believed the other 40 per cent, bought by Scott Penn, cost significantly less.

Significantly, as in hundreds of thousands, not millions.

I went back to my source, shot him so I can never be tempted to call him again, and spoke to others with an understanding of the club's books.

Manly values its total club at about \$8-10 million, while accepting that nobody will ever actually buy it for that.

How does that work? If I knew, I wouldn't be digging under the lounge cushions for loose change, but apparently it makes sense in the financial world.

Assets such as "intellectual property", and similar riddles, are included.

A far simpler comparison is the Brisbane Broncos, the only publicly listed club in the NRL, with 100 million shares on offer.

The shares were recently selling for 18 cents, valuing the Broncos at \$18 million. A perception has been floated that the value included poker machine and other assets, but it doesn't.

The Broncos also recently reported a profit close to \$2.5million, a point as significant as any in this whole argument.

Football clubs generally run at a loss, beefed-up each year by leagues club grants.

Many leagues clubs were built specifically for this, the condition part of their charter.

But considering the privately owned Brisbane's profit, and the \$6.5million paid for 24 per cent of St George Illawarra in recent days, there is a subtle shift towards privatisation that could explain why Souths are worth much more than the \$3million.

Most clubs believe that clubs will not make regular profits until they are run as private investments, bringing a level of business expertise that would turn into blanket profits for every club -- so long as every club was privately owned.

Clubs are slowly moving this way, and if ever every club was privately owned, then the \$3million Rabbitohs would, in hindsight, prove a steal.

Part of the reason why Holmes a Court and Crowe value the Rabbitohs so low is that the club runs at a loss and stipulations to remain in inner-Sydney, stay red and green, stay the Rabbitohs and avoid approaches from cash-filled stadiums trying to woo them out of Sydney are seen as a liability on the investment.

Personally, I would have thought the red and green and the Rabbitohs and the rest would have been assets, not liabilities, but Holmes a Court has many more millions than I, so who am I to argue.

The argument comes down to dollars and sense.