

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): September 12, 2004

Marshall Edwards, Inc.

(Exact name of registrant as specified in its charter)

DELAWARE

000-50484

51-0407811

(State or other jurisdiction of
incorporation or
organization)

(Commission File Number)

(I.R.S. Employer Identification No.)

140 Wicks Road, North Ryde, NSW, 2113 Australia

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (011) 61 2 8877-6196

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 4.01. Changes in Registrant's Certifying Accountant.

On September 12, 2004, the Audit Committee of Marshall Edwards, Inc. ("the Registrant") recommended, and the Board of Directors decided to no longer engage Ernst & Young as the Registrant's independent auditor and appointed BDO as its successor independent audit firm.

Ernst & Young served as the Registrant's independent accountants to audit the Registrant's two most recent fiscal year ends. Ernst & Young's reports on the Registrant's financial statements for each of those years (fiscal years ended June 30, 2003 and 2004) did not contain an adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope, or accounting principles.

During the Registrant's two most recent fiscal years and through the date of this Form 8-K, there were no disagreements, as that term is described in Item 304(a)(1)(iv) of Regulation S-K of the Securities and Exchange Commission, between the Registrant and Ernst & Young on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Ernst & Young, would have caused Ernst & Young to make reference to the subject matter of the disagreement in connection with its report.

During the Registrant's two most recent fiscal years and through the date of this Form 8-K, there were no "reportable events," as that term is described in Item 304(a)(1)(v) of Regulation S-K, except for a material weakness in the Registrant's internal control for the year ended June 30, 2004 which was identified by Ernst & Young and disclosed in Item 9a in the Registrant's Annual Report on Form 10-K for the year ended June 30, 2004. Specifically, Ernst & Young noted that the personnel and management of Novogen Limited ("Novogen"), who perform the Registrant's accounting and financial reporting functions pursuant to a Services Agreement, are not sufficiently expert in U.S. GAAP and the requirements of the Securities and Exchange Commission (the "SEC") and the Public Company Accounting Oversight Board and that this lack of expertise represents a material weakness in the operation of the Registrant's internal control over financial reporting. Ernst & Young further noted that the Registrant's system of financial reporting was not designed to prepare financial statements in accordance with U.S. GAAP and that the Registrant's system of internal control, in particular its processes to review and analyze elements of the financial statement close process and prepare consolidated financial statements in accordance with U.S. GAAP, has not reduced to a relatively low level the risk that errors in amounts that would be material in relation to those financial statements may occur and may not be detected within a timely period by management in the normal course of business.

The Registrant has sought assurances from Novogen that it will promptly remedy the concerns raised by Ernst & Young and Novogen has presented to the Registrant a plan for addressing these concerns. Novogen's plan is designed to ensure that the preparation of the Registrant's consolidated financial statements, including the processes to review and analyze elements of the financial statement is in accordance with U.S. GAAP and that relevant information about U.S. GAAP, SEC financial reporting requirements, and the requirements of the Public Company Accounting Oversight Board is available to those persons involved in the process by which the financial statements are prepared. Specifically Novogen's plan provides for additional resources and further training of the Novogen accounting team including: (1) the employment of additional accounting staff on the Novogen accounting team which will enable

senior finance staff responsible for the preparation of U.S. GAAP financial reports to spend more time dealing with U.S. GAAP reporting issues; (2) increasing the level of attendance at targeted U.S. GAAP and SEC reporting courses by senior Novogen finance staff responsible for the preparation of U.S. GAAP financial reports and SEC disclosure; and (3) subscribing to additional information networks that provide publications and updates of SEC and U.S. GAAP releases and rule changes and of information about the requirements of the Public Company Accounting Oversight Board.

Novogen is already actively recruiting additional accounting staff and the Registrant expects that they will have completed their hiring process during the second fiscal quarter. Additionally, Novogen's senior finance staff has already committed to taking a number of training courses during the next six months, including the SEC Institute's SEC Reporting Conference and the SEC Institute's SEC Reporting Skills Workshop, and will continue to evaluate the merits of additional courses as they become available. Novogen has already begun to receive additional publications and updates of SEC, U.S. GAAP and Public Company Accounting Oversight Board requirements and will review the adequacy of this additional information within the next four months to determine whether additional resources are required.

Until the Registrant is satisfied that it has addressed its need for sufficient expertise in preparing financial statements required in its filings under the securities law the Registrant will seek to mitigate this weakness by conferring with its outside accounting advisers with respect to the technical requirements applicable to its financial statements.

The Registrant has authorized and requested Ernst & Young to respond fully to the inquiries of the BDO regarding the matters above.

The Registrant has provided Ernst & Young with a copy of the foregoing disclosures in response to Item 304(a) of Regulation S-K in conjunction with the filing of this Form 8-K. The Registrant requested that Ernst & Young deliver to the Registrant a letter addressed to the SEC stating whether Ernst & Young agrees with the statements made by the Registrant in response to Item 304(a) of Regulation S-K. Ernst & Young's letter is filed herewith as Exhibit 16.

During the Registrant's two most recent fiscal years ended June 30, 2003 and 2004, and through the date of this Form 8-K, the Registrant did not consult BDO regarding any of the matters or events set forth in Item 304(a)(2)(i) and (ii) of Regulation S-K.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits.

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|---|
| 16 | Letter to the Securities and Exchange Commission from Ernst & Young |
| 99 | Press Release dated September 16, 2004 issued by the Registrant |

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MARSHALL EDWARDS, INC.

By: /s/ David R Seaton

David R. Seaton
Chief Financial Officer
(Duly Authorized Officer and Principal
Financial Officer)

Dated: September 16, 2004

Index to Exhibits

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Sydney NSW 2001

September 16, 2004

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549

Gentlemen:

We have read Item 4.01 of Form 8-K dated September 12, 2004, of Marshall Edwards, Inc. and are in agreement with the statements contained in the second, third and fourth paragraphs on page 1 and the ninth paragraph on page 2 therein. We have no basis to agree or disagree with other statements of the registrant contained in the first, fifth, sixth, seventh, eighth and tenth paragraphs on pages 1 and 2 of the above referenced filing.

Regarding the registrant's statement concerning the lack of internal control to prepare financial statements, included in the paragraph 4 on page 1 therein, we had considered such matter in determining the nature, timing and extent of procedures performed in our audit of the registrant's 2004 financial statements.

/s/ Ernst & Young

Liability limited by the Accountants Scheme, approved
under the Professional Standards Act 1994 (NSW).

16th September 2004

MARSHALL EDWARDS, INC. APPOINTS BDO AS ITS INDEPENDENT AUDITORS

WASHINGTON, DC, September 16, 2004—Marshall Edwards, Inc., (NASDAQ: MSHL) today announced that it has appointed BDO as its independent auditors, replacing Ernst & Young. The Company appointed BDO after careful consideration and the completion of an extensive evaluation process by the Company's Board of Directors, Audit Committee and management team. "Although Ernst & Young has provided outstanding service in the past, we think this decision is in the best interests of the company and its stockholders," said David Seaton, Chief Financial Officer.

The decision to change auditors was made by the Company and approved by the Board of Directors of Marshall Edwards on September 12, 2004 following a recommendation by its Audit Committee. The decision to change auditors was not the result of any disagreement between the Company and Ernst & Young on any matters of accounting principles or practices, financial statement disclosure, or auditing scope or procedure as more fully described in the Form 8-K the Company filed with the Securities and Exchange Commission this day.

Marshall Edwards, Inc., is engaged in clinical trials of the anti-cancer drug phenoxodiol, and has the license to develop and commercialize phenoxodiol and the option to license further anti-cancer compounds from its parent company, Novogen Limited (NASDAQ: NVGN).

More information on phenoxodiol and on the Novogen group of companies can be found at www.marshalledwardsinc.com and www.novogen.com.

Statements included in this press release that are not historical in nature are "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. You should be aware that our actual results could differ materially from those contained in the forward-looking statements, which are based on management's current expectations and are subject to a number of risks and uncertainties, including, but not limited to, our failure to successfully commercialize our product candidates; costs and delays in the development and/or FDA approval, or the failure to obtain such approval, of our product candidates; uncertainties in clinical trial results; our inability to maintain or enter into, and the risks resulting from our dependence upon, collaboration or contractual arrangements necessary for the development, manufacture, commercialization, marketing, sales and distribution of any products; competitive factors; our inability to protect our patents or proprietary rights and obtain necessary rights to third party patents and intellectual property to operate our business; our inability to operate our business without infringing the patents and proprietary rights of others; general economic conditions; the failure of any products to gain market acceptance; our inability to obtain any additional required financing; technological changes; government regulation; changes in industry practice; and one-time events. We do not intend to update any of these factors or to publicly announce the results of any revisions to these forward-looking statements.