

OTC DISCLOSURE AND NEWS SERVICE
COMPANY INFORMATION AND DISCLOSURE STATEMENT

(April 15, 2012)

HANNOVER HOUSE, INC.
f/k/a TARGET DEVELOPMENT GROUP, INC.
(Pinksheets: HHSE)

WYOMING
(State of Incorporation)

91-1906973
(IRS Employer Identification No.)

1428 CHESTER STREET
SPRINGDALE, AR 72764
(Address of Principal Executive Offices)

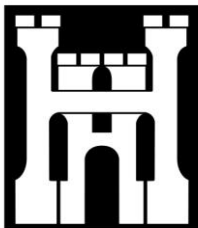
479-751-4500
(Issuer's Telephone Number)

Cusip Number 410681 101

FINANCIAL STATEMENT AND SUMMARY OF RESULTS
FOR THE 3-MONTHS ENDING

MARCH 31, 2012
(Q1)

POSTED: May 11, 2012



HANNOVER
HOUSE

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Item 1 – **The exact name of the issuer** is Hannover House, Inc., formerly known as Target Development Group, Inc. The name of our Company, also referred to the “Issuer” or “HHSE”, is HANNOVER HOUSE, INC., and until January, 2012 was formerly known as TARGET DEVELOPMENT GROUP, INC., a Wyoming Corporation (registered in Wyoming on January 29, 2009); As of April 3, 2012, the trading symbol for the Company was changed from “TDGI” to “HHSE.” The Company’s wholly-owned, operating entity, Truman Press, Inc., d/b/a “Hannover House” was incorporated in California in 1993, and re-registered into Arkansas, effective 2009. While the name of the corporation has been changed to Hannover House, Inc., effective in January, 2012 by the Wyoming Secretary of State’s office, the publicly traded entity as recorded with FINRA, the S.E.C. and the OTC Markets was not formally changed to “Hannover House, Inc.” with the “HHSE” trading symbol until Tuesday, April 3, 2012.

Item 2 – **The address of the issuer’s principal executive offices** is as follows:

Our Contact Information:

Hannover House, Inc.
f/k/a “Target Development Group, Inc.”
1428 Chester St.
Springdale, AR 72764
Tel. 479-751-4500
Fax: 479-751-4999
www.HannoverHouse.com

Contact Person:

D. Frederick Shefte, President
Hannover House, Inc.
1428 Chester St.
Springdale, AR 72764
Tel. 479-751-4500
Fax.: 479-751-4999
Fred@HannoverHouse.com

Item 3 – **The jurisdiction and date of the issuer’s incorporation under that jurisdiction** are: Wyoming (corporation), registered January 29, 2009. The Company’s wholly-owned, operating entity, Truman Press, Inc., d/b/a “Hannover House” was incorporated in California in 1993, and re-registered into Arkansas, effective 2009.

Item 4 – **Exact title and class of securities outstanding:**

The Company’s stock is traded on the OTC “Pinksheets” Markets under the trading symbol: HHSE. The Cusip number for the Company is: 410686 101. The following is true and correct, per our transfer agent, as of and at the period ending on April 6, 2012:

a.	Total shares in issue as of April 6, 2012:	476,511,945
b.	Above Shares Restricted From Sale: 130,325,186	
	<u>TOTAL SHARES IN ISSUE:</u>	476,511,945
c.	Series “A” Preferred Shares:	1,000,000

Shareholders of Record: 170 (*Standard Registrar count*)

Total Beneficial Shareholders: 332 (*Broadridge, ICS count*)

Total Authorized Shares: 700,000,000

Item 5 – **Stock Transfer Agent:**

The Transfer Agent for the Company’s stock is:

Standard Registrar & Transfer Company, Inc.

12528 South 1840 East

Draper, UT 84020

Tel. 801-571-8844 / Fax 801-571-2551

ITEM 6 Financial Statement and Summary of Results for the 3-month period ending March 31, 2012 (Q1)

MANAGEMENT SUMMARY & DISCUSSION OF RESULTS

The company posted its ninth consecutive quarter of profitable activities during the three-months ending March 31, 2012. Revenues for the quarter were \$603,635 after adjustments and hold-backs for potential product returns and bad debt. Home video and video-on-demand revenues comprised approximately 92% of all revenues for the company. Three titles released during the quarter collectively represented about 80% of all revenues (specifically: “All’s Faire In Love” at 55%, “Boggy Creek” at 18% and “Turtle: The Incredible Journey” at 7.5%).

Last year (*Q1 period ending 3-31-2011*), almost all of the revenues for the period were generated by one item, namely home video revenues from the film “Twelve” which constituted approximately 95% of the gross revenues from that quarter, which totaled \$1,412,832. Despite the higher gross revenue number posted in the same quarter last year, the Net Income for 2012 was higher than last years, specifically, \$394,412 for 2012 compared against \$353,516 for 2011. Factors that contributed to the increase in Net Income margin include the elimination of sales and marketing fees from 20th Century Fox Home Entertainment (the distribution partner for last year’s home video release of “Twelve”), and a greater concentration of sales for higher-margin “direct-to-video” or limited theatrical release items.

COMPARISON – Q1 2012 VS Q1 2011

	3-Months Ending March 31, 2011	3-Months Ending March 31, 2012	Difference	Percentage
Gross Revenues	\$1,412,832	\$603,635	(\$809,197)	(57.2%)
Net Income	\$353,516	\$394,410	\$40,894+	11.5%+
Net Income To Sales Percentage	25.01%:	65.33%	40.32%+	

Titles released by Hannover House during the first quarter of 2012 included: “Boggy Creek”, “All’s Faire in Love” and “Cook County” (although, most of the revenues for the home video release of “Cook County” were invoiced in April, and will appear on the Q2 summary). Ongoing catalog sales of “Turtle: The Incredible Journey” also contributed to the company’s revenues.

LOOKING AHEAD TO Q2 AND 2012: Following the successful releasing schedule formula as demonstrated during Q1, the company will continue to release titles each month to the domestic home video and video-on-demand markets during Q2, and the remainder of this calendar year. The company will also pursue carefully targeted and implemented theatrical release campaigns for titles (including “Toys in the Attic” and “The Weather Station”), as well as ongoing activities for printed books and electronic E-Book releases.

HANNOVER HOUSE, INC.

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE 3-MONTHS ENDING MARCH 31, 2012 (UNAUDITED AND UNREVIEWED)

REVENUES	
Product Sales	\$603,635
TOTAL REVENUES	603,635
COST OF SALES	
Commissions	0
Sales and Marketing	3,223
Production	11,293
Freight	1,623
Other Expense, Accrued third party participation	<u>66,544</u>
TOTAL COST OF SALES	<u>\$82,683</u>
GROSS PROFIT	\$520,952
GENERAL AND ADMINISTRATIVE EXPENSES	<u>\$126,542</u>
INCOME (LOSS) FROM OPERATIONS	\$394,410
OTHER INCOME (EXPENSE)	<u>\$0</u>
INCOME OR LOSS BEFORE INCOME TAXES	\$394,410
PROVISION FOR INCOME TAXES	<u> </u>
NET INCOME OR LOSS	\$394,410
RETAINED EARNINGS, BEGINNING OF PERIOD	<u>\$2,146,572</u>
RETAINED EARNINGS, END OF PERIOD	<u><u>\$2,540,982</u></u>

HANNOVER HOUSE, INC.
CONSOLIDATED BALANCE SHEET
(MARCH 31, 2012)
(UNAUDITED AND UNREVIEWED)

ASSETS

CURRENT ASSETS

Cash (see "a")	\$	27,368
Accounts Receivable, Net (see "b")		1,042,729
Ppd wages ("c")		0
Merchandise Inventory (See "d")		115,982
Prepaid Advertising		765,000
Prepaid Producer Royalties		1,567,240
Producer Recoupment		2,236,215
Film Distribution Rights		2,045,000
Film Production Investments		182,672
Notes Receivable and Net Recoupment		<u>0</u>
Total Current Assets		<u>7,982,206</u>

PROPERTY AND EQUIPMENT

Office Furniture, Fixtures and Equipment		172,230
Less Accumulated depreciation		(\$34,356)
Vehicles		22,500
Less Accumulated depreciation		(5,000)
Real Property, Contract for Sale (See "f")		<u>150,000</u>
Total Property and Equipment		<u>305,374</u>

OTHER ASSETS

Film and Television program library ("e" and "g")		<u>22,315,337</u>
Total Other Assets	\$	<u>22,315,337</u>

30,602,917

HANNOVER HOUSE, INC.
CONSOLIDATED BALANCE SHEET
(MARCH 31, 2012)
(UNAUDITED AND UNREVIEWED)

LIABILITIES & STOCKHOLDER'S EQUITY

CURRENT LIABILITIES	
Accounts Payable	\$ 242,542
Accrued Royalties	65,316
Producer Acquisition Advances Due	449,875
Accrued Wages	5,000
Payroll Taxes Payable	0
NBCal AFIL P and A Loan (3-31-12)	407,393
Hounddog P and A Payable (Weinreb)	776,920
Bank Note	<u>21,699</u>
Total Current Liabilities	<u>1,968,745</u>
LONG-TERM LIABILITIES	
Long Term Payables see footnote "h"	988,664
Real Property Contract for Purchase Executive Salary	50,000
Deferrals	816,678
Officers Notes Payable	<u>99,364</u>
Total Long-Term Liabilities	<u>1,954,706</u>
	<u><u>3,923,451</u></u>
SHAREHOLDERS' EQUITY	
Common Stock (476,511,945 shares issued and outstanding)	24,138,484
Retained Earnings	<u>2,540,982</u>
Total Shareholders' Equity	26,679,466
	30,602,917

CASH FLOWS – MAR. 31, 2012 (UNAUDITED AND UNREVIEWED)

CASHFLOWS FROM OPERATING ACTIVITIES

Net Income	\$	394,419
Adjustments to reconcile net income to net cash provided fo (used for) operating activities		

(Increase) Decrease in

Accounts Receivable	\$	(356,956)
Prepaid wages	\$	-
Inventory	\$	(388)
Producer Recoupment	\$	(18,153)
Prepaid Producer Royalties	\$	(39,840)
Prepaid Advertising	\$	-
Production Investments	\$	(33,644)

Increase (Decrease) in

Accounts Payable	\$	20,720
Accrued Royalties	\$	(15,000)
Producer Acquisition		
Advances	\$	(49,822)
Accrued Wages	\$	-
Payroll Taxes due	\$	-
Hounddog P & A Payable (Weinreb)	\$	11,482
Bank Note	\$	321
Long Term Payables	\$	-
Real Property Loan	\$	-
NBCal Loan	\$	407,393
Executive Salary Deferral	\$	55,094
Officer Notes Payable	\$	-

Cash Flows From Financing Activities

Debt Conversion Transaction	\$	108,338
Increase (Decrease) In Cash	\$	21,004
Cash, Beginning of Period	\$	6,364
Cash, End of Period	\$	27,368

Footnote 1. Does not include recoupable disbursements for cost of goods sold (i.e. replication, printing, advertising) pending audit advice of auditors.

HANNOVER HOUSE, INC.

GENERAL AND ADMINISTRATIVE EXPENSES FOR THE 3-MONTH PERIOD ENDING MARCH 31, 2012 (UNAUDITED AND UNREVIEWED)

GENERAL AND ADMINISTRATIVE EXPENSES

Auto	\$	242
Bank Charges		977
Consulting		9,600
Employees		58,694
Entertainment		
Equipment		584
Fees		
Insurance		
Labor		
Legal and Accounting		11,500
Miscellaneous		10,765
Office		5,606
Rent		10,604
Taxes		5,408
Telephone		987
Travel		10,930
Utilities		<u>887</u>
Total general and administrative expenses	\$	<u>126,542</u>

ITEM 1 Statement of Changes in Stockholder’s Equity for the period ending 3/31/2012, as required for full reporting compliance under “Section One / Item 12” of the OTC Markets Guidelines for Providing Adequate Current Information.

In compliance with Item 12 under the OTC Markets “Guidelines for Providing Adequate Current Information,” the Company hereby provides the location where the specific items required below can be located within current or prior filings, as well as a disclosure of the item number four (4) below regarding a statement of changes in stockholder’s equity.

OTC Markets Required Disclosures:

- 1). balance sheet; *See pages 5 & 6 of this filing*
- 2). statement of income; *See page 4 of this filing*;
- 3). statement of cash flows; *See page 7 of this filing*;
- 4). statement of changes in stockholder’s equity; *See below*
- 5). financial notes; *See pages 3 & 10 of this filing*;
- 6). audit letter, if audited; *(not applicable at this time)*

Item 4 – Change in Share Structure During Reporting Period

item	Share Structure Description	3/31/2012	9/30/2011	Change During Quarter
	Unrestricted Common Stock	346,186,759	346,186,759	0
	Restricted Common Stock	130,325,186	130,325,186	0
	COMMON STOCK ISSUED	476,511,945	476,511,945	0
	COMMON STOCK AUTHORIZED	700,000,000	700,000,000	0
	Preferred Shares Issued	1,000,000	1,000,000	0
	Preferred Shares Authorized	10,000,000	10,000,000	0
	Total Beneficial Owners <i>(per Broadridge)</i>	332	332	0
	Total Shareholders of Record <i>(per Standard Registrar)</i>	170	170	0

FOOTNOTES TO BALANCE SHEET – MAR. 31, 2012

Footnote “a” – Change in Cash – Company has excluded from this entry the remaining balance available on the Nation Bank of California Credit Line as of 3-31-12, and has elected to report only bank account cash balances.

Footnote “b” – Accounts Receivable – Company has written off or otherwise reserved from this line entry \$200,000 in aged accounts receivable, under advisement, due to concerns regarding the collectability of same. Write-downs have occurred for balances from Anderson Merchandisers, Allumination Filmworks / Ardistry, Baker & Taylor Books, Ingram entertainment and NBN Books. Company had previously written off additional amounts from Allumination Filmworks / Ardistry as no longer being likely for collection.

Footnote “c” – Prepaid Wages – Company has removed from the balance sheet funds previously paid to (or for the benefit of) two warehouse employees that are no longer employed by the Company. These amounts will be reclassified as loans, but kept off the balance sheet until such time that they are repaid or written off.

Footnote “d” – Inventory – During the prior reporting period, Company sold of excess overstock inventory (and inventory of discontinued items) in order to adjust on-hand quantities to three-to-six month levels.

Footnote “e” – Producer Recoupment – Company had previously taken a voluntary write-down of \$300.00 with respect to the film “Off the Lip” which does not appear likely to ever recoup its full theatrical prints & ads commitment from 2005. This write-down of Producer Recoupment debts brings this title into conformity with the minimal sales forecasts for the title as anticipated and specified in the Company’s Library Valuation.

Footnote “f” – Real Property – Company’s ability to fully acquire the Westfork warehouse and acreage is still subject to the settlement of the Probate Estate of the prior manager of the special purpose, llc that owns the property. Company has made an agreement with the mortgage note holder for the purchase of this off-premises warehouse and land, subject to clearance of the probate matter.

Footnote “g” – Film Library – Company has removed from the Library Valuation four titles that were discontinued during 2011. However, the Company has not added back into the Library report any valuation estimates from twelve new titles acquired during 2011 or during the first quarter of 2012, which could add significantly to this asset item. During 2011, Company deferred the release of catalog titles onto Blu-Ray, as well as Video-On –Demand promotions (except for key theatrical titles) and DVD catalog promotions for various competitive and market conditions. Company also deferred the release of six new release books and ten “e-book” editions that were previously anticipated for 2011, but withheld. With respect to the holdback for Blu-Ray releases from the Library, the Company determined that greater sales were likely if initial release were delayed, due to retailer reallocation of shelf space. With respect to Video-On-Demand for Library titles, the Company determined that the major VOD portals in 2011 were focused almost solely on current theatrical titles, and were generally not providing portal space for secondary / independent titles. Accordingly, Company elected to delay the release of catalog VOD items in order to better maximize revenues through a newly formed, in-house Video-On-Demand venture, www.VODwiz.com, that will be launched during 2012. With respect to DVD catalog sales, the Company has launched a new product line of genre-specific multipacks, commencing in June of 2012. Regarding printed books and e-book editions, the Company delayed the release of published properties during 2011 in order to preserve the initial release status of the items until after the expiration of a Sales Agency relationship with NBN Books, that the Company felt was not beneficial.

Footnote “h” – Long Term Payables- This line item includes the principal and interest (\$330,000) due to Fantastic Films regarding the film “Thru The Moebius Strip.” As of the date of this filing, the balance to FFI has been reduced by approximately \$64,300.

ITEM 7 Certifications

I, ERIC F. PARKINSON, hereby certify that;

- (1) I have reviewed the Financial Statement and Summary of Results for the 3-Month Period ending March 31, 2012 and posted to the OTC Markets and via Globenewswire as of Friday, May 11, 2012 on behalf of Hannover House, Inc.
- (2) Based on my knowledge, this Disclosure Statement of the Financial Results does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Disclosure Statement;
- (3) Based on my knowledge, the financial information included or incorporated by reference in this Disclosure Statement, fairly present in all material respects the financial condition, results of operations, and cash flows of the Issuer as of, and for, the periods presented in this Disclosure Statement.

Dated: 11 May 2012

/s/ _____
By: Eric F. Parkinson
Title: Chairman and Chief Executive Officer