

OTC DISCLOSURE AND NEWS SERVICE

COMPANY INFORMATION AND DISCLOSURE STATEMENT

(June 30, 2012)

HANNOVER HOUSE, INC.

(Pinksheets: HHSE)

WYOMING
(State of Incorporation)

91-1906973
(IRS Employer Identification No.)

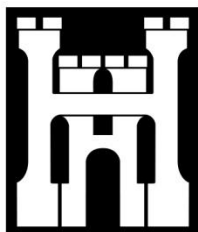
1428 CHESTER STREET
SPRINGDALE, AR 72764
(Address of Principal Executive Offices)

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

Cusip Number 410681 101

INFORMATION & REVIEW STATEMENT
SUMMARY OF FINANCIAL RESULTS – 12/31/2011

POSTED: June 30, 2012



HANNOVER
HOUSE

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FORWARD-LOOKING STATEMENTS

This disclosure statement contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases you can identify forward-looking statements by terms such as “may”, “intend”, “will”, “could”, “would”, “expects”, “believe”, “estimate”, or the negative of these terms, and similar expressions intended to identify forward-looking statements.

These forward-looking statements reflect our current views with respect to future events and are based on assumptions and are subject to risks and uncertainties. Also, these forward-looking statements present our estimates and assumptions only as of the date of this disclosure statement. Except for our ongoing obligation to disclose material information as required by federal securities laws, we do not intend to update you concerning any future revisions to any forward-looking statements to reflect events or circumstances occurring after the date of this disclosure statement.

Actual results in the future could differ materially and adversely from those described in the forward-looking statements as a result of various important factors, including the substantial investment of capital required to produce and market films and television series, increased costs for producing and marketing feature films, budget overruns, limitations imposed by our credit facilities, unpredictability of the commercial success of our motion pictures and television programming, the cost of defending our intellectual property, difficulties in integrating acquired businesses, and technological changes and other trends affecting the entertainment industry.

**ITEM I INFORMATION STATEMENT Regarding Corporate Compliance and
EDGAR Filings of Financials.**

a). AUDITS FOR YEARS ENDING 12/31/2010 AND 12/31/2011 – As previously disclosed, the Company’s plan to apply for uplisting (from Pinksheets) requires the filing of the two most recent years of financial audits to the SEC EDGAR database. In order to comply with the extensive list of supporting documentation, records, sales histories and reports as requested by Hogan-Taylor, LLP, the Company engaged a full time Audit Manager and the services of two outside CPA’s to review the financials and supporting back-up materials. The Balance Sheet and Statement of Income and Retained Earnings for the year ending 12-31-2011 have been reviewed and adjusted to conform with the supporting records and Generally Accepted Accounting Principles, and are contained hereunder. Company has engaged Hogan-Taylor, LLP as the auditors for the years ending 12-31-2010 and 12-31-2011 in compliance with requirements for uplist eligibility. When properly formatted and conformed, and when approved for release, the audit reports will be posted to the EDGAR Database through MacReport Media. With respect to the preparation of corporate tax returns, the Company has engaged Lisa Higgins, CPA.

b). ENGAGEMENT OF MACREPORT MEDIA FOR EDGAR FILINGS – Due to the specialized requirements for formatting, disclosure and filing procedures, the Company has engaged MacReport Media for the formal submission and release of all financial disclosures, audit reports and EDGAR filings. This engagement for filing and release will cover the current two-years of audits (Y/E 12-31-2010 and Y/E 12-31-2011) along with the additional, quarterly filings as described below:

HHSE - EDGAR Filings List

| P/E | Description | Filing Format |
|------------|--------------------|-----------------------|
| 12/31/2010 | Annual Report 2010 | <i>AUDITED</i> |
| 3/31/2011 | Q1 Report – 2011 | Unaudited |
| 3/31/2011 | Q2 Report – 2011 | Unaudited |
| 6/30/2011 | Q3 Report – 2011 | Unaudited |
| 12/31/2011 | Annual Report 2011 | <i>AUDITED</i> |
| 3/31/2012 | Q1 Report – 2012 | Unaudited |

The financial filings to EDGAR will support the Company’s application for uplist, and will assist with the Company’s goal of DWAC / Electronic transfer approval from the D.T.C.C. Shareholders are requested to wait for the public posting of financials to the EDGAR database, rather than directly contacting Hannover House, Hogan-Taylor or MacReport Media.

HANNOVER HOUSE, INC.

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 2011

(REVIEWED FILING)

Assets

| | 12/31/2011 Filing | Review Adjustment | Review Footnote |
|--|----------------------|----------------------|--------------------|
| CURRENT ASSETS | | | |
| Cash -- (see note "a") | 6,364 | 6,364 | |
| Accounts Receivable, Net -- (see note "b") | 685,763 | 1,035,538 | 1 |
| Prepaid wages -- (see note "c") | 0 | 0 | |
| Merchandise Inventory -- (see note "d") | 115,600 | 140,700 | 2 |
| Prepaid Advertising | 765,000 | 0 | 3 |
| Prepaid Producer Royalties | 1,527,400 | 1,527,400 | |
| Producer Recoupment -- (see note "e") | 2,809,097 | 2,869,097 | 4 |
| Film Distribution Rights | 2,045,000 | 2,545,000 | 5 |
| Film Production Investments | 149,028 | 181,864 | 6 |
| Notes Receivable and Net Recoupment | <u>0</u> | <u>0</u> | |
| Total Current Assets | <u>8,103,252</u> | <u>8,305,963</u> | |
| PROPERTY AND EQUIPMENT | | | |
| Office Furniture, Fixtures and Equipment | 172,230 | 149,030 | 7 |
| Less Accumulated depreciation | (\$34,356) | (\$34,356) | 8 |
| Vehicles | 22,500 | 22,500 | |
| Less Accumulated depreciation | (5,000) | (5,000) | |
| Real Property, Contract for Sale -- (see note "f") | <u>150,000</u> | <u>95,000</u> | 9 |
| Total Property and Equipment | <u>305,374</u> | <u>227,174</u> | |
| OTHER ASSETS | | | |
| Film and Television program library -- (note "g") | <u>22,315,337</u> | <u>22,315,337</u> | 10 |
| Total Other Assets | <u>22,315,337</u> | <u>22,315,337</u> | |
| | 30,723,963 | 30,848,474 | |

HANNOVER HOUSE, INC.

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 2011

(REVIEWED FILING)

Liability & Stockholder's Equity

| | 12/31/2011 Filing | Review Adjustment | Review Footnote |
|---|----------------------|----------------------|--------------------|
| CURRENT LIABILITIES | | | |
| Accounts Payable | 221,822 | 227,625 | 11 |
| Accrued Royalties | 80,316 | 80,316 | |
| Producer Acquisition Advances Due | 499,697 | 609,500 | 12 |
| Accrued Wages | 5,000 | 0 | 13 |
| Payroll Taxes Payable | 0 | 0 | |
| Hounddog P and A Payable (Weinreb) | 765,438 | 765,438 | |
| Bank Note | 21,378 | 21,378 | |
| Total Current Liabilities | 1,593,651 | 1,704,257 | |
| LONG-TERM LIABILITIES | | | |
| Long Term Payables -- (see note "h") | 864,462 | 864,462 | |
| Real Property Contract for Purchase | 50,000 | 48,500 | 14 |
| Executive Salary Deferrals | 761,584 | 761,584 | 15 |
| Officers Notes Payable | 99,364 | 99,364 | |
| Total Long-Term Liabilities | 1,775,410 | 1,773,910 | |
| | 3,369,061 | 3,478,167 | |
| SHAREHOLDERS' EQUITY | | | |
| Common Stock (477,995,139 shares issued) | 25,208,330 | 25,204,177 | |
| Retained Earnings | 2,146,572 | 2,166,130 | 16 |
| Total Shareholders' Equity | 27,354,902 | 27,370,307 | |
| | 30,723,963 | 30,848,474 | |

HANNOVER HOUSE, INC.

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE TWELVE MONTHS ENDING 12-31-2011 (REVIEWED FILING)

| | 12/31/2011 Filing | Review Adjustment | Review Footnote |
|---|-----------------------------|-----------------------------|--------------------|
| REVENUES | | | |
| Product Sales | \$4,319,087 | \$4,668,862 | 17 |
| TOTAL REVENUES | 4,319,087 | 4,668,862 | |
| COST OF SALES | | | |
| Commissions | 486,907 | 486,907 | |
| Sales and Marketing | 556,858 | 556,858 | |
| Production | 851,467 | 884,303 | 18 |
| Freight | 27,054 | 27,054 | |
| Other Expense, 3rd party participations | <u>240,221</u> | <u>317,602</u> | 19 |
| TOTAL COST OF SALES | <u>\$2,162,507</u> | <u>\$2,272,724</u> | |
| GROSS PROFIT | \$2,156,580 | \$2,396,138 | |
| OFFICER SALARY DEFERRALS | \$ - | \$280,000 | 20 |
| GENERAL AND ADMIN. EXPENSES | <u>\$755,896</u> | <u>\$695,896</u> | 21 |
| INCOME (LOSS) FROM OPERATIONS | \$1,400,684 | \$1,420,242 | |
| OTHER INCOME (EXPENSE) | <u>\$0</u> | <u>\$0</u> | |
| INCOME OR LOSS BEFORE INCOME TAXES | \$1,400,684 | \$1,420,242 | |
| PROVISION FOR INCOME TAXES | <u> </u> | <u> </u> | |
| NET INCOME OR LOSS | \$1,400,684 | \$1,420,242 | |
| RETAINED EARNINGS, BEGINNING OF PERIOD | <u>\$745,888</u> | <u>\$745,888</u> | |
| RETAINED EARNINGS, END OF PERIOD | <u><u>\$2,146,572</u></u> | <u><u>\$2,166,130</u></u> | |

MANAGEMENT FOOTNOTES TO BALANCE SHEET – Dec. 31, 2011

Footnote “a” – Change in Cash – Company has excluded from this entry the remaining balance available on the National Bank of California Credit Line as of 12-31-11, 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 another \$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 / Ardustry, Baker & Taylor Books, Ingram Entertainment and NBN Books. Company had previously written off additional amounts from Allumination Filmworks / Ardustry 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 – Company sold off 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 has taken a voluntary write-down of \$300,000 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 defacto ownership and payments until such time that the probate matter is settled.

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 for the twelve new titles acquired during 2011, 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 of \$250,000 due to investors that provided a portion of the theatrical P&A funding for “Twelve” during 2010. This line item also includes the principal and interest (\$330,000) due to Fantastic Films regarding the dispute over non-delivery of suitable release materials for “Thru The Moebius Strip.”

REVIEW FOOTNOTES TO BALANCE SHEET – Dec. 31, 2011

Footnote “1” – Accounts Receivable – Company erroneously excluded Video-On-Demand contract receivables from the previous filing, including \$212,500 and \$28,000 (*for “All’s Faire In Love”*) and \$68,637.50 (*for “Turtle”*). This line item has been adjusted upward by \$349,775.

Footnote “2” – Merchandise Inventory – Company erroneously excluded from inventory a value for 251 feature film prints (*for six, separate titles*). The original cost-of-goods expenditure for these prints was over \$300,000; however, for the purposes of valuing the reasonable resale value of used 35mm prints, a figure of \$100 each has been added to the line item valuation for inventory (*an adjustment of \$25,100*).

Footnote “3” – Prepaid Advertising – Company has a contract for prepaid advertising credits with T-3 Media dating from December, 2005. While the successor company to T-3 Media (*Carlyle Marketing Group*) has recently honored a portion of this ad credit balance to Hannover House (*providing \$80,000 in radio support for “All’s Faire in Love”*), the value of the remaining prepaid advertising balance should be reserved until written acceptance from Carlyle is received acknowledging their obligation to honor the remaining credits. This line item has been adjusted downward by \$765,000.

Footnote “4” – Producer Recoupment – These sums refer to monies due back to Hannover House in the form of unrecouped marketing, manufacturing, advertising and other costs expended by the Company, but otherwise recoupable from sales revenues. No adjustment has been made to these amounts, although it is recommended that this line item be reevaluated after Y/E 2012, so that catalog sales can be compared on a per-title basis for clearer determination of ultimate recoupment.

Footnote “5” – Film Distribution Rights – Company erroneously excluded from capitalization of Film Distribution Rights the initial \$500,000 payment paid to Gaumont (*during the Sundance Film Festival, 2010*), as this initial deposit was paid directly from a third party funding source. This line item has been adjusted upward by \$500,000.

Footnote “6” – Film Production Investments – Company erroneously excluded \$32,836 in production expenses for “Toys in the Attic.” This line item has been adjusted upward by this amount.

Footnote “7” – Office Furniture, Fixtures & Equipment – This figure includes capitalized values for 35mm motion picture equipment that has declined in resale value in recent years due to the emergence of HD Digital Cinematography formats. The reasonable value of the 35mm production equipment should be adjusted to current market resale rates. Accordingly, this line item has been adjusted downward by \$23,200.

Footnote “8” – Depreciation – This figure does not require adjustment, despite the lowering of resale values for a portion of the film production equipment.

Footnote “9” – Real Property – Company’s estimated value of the West Fork property (4.5-acres plus warehouse), may be optimistic in the current real estate marketplace of N.W. Arkansas. This valuation has been reduced by \$55,000 to better conform to current listings for comparable properties.

Footnote “10” – Film Library – Company properly removed from the Library Valuation those titles which have since been discontinued from sale. However, Company did not add in any amounts for the twenty-four titles acquired in late 2010 and titles acquired throughout 2011. No adjustment has been made, as the ultimate sales revenues to be realistically derived from these newly acquired titles will require a third-party valuation review. The existing film library report was analyzed by three, separate valuation experts, with the final report and opinion written by Tom Szwak, a film distribution veteran and former senior executive at Blockbuster Stores, Inc. If the

Company intends to utilize the Film Library as a collateral component in future financings, it is likely that most traditional lending institutions will require that the Valuation Report be prepared by a specialty firm, such as Houlihan-Lokey or the Salter Group. Another factor impacting the film library's value as a collateral component is a frequent contractual requirement imposed by many of the program suppliers that specifies Eric Parkinson as a "key man" condition precedent to the license agreement. Company asserts that current and upcoming acquisition negotiations will seek to minimize or eliminate "key man" provisions requested by licensors as a condition to assigning rights to Hannover House, in order that the future value of the film library will be less reliant upon the continued employment of any specific individuals.

Footnote "11" – Accounts Payable – This line item was underreported by \$5,803 and has been adjusted.

Footnote "12" – Producer Acquisition Advances Due – This line item erroneously underreported the license-fee balance due for the film "Twelve" and excluded sums due for "Racing Dreams", "Toys in the Attic." This line item expense has been adjusted upwards by \$109,803.

Footnote "13" – Accrued Wages – This line item has been corrected to \$0.

Footnote "14" – Real Property Contract for Purchase – Company neglected to apply payments made during 2011 against the balance of this note. This amount has been reduced by \$1,500.

Footnote "15" – Executive Salary Deferrals – Company properly tracked salaries due to Parkinson and Shefte that were deferred. However, as Company has otherwise calculated income on an accrual basis, the amounts of the deferrals due to these officers that was earned during 2011, will need to be applied against the income statement for 2011 to more accurately reflect the operating profits. An adjustment / expense notation of \$280,000 (*i.e.*, \$140,000 of deferred salary each to Parkinson and Shefte), will be noted on the Income Statement.

Footnote "16" – Retained Earnings – This item has been adjusted to reflect the balance in the adjusted Statement of Income and Retained Earnings.

Footnote "17" – Revenues, Product Sales – This item has been adjusted upwards by \$349,775 to include previously unreported contract sales for Video-On-Demand placements. See also Review Footnote "1".

Footnote "18" – Production Cost – This category primarily refers to manufacturing costs relating to the physical replication of DVD and Blu-Ray products. However, Company is also including in this expense category certain film and video production expenses, including mastering and authoring. This expense has been increased by \$32,836.

Footnote "19" – Other Expenses, Third Party Participations – This category previously excluded revenue participation amounts due to Seaworld Pictures and the Turtle feature licensor, and has been adjusted by \$77,381.

Footnote "20" – Officer Salary Deferrals – See also footnote "15" above. Company neglected to expense the amounts being accrued (*but not paid*) for Officer Salaries of Eric Parkinson and Fred Shefte. This category has been added to the Income Statement and adjusted by \$280,000.

Footnote "21" – General and Administrative Expenses – Company neglected to allocate a \$5,000 monthly publicity overhead allowance of against current release products, resulting in a reduction of overhead and an increase in Producer recoupment balances. This line item has been adjusted downward by \$60,000.

ITEM 7 Certifications

I, ERIC F. PARKINSON, hereby certify that;

- (1) I have reviewed the Information & Review Statement covering the Financial Results of the Year Ending 12-31-2011 on behalf of Hannover House, Inc., formerly known as Target Development Group, Inc. and its operating subsidiary, Hannover House;
- (2) Based on my knowledge, this Information & Review Statement and summary of the Company's 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: 30 June 2012

/s/_____

By: Eric F. Parkinson

Title: Chairman and Chief Executive Officer