

Target Development Group, Inc.
(Consolidated with Truman Press, Inc., "Hannover House")

CONSOLIDATED BALANCE SHEET
Year Ending 12-31-2009

ASSETS

CURRENT ASSETS

Cash (or Cash Equivalents)	111,684
Accounts Receivable - NET *	391,556
Production Services Contracts Receivable **	0
Prepaid wages	6,750
Merchandise Inventory (at C.O.G.)	340,648
Prepaid Advertising	1,045,000
Prepaid Producer Royalties	713,450
Producer Recoupment	586,582

Total Current Assets 3,195,670

PROPERTY AND EQUIPMENT

Office Furniture, Fixtures and Motion Picture Equipment	171,170
Less Accumulated depreciation	(\$34,356)
Vehicles	22,500
Less Accumulated depreciation	(5,000)

Total Property and Equipment 154,314

OTHER ASSETS

Film and Television program library	22,315,337
Legal Settlements & Judgments	1,010,000

Total Other Assets 23,325,337

TOTAL ASSETS \$26,675,321

Liabilities and Stockholders' Equity

CURRENT LIABILITIES	
Accounts Payable	70,465
Accrued Royalties	96,150
Producer Acquisition Advances Due	30,000
Accrued Wages	27,418
Payroll Taxes Payable	4,125
Hounddog P&A Payable	713,974
Bank Note	17,544
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Total Current Liabilities	959,676
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LONG-TERM LIABILITIES	
Long Term Payables	1,194,735
Executive Salary Deferrals	607,972
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Total Long-Term Liabilities	1,802,707
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	2,762,383
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SHAREHOLDERS' EQUITY	
Common Stock (301,870,610 shares issued and outstanding) ***	23,202,784
Retained Earnings	710,154
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Total Shareholders' Equity	23,912,938
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TOTAL EQUITY PLUS LIABILITIES	26,675,321

FOOTNOTES

* *ACCOUNTS RECEIVABLE* -- Management has elected to hold back or reserve approximately \$1,165,011 in accounts receivable and / or contracts receivable from Anderson Merchandisers, Allumination FilmWorks (aka "Peace Arch Entertainment), Gravitas Ventures and Starlight Home Video due to collection issues or disputes still pending resolution.

** *PRODUCTION SERVICES CONTRACTS RECEIVABLE* -- Management has elected to hold back or reserve \$500,000 in net fees due under contract with Sacred Planet, Inc. regarding production fees due in 2010, as a contingency against scheduling or other delays.

*** *SHARES ISSUED* -- The year-end share count of 301,870,610 does not include shares allocated, but not yet issued, to Hannover House principals, totalling 159,336,082 shares.

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CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

Year Ending 12-31-2009

REVENUES	
Product Sales	\$935,382
TOTAL REVENUES	935,382
COST OF SALES	
Commissions	14,959
Sales and Marketing	48,274
Production	196,862
Freight	19,514
Other Expense	31,184
TOTAL COST OF SALES	<u>\$310,793</u>
GROSS PROFIT	\$624,589
GENERAL AND ADMINISTRATIVE EXPENSES	<u>\$429,870</u>
INCOME (LOSS) FROM OPERATIONS	\$194,719
OTHER INCOME (EXPENSE)	<u>\$291,000</u>
INCOME OR LOSS BEFORE INCOME TAXES	\$485,719
PROVISION FOR INCOME TAXES	<u> </u>
NET INCOME OR LOSS	\$485,719
RETAINED EARNINGS, BEGINNING OF YEAR	<u>\$224,435</u>
RETAINED EARNINGS, END OF YEAR	<u><u>\$710,154</u></u>

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 (UNAUDITED)

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net Income	\$ 485,719
Adjustments to reconcile net income to net cash provided by (used for) operating activities:	
Depreciation	0
(Increase) Decrease in:	
Accounts receivable, trade	(397,761)
Contract receivable	0
Inventory	(7,691)
Producer Recoupment	
Prepaid advertising	0
Settlement	0
Increase (decrease) in:	
Accounts payable	6,884
Accrued interest payable	
Accrued payables	
Accrued royalties	(24,485)
Net cash provided (used for) operating activities	<u>62,666</u>
CASHFLOWS FROM INVESTING ACTIVITIES:	
Note receivable	
Investment in films and television programs	
Acquisition of property and equipment	
Net cash (used for) investing activities	<u>0</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Issuance of shares of common stock	
Notes payable	
Net cash provided by (used for) financing activities	
INCREASE (DECREASE) IN CASH	106,555
CASH, BEGINNING OF YEAR	<u>5,129</u>
CASH, END OF YEAR	<u>\$ 111,684</u>

Y/E 2010 -- GENERAL AND ADMINISTRATIVE EXPENSES

Bank Charges	\$	3,024
Credit Card		26,703
Employees		170,935
Entertainment		5
Equipment		8,736
Fees		0
Insurance		0
Labor		69,368
Legal and Accounting		19,295
Miscellaneous		63,908
Office		4,479
Rent		23,750
Taxes		18,581
Telephone		4,507
Travel		10,650
Utilities		<u>5,929</u>
Total general and administrative expenses	\$	<u><u>429,870</u></u>