VOYAGER ENTERTAINMENT INTERNATIONAL INC
Form 10KSB
April 17, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 10-KSB

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: December 31, 2006

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________ to _________

Commission file number: 00-333151

VOYAGER ENTERTAINMENT INTERNATIONAL, INC.
(Name of Small Business Issuer in Its Charter)

Nevada	45-042009
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

4483 West Reno Avenue Las Vegas, Nevada	89118
(Address of Principal Executive Offices)	(Zip Code)

Issuer's Telephone Number, Including Area Code: (702) 221-8070

Securities registered under Section 12(b) of the Act: None

Securities registered under Section 12(g) of the Act: Common Stock, $.001 par value
(Title of Class)

Check whether the issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes [X] No [ ]

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. [ ]

Indicate by check mark whether the registrant is a shell company as defined by rule 12b-2 of the Exchange Act. [ ]

State issuer's revenues for its most recent fiscal year: $0.00

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, a specified date within the past 60 days: As of March 31, 2007, the aggregate market value of shares held by non-affiliates (based on the close price on that date of $0.18 was approximately $10,051,722.

State the number of shares outstanding of each of the issuer's classes of equity, as of the last practicable date: 114,842,905 shares as of common stock, and 1,000,000 shares of Preferred Series B stock as confirmed by the Company's transfer agent on March 30, 2007.

Transitional Small Business Disclosure Format (check one): Yes No X

VOYAGER ENTERTAINMENT INTERNATIONAL, INC.
(A DEVELOPMENT STAGE COMPANY)
FOR THE FISCAL YEAR ENDED
December 31, 2006

This Form 10-KSB contains forward-looking statements within the meaning of the federal securities laws. These forward-looking statements are necessarily based on certain assumptions and are subject to significant risks and uncertainties. These forward-looking statements are based on management's expectations as of the date hereof, and the Company does not undertake any responsibility to update any of these statements in the future. Actual future performance and results could differ from that contained in or suggested by these forward-looking statements as a result of factors set forth in this Form 10-KSB (including those sections hereof incorporated by reference from other filings with the Securities and Exchange Commission), in particular as set forth in the "Plan of Operation" under Item 6.

In this filing references to "Company," "we," "our," and/or "us," refers to Voyager Entertainment International, Inc.

PART I

ITEM 1. DESCRIPTION OF BUSINESS

(a) RECENT DEVELOPMENT

On April 10, 2006, Voyager entered into a Unit Purchase (Buy-Sell) Agreement ("Agreement") to acquire all the outstanding units of Western Architectural Services, LLC ("Western") in exchange for a total of 5,000,000 shares of Voyager's common stock ("Shares"). On September 11, 2006, Voyager believed it had fully completed the necessary due diligence pursuant to the Agreement and consequently delivered the Shares consideration as required for the final closing. Upon further evaluation of Voyager's due diligence of Western pursuant to Section 2.02 of the Agreement, it has been determined that the existing limited liability company ("LLC") operating agreement of Western would need to be modified in order for Voyager to continue the existing operations of Western.

Western specializes exclusively in the development, implementation and fabrication of world-class themed architectural designs. Western has been instrumental in supplying pre-fabricated products to the hotel and casino industry, including iconic statues, interior resort theming, as well as, construction related materials and services. Projects include The Venetian, New York, New York, Mandalay Bay, Paris, and Luxor to name a few. Western's most notable collaborations are the Statue of Liberty at the New York, New York; the famed fountain located at the Paris Hotel and Casino; and most of the interior theming for the Luxor Hotel and Casino and Mandalay Bay.

Western also manufactures products for residential and institutional projects such as architectural columns, domes, moldings, and frames. Western has contracted and completed over $70 million dollars of construction projects over the last ten years. More information about Western can be found at www.western-architectural.com.

On March 30 2007, Voyager and Western were not able to come to acceptable terms with regards to the needed changes to the LLC operating agreement and therefore cancelled the Agreement since the transaction did not meet all the requirements of Section 2.02 of the Agreement and was deemed as if the acquisition transaction was never closed.

Tracy Jones was initially issued 5,000,000 shares of common stock of Voyager for the acquisition. As a result of the nullification of the acquisition Mr. Jones will be required to return 2,500,000 shares to the Company to be cancelled and returned to the treasury. The remaining 2,500,000 shares will be accounted for as a fee for the nullification . The shares were valued at the fair value of $0.15 per share for a total value of $375,000.

As a result of the nullification of the transaction the Company will be amending the 10-QSB for the period ending September 30, 2006. The 10-QSB on that date reflected a consolidation of the financial statements of Both Voyager and Western. The amendment will remove any information and financial Data of Western.

(b) GENERAL BUSINESS DEVELOPMENT

On March 17, 2005 the Company signed a joint venture agreement with Allied Investment House, Inc. to build a 600ft Observation Wheel in the

United Arab Emirates. According to the agreement Allied Investment House, Inc. will provide 100% of the financing of an Observation Wheel in the UAE.

Voyager and Allied will form a UAE corporation in order for the transaction to be completed. Both Voyager (or its assigns) and Allied (or its assigns) will operate, govern, and own the newly formed company.

It was originally planned that a UAE corporation would be formed within 180 days of the date of the signing of the agreement. However as of the date of this filing an adequate site for the Observation Wheel has not been determined. A UAE corporation will not be formed until the time when an adequate site has been obtained. At this time there have been no funds raised for this project.

When the project begins, Voyager will be responsible for the management of the construction of the project and will receive a premium above and beyond the cost of building the project. There will be a management agreement which allows Voyager to contract a third party management company to perform day-to-day operations. Voyager will also receive a percentage of gross revenues from operations.

The Company is currently evaluating site locations in Las Vegas, Nevada where the Observation Wheel could be constructed by the Company. If the Company is unsuccessful in obtaining a site and negotiating terms acceptable to both Voyager and a prospective property owner for a Las Vegas location, the Company will be required to identify a location outside of Las Vegas. An observation wheel could be constructed before Voyager's Observation Wheel could be built in Las Vegas, forcing our management to focus its efforts elsewhere for a significant amount of time. While there are several locations outside of Las Vegas which are currently proposed, there can be no guarantees that the Company will obtain financing or any definitive agreements for any other locations.

The Company is currently dependent upon funding operations through the sale of its common stock and securing debt through private individuals. If the Company can not continue to raise funds through the sale if its common stock and securing loans from private individuals, the Company may have to cease operations thus rendering the Company insolvent or requiring the Company to seek protection under the federal bankruptcy laws. While the Company is seeking funding there can be no guarantee that funding will be attained.

On November 15, 2002, we entered into a loan and security agreement with Mr. Dan Fugal, an unaffiliated individual, whereby Mr. Fugal was to provide us with a credit facility in the form of a secured line of credit not to exceed $2.5 million. The Company does not plan to exercise any additional funds from this credit line.

On February 15, 2003, we executed an amendment to the Loan and Security Agreement with Mr. Dan Fugal to amend the term date from February 15, 2003 to April 15, 2003. As of the year ending December 31, 2003, Mr. Fugal has loaned $605,000 to the Company. The loan and security agreement with Mr. Fugal has expired and requires the Company to repay $605,000 to Mr. Fugal as well as a one time interest payment of $605,000. Any agreements or amendments for Mr. Fugal to provide additional funds have been canceled, and the Company is obligated to repay a total of $1,210,000.

By written consent dated April 23, 2003, a majority of the Company's stockholders elected to reincorporate the Company in the State of Nevada, [pursuant to a reincorporation merger between the Company and its then wholly-owned subsidiary, Voyager Entertainment International, Inc. Nevada formed for the purpose of the reincorporation merger, and which constituent company survived the reincorporation merger]. The reincorporation became effective on June 23, 2003. In connection with the reincorporation, the Company increased its authorized common stock, $0.001 par value, from 100,000,000 shares to 200,000,000 shares and its authorized Preferred Stock, $0.001 par value, from 25,000,000 shares to 50,000,000 shares.

The consolidated financial statements included in this filing have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has no established source of revenue, incurred significant losses since inception of $13,966,083 and used cash for operations of $771,807 and $887,534 during the years ended December 31, 2006 and 2005, respectively. The Company also has a working capital deficit of $4,290,908 and a stockholders' deficit of $3,774,761 as of December 31, 2006. Additionally, a lender has the right to foreclose on the assets of the Company if the demand for repayment of $1.2 million is not made. These factors raise substantial doubt about the Company's ability to continue as a going concern. The Company's cash position may be inadequate to pay all of the costs associated with production and marketing. Management intends to use borrowings and security sales to mitigate the effects of its cash position. However, no assurance can be given that debt or equity financing, if and when required, will be available. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the Company be unable to continue existence.

(c) OUR BUSINESS

Our current business plan is to build multiple observation Ferris wheels ("Observation Wheels"). Currently proposed sites for the construction of Observations Wheels include Las Vegas, Nevada; UAE and Shanghai, China.

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L.V. Voyager Project

For the past 6 years, through its subsidiaries, the Company has extensively planned and/or evaluated the available locations at both the North and South ends of the Las Vegas Strip as well as other off-strip locations in Las Vegas, Nevada for the construction of the L.V. Voyager Project.

The L.V. Voyager Project is intended to be designed as a visual ICON and experience overlooking the "Las Vegas Strip". With 30 vehicles called Orbiters, the L.V. Voyager Project is intended to be a revolving Ferris wheel that will overlook the Las Vegas Strip as it revolves higher than a 60-story building at approximately 600 feet. One rotation in an Orbiter will last approximately 27 minutes. Each Orbiter will be controlled by an on-board Navigator, who will be part entertainer and part steward, and who will also be skilled in life-safety and security. Due to lack of adequate financing, the Company has not been able to successfully launch these projects.

ORGANIZATION AND OPERATION

The L.V. Voyager Project will be owned by the Company, however, it will be designed, developed, built and operated by Voyager Entertainment Holdings, Inc., ("VEHI"), a wholly owned subsidiary of the Company. VEHI will manage the project pursuant to a performance-based contract between the Company and VEHI [and an as-yet unidentified partner of the Company. All covenants, restrictions and protocols will be detailed in the performance-based contract.

As the management company, VEHI will be responsible for the design, development, construction, and operation of the L.V. Voyager Project, and will provide the following: concept development, project design, location assessment and acquisition, strategic alliances in both entertainment and gaming, business plans and budgets, financial oversight and management during both construction and operation, marketing plans, insurance procurement and risk management, senior operational management including development of policies and procedures, and overall strategic focus for the L.V. Voyager Project.

The L.V. Voyager Project is fundamentally an entertainment attraction, and its operational and maintenance requirements are very similar to those found in the theme park industry. In addition, Las Vegas is a unique marketplace, and each visitor, when placed in the environment, is also unique. The ability to understand each visitor, and successfully attract customers to the L.V. Voyager Project will come as a result of clearly understanding the marketing strategies of the gaming industry. VEHI intends to employ highly skilled individuals from the theme park industry and combine their specialized skills with those from the gaming industry.

Star of Shanghai Voyager Project

The western bank (Puxi) of the Huangpu River, the Bund, is the anticipated location for a master planned development with the "Star of Shanghai" Observation Wheel as the dominant feature (the "Star of Shanghai Voyager Project"). The Star of Shanghai Voyager Project is to be designed as a special tribute to the legendary figure Huang Daopo who invented the "spinning wheel" that reformed the technique of cotton weaving, and gained fame for its production of clothing. The Company does not currently have any agreements for a proposed site and has not secured financing for the planned project.

The Company will require substantial additional funds to fulfill its business plan and successfully develop its three Observation Wheel projects. The Company intends to raise these needed funds from private placements of its securities, debt financing or internally generated funds from the licensing of its intellectual property or service fees. As of the date of this filing, the Company has not received a firm commitment for financing of any of the projects and the Company has not acquired the appropriate location for the project. The Company continues to receive and evaluate opportunities throughout Asia as well as Shanghai, China.

United Arab Emirates (UAE)

On March 17, 2005 the Company issued a press release announcing the signing of a joint venture agreement with Allied Investment House, Inc. to build a 600ft Observation Wheel in the United Arab Emirates. Allied Investment House, Inc. will provide 100% of the financing of an Observation Wheel in the UAE. At this time there have been no funds raised due to the fact that an adequate location has not been obtained.

Voyager and Allied will form a UAE corporation in order for the transaction to be completed. Both Voyager (or its assigns) and Allied (or its assigns) will jointly own, operate and govern the newly formed company. The UAE corporation has not be firmed until which time an adequate location for the project has been obtained.

As a result of the signing of the agreement Voyager will be responsible for the management of the construction of the project and will receive a premium above and beyond the cost of building the project. There will be a management agreement which allows Voyager to contract a third party management company to perform day-to-day operations. Voyager will also receive a percentage of gross revenues from operations.

Currently the primary effort of the UAE project is acquiring the proper location. There can be no guarantees that we will find a suitable location. However, we continue our best efforts.

Other "Observation Wheels"

Currently, the Company is primarily focusing on the L.V. Voyager Project and the UAE Project. However, the Company has plans to build additional Observation Wheels in other various locations in addition to Las Vegas, UAE and Shanghai.

Market Overview

Management believes that, in the foreseeable future, cash generated from operations will be inadequate to support full marketing roll out and ongoing product development, and that we will thus be forced to rely on additional debt and/or equity financing. Management believes that it can identify sources and obtain adequate amounts of such financing. We intend to enter into a cooperative arrangement with distributors or vendors, whereby we will receive marketing and sales benefits from the professional staff of such distributors or vendors. To date, we have not established any such arrangements. In the event we are unsuccessful in generating equity capital, then the Company will be unable to continue with product development and/or marketing. The lack of equity capital may in turn cause the Company to become insolvent.

Competition

We compete with numerous other hospitality and entertainment companies. Many of these competitors have substantially greater resources than we do. Should a larger and better financed company decide to directly compete with us, and be successful in its competitive efforts, our business could be adversely affected. Other competitors could announce and build an observation wheel who are better financed. If this occurs it would make it very difficult for the Company to have a successful project within the same city.

There have been other companies that have announced possible development of a large Observation Wheel.

There have been several other companies that have announced to the public plans to build an observation wheel in Las Vegas. If any of these companies are successful it would diminish the possibility of the Company obtaining financing or a acquiring a proper location.

We have a limited operating history, which could make it difficult to evaluate our business.

We have yet to establish any history of profitable operations. Although some of our affiliates have been engaged in the acquisition and administration of various industries for several years, we have a limited operating history. As a result, we may not be able to successfully achieve profitability. The likelihood of our success must be considered in light of the problems, expenses and complications frequently encountered in connection with the development of a project this size and the competitive environment in which we operate. Accordingly, our limited operating history makes an effective evaluation of our potential success difficult. Our viability and continued operation depend on future profitability, our ability to generate cash flows and our successful development and management of other business opportunities. There can be no assurance that we will be able to successfully implement our business plan or that if implemented, it will be profitable.

We may be unable to obtain the appropriate funding to run our Company.

We do not presently have sufficient financial resources and have no assurance that sufficient funding will be available to us to build our project. There can be no assurance that we will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of constructing an Observation Wheel.

Research and Development

From the inception to our predecessor in interest, Voyager Ventures, Inc., from March of 1997 through present, we have devoted a majority of our time on research and development. During the period from March 1, 1997 through December 31, 2006, we incurred operating expenses of $12,330,050 and interest expense of $1,636,033 against no revenues, which resulted in accumulated losses of $14,096,083.

Employees

As of December 31, 2006, we only had Officers and Directors. We are dependent upon Richard Hannigan, President, CEO and a Director of the Company; Tracy Jones, COO and Director, and Myong Hannigan, Secretary/Treasurer and a Director. We do not have any employees at this time and do not anticipate the need to hire any employees until such time as we have been sufficiently capitalized.

Our future success also depends on our ability to attract and retain other qualified personnel, for which competition is intense. The loss of Mr. Hannigan, Mr. Jones or our inability to attract and retain other qualified employees could have a material adverse effect on us.

Currently there are no patents, trademarks or copyrights filed on behalf of the Company protecting the current design of the Observation Wheel. We currently do not have a site for the Observation Wheel. However, when a proper site is obtained, the Company will be required to obtain proper permitting and government approvals unless that site is currently approved for the construction of an Observation Wheel. There can be no guarantees that the Company will be successful in securing a suitable site or the appropriate approvals needed.

ITEM 2. DESCRIPTION OF PROPERTY

We currently lease 2,100 square feet of office space in Las Vegas, Nevada from Synthetic Systems, LLC, of which our President is the owner. We lease the office space at cost with no mark up for $2,325 per month on a month-to-month basis. We believe that the property leased from Synthetic Systems, LLC., is in reasonably good condition and is suitable for our current and anticipated needs for the near future.

ITEM 3. LEGAL PROCEEDINGS

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND SMALL BUSINESS ISSUER PURCHASES OF EQUITY SECURITIES

(a) MARKET INFORMATION

Our common stock is traded in the over-the-counter securities market through the National Association of Securities Dealers Automated Quotation Bulletin Board System, under the symbol "VEII". The following table sets forth the quarterly high bid, low bid and close as well as the high ask, low ask and close prices for our common stock during our last two fiscal years, as reported by the National Quotations Bureau. The quotations reflect inter-dealer prices, without retail mark-up, markdown or commission, and may not represent actual transactions.

	2006						2005			
	Low Bid	High Bid	Close	Low Ask	High Ask	Close	Low Bid	High Bid	Close	Low Ask
1st Quarter	$0.09	$0.22	$0.14	$0.10	$0.25	$0.17	$0.13	$0.50	$0.32	$0.15
2nd Quarter	$0.10	$0.20	$0.13	$0.12	$0.21	$0.134	$0.12	$0.36	$0.27	$0.16
3rd Quarter	$0.08	$0.15	$0.081	$0.084	$0.17	$0.084	$0.23	$0.55	$0.41	$0.235
4th Quarter	$0.04	$0.105	$0.07	$0.072	$0.14	$0.072	$0.17	$0.42	$0.24	$0.165

(b) HOLDERS OF COMMON STOCK

As of December 31, 2006, we had approximately 77 stockholders of record (not including shares held by brokers or in street name), of the 114,842,905 shares of common stock outstanding. The closing bid stock price on March 30, 2007 was $0.19.

(c) DIVIDENDS

We have never declared or paid dividends on our common stock. We intend to follow a policy of retaining earnings, if any, to finance the growth of the business and do not anticipate paying any cash dividends in the foreseeable future. The declaration and payment of future dividends on the common stock will be at the sole discretion of the Board of Directors and will depend on our profitability and financial condition, capital requirements, statutory and contractual restrictions, future prospects and other factors deemed relevant by the Board.

RECENT SALES OF UNREGISTERED SECURITIES AND USE OF PROCEEDS

In November 2006, the Company sold 166,667 shares of common stock for $25,000. The common stock was offered in reliance upon the private offering exemptions contained in Sections 3(b) and 4(6) of the Securities Act of 1933, as amended, and Rule 506 of Regulation D promulgated thereunder. All purchasers were "accredited" investors within the meaning of Rule 501(a) of Regulation D. We received net proceeds in the offering of $25,000. All purchasers represented that they were acquiring the Common shares for investment purposes only and not with a view to distribute. The purchasers further represented that they (a) have such knowledge and experience in financial and business matters and are capable of evaluating the merits and risks of the investment, (b) are able to bear the complete loss of the investment, (c) have had the opportunity to ask questions of, and receive answers from, the Company and its management concerning the terms and conditions of the offering and to obtain additional information, and (d) qualify as "accredited investors" as such term is defined in Rule 501(a) of Regulation D.

On November 2, 2006, 2,000,000 shares of our common stock was issued to Tracy Jones, Managing Member of Western Architectural Services, LLC. for the closing of the purchase of Western. The fair value of the shares issued based on the closing bid price on that day was $0.15 per share for a total value of $300,000.

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On November 2, 2006, 9,812,500 shares were issued to Richard and Myong Hannigan for accumulated accrued bonuses of $750,000. The fair value of the shares was based on the closing bid price on November 2, 2006 of $0.08

In November 2006, the Company issued 464,278 shares to Diversified Lending Group as part of the dilution schedule. These shares were valued at the fair value of $0.06 per share for total compensation of $27,840.

In December 2006, the Company sold 166,667 shares of common stock for $25,000. The common stock was offered in reliance upon the private offering exemptions contained in Sections 3(b) and 4(6) of the Securities Act of 1933, as amended, and Rule 506 of Regulation D promulgated thereunder. All purchasers were "accredited" investors within the meaning of Rule 501(a) of Regulation D. We received net proceeds in the offering of $25,000. All purchasers represented that they were acquiring the Common shares for investment purposes only and not with a view to distribute. The purchasers further represented that they (a) have such knowledge and experience in financial and business matters and are capable of evaluating the merits and risks of the investment, (b) are able to bear the complete loss of the investment, (c) have had the opportunity to ask questions of, and receive answers from, the Company and its management concerning the terms and conditions of the offering and to obtain additional information, and (d) qualify as "accredited investors" as such term is defined in Rule 501(a) of Regulation D.

In December 2006, the Company issued 600,000 shares of common stock for consulting services rendered. These shares were valued at the fair value of $0.06 per share for total compensation of $36,000.

In December 2006, the Company also issued 1,000,000 shares of restricted Common Stock, for services. The Company believes that the issuance of the shares was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933 by virtue of Section 4(2). The shares were issued directly by the Company and did not involve a public offering or general solicitation. The recipients of the shares had a preexisting relationship with our management, had performed services for the Company and had full and complete access to the Company and had the opportunity to speak with management with regards to their investment decision. These shares were valued at a fair market value of $58,000.,

SUBSEQUENT EVENTS

In March 2007, the Company also issued 1,000,000 shares of restricted Common Stock for services. The Company believes that the issuance of the shares was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933 by virtue of Section 4(2). The shares were issued directly by the Company and did not involve a public offering or general solicitation. The recipients of the shares had a preexisting relationship with our management, had performed services for the Company, had full and complete access to the Company and had the opportunity to speak with management with regards to their investment decision. These shares were valued at a fair market value of $100,000.

ITEM 6. MANAGEMENTS' DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

This report contains forward-looking statements. Actual results and events could differ materially from those projected, anticipated, or implicit, in the forward-looking statements as a result of the risk factors set forth below and elsewhere in this report.

With the exception of historical matters, the matters discussed herein are forward looking statements that involve risks and uncertainties. Forward looking statements include, but are not limited to, statements concerning anticipated trends in revenues and net income, the date of introduction or completion of our products, projections concerning operations and available cash flow. Our actual results could differ materially from the results discussed in such forward-looking statements primarily as the result of insufficient cash to pursue production and marketing efforts. The following discussion of our financial condition and results of operations should be read in conjunction with our financial statements and the related notes thereto appearing elsewhere herein.

Overview

Voyager Entertainment International, Inc., formerly named Dakota Imaging, Inc., was incorporated in North Dakota on January 31, 1991. Effective February 8, 2002, the Company completed a reverse triangular merger between Dakota Subsidiary Corp. ("DSC"), a wholly owned subsidiary of the Company, and Voyager Ventures, Inc., a Nevada Corporation ("Ventures"), whereby the Company issued 3,660,000 shares of its Series A preferred stock in exchange for 100% of Ventures outstanding common stock. Pursuant to the terms of the merger, DSC merged with and into Ventures and ceased to exist, and Ventures became a wholly owned subsidiary of the Company.

On April 2, 2002, we amended our Certificate of Incorporation to change our name from Dakota Imaging, Inc. to Voyager Entertainment International, Inc.

In June 2003, the Company reincorporated in the State of Nevada. The reincorporation became effective in the states of North Dakota and Nevada on June 23, 2003, the date the Certificate of Merger was issued by the Secretary of State of North Dakota.

Critical Accounting Policies

The methods, estimates and judgments we use in applying our accounting policies have a significant impact on the results we report in our financial statements, which we discuss under the heading "Results of Operations" following this section of our MD&A. Some of our accounting policies require us to make difficult and subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. Our most critical accounting estimates include the accounting for stock based compensation.

Stock Based Compensation:

On January 1, 2006, we adopted the fair value recognition provisions of SFAS No. 123(R), "Accounting for Stock-Based Compensation", to account for compensation costs under our stock option plans. We previously utilized the intrinsic value method under Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (as amended).

We use the fair value method for equity instruments granted to employees and non-employees and will use the Black Scholes model for measuring the fair value of options, if issued. The stock based fair value compensation is determined as of the date of the grant or the date at which the performance of the services is completed (measurement date) and is recognized over the vesting periods.

Section 15(g) of the Exchange Act

The Company's shares are covered by Section 15(g) of the Securities Exchange Act of 1934, as amended, and Rules 15g-1 through 15g-6 promulgated thereunder, which impose additional sales practice requirements on broker-dealers who sell our securities to persons other than established customers and accredited investors.

Rule 15g-2 declares unlawful any broker-dealer transactions in penny stocks unless the broker-dealer has first provided to the customer a standardized disclosure document.

Rule 15g-3 provides that it is unlawful for a broker-dealer to engage in a penny stock transaction unless the broker-dealer first discloses and subsequently confirms to the customer the current quotation prices or similar market information concerning the penny stock in question.

Rule 15g-4 prohibits broker-dealers from completing penny stock transactions for a customer unless the broker-dealer first discloses to the customer the amount of compensation or other remuneration received as a result of the penny stock transaction.

Rule 15g-5 requires that a broker-dealer executing a penny stock transaction, other than one exempt under Rule 15g-1, disclose to its customer, at the time of or prior to the transaction, information about the sales person's compensation.

The Company's common stock may be subject to the foregoing rules. The application of the penny stock rules may affect our stockholder's ability to sell their shares because some broker-dealers may not be willing to make a market in our common stock because of the burdens imposed upon them by the penny stock rules.

Plan of Operation

During the next 12 months, we plan to focus our efforts on our development of the Observation Wheels; however, actual production will not commence until we have sufficient capital for construction and marketing. Currently, our monthly cash need is approximately $80,000 per month. As of the year ending December 31, 2006, the Company did not have enough cash on hand to continue operations through the next quarter. However, from time-to-time the officers of the Company loan funds to provide for operations. There can be no guarantees that the Company's officers and directors will continue to loan funds to the Company on an ongoing basis. However, if we do not receive a substantial amount of funding it will be unlikely we can continue operations. We have been successful in the past in selling our common stock in private transactions to provide for minimal operations. We plan to seek additional funding through debt transactions and the sale of our common stock either privately or publicly. There can be no guarantees we will continue to be successful in completing those transactions. The primary expenses for the Company consist of consulting fees that are primarily paid by the issuance of our common stock.

We are not the traditional Company that has the standard research and development expenses. As a result, most of our research and development expenses consist of presentation materials and architectural designs. Upon funding of the project the initial expense will be engineering and architectural.

Our primary costs consist mainly of professional and consulting, legal and accounting fees along with those fees paid to related parties, rent expenses and printing expenses. As the project is being developed we are incurring additional architectural and travel related fees. The Company expects that travel expenses will increase when an adequate location is found in the UAE. If this project is successful there will be a significant increase in expenses for all aspects of the construction process to include an additional office set up and continual travel.

We plan to focus primarily on the development of the Observation Wheel in Las Vegas and the UAE over the next 12 months. However, we will also actively seek partnerships and locations for other Observation Wheels throughout the United States and other foreign countries.

Other than presentation materials, if a suitable site is acquired and selected the primary focus will be on completing engineering and starting the construction of an Observation Wheel.

We will face considerable risk in each of our business plan steps, such as difficulty of hiring competent personnel within our budget and a shortfall of funding due to our inability to raise capital in the equity securities market. If no funding is received during the next twelve months, we will be forced to rely on existing cash in the bank. As stated above, our current cash reserves are not sufficient to fund operations for the next twelve months.

We have no operating history, no significant current operations, minimum cash on hand, and no profit. Because of these factors, our auditors have issued an audit opinion for us which includes a statement describing doubts about our ability to continue as a going concern status. This means there is substantial doubt about our ability to continue as a going concern. While we believe we have made good faith estimates of our ability to secure additional capital in the future to reach our goals, there is no guarantee that we will receive sufficient funding to implement any future business plan steps. In the event that we do not receive additional financing, we will not be able to continue our operations.

The timing of most of our capital expenditures is discretionary. Currently there are no material long-term commitments associated with our capital expenditure plans. Consequently, we have a significant degree of flexibility to adjust the level of such expenditures as circumstances warrant. The level of our capital expenditures will vary in future periods depending on market conditions and other related economic factors.

Results of Operations

Years Ended December 31, 2006 and December 31, 2005

	For the year ended December 31, 2006	For the year ended December 31, 2005
Net revenue	$ --	$ --
Operating expenses:		
Professional and consulting fees	1,377,970	1,469,866
Project costs	46,119	11,592
Depreciation	10,143	7,566
Other operating expenses	144,547	177,924
	1,578,779	1,666,948
Loss from operations	(1,578,779)	(1,666,948)
Interest expense	(309,056)	(69,710)
Interest Income	1,141	--
Loss before income taxes	(1,886,694)	(1,736,658)
Income taxes	--	--
Net loss	$(1,886,694)	(1,736,658)

Revenues. We did not have any revenues for the fiscal year ending December 31, 2006 and 2005. There was no change in revenues from the year ending 2006 versus 2005 because we are still in the development stage and revenues will not be generated until operations of an Observation Wheel begin.

Blue Prints/Project Costs for the year ended December 31, 2006 were $46,119 which is $34,527 more than the $11,592 of project costs incurred in the year ended December 31, 2005. These expenses consisted primarily of presentation and development materials provided to prospective funding sources. In the fiscal year ended December 31, 2005, the Company converted the presentation materials into mini DVD presentations. It was found necessary to continue to print the presentation materials along with the DVD presentations. This resulted in the need to purchase large amounts of ink and presentation supplies. Our total project costs since inception are $138,298.

Operating Expenses. We had operating expenses of $1,578,779 for the year ended December 31, 2006 versus operating expenses of $1,666,948 for the year ended December 31, 2005 which primarily consisted of office rental expenses, legal and accounting fees and professional expenses. There was a decrease in our operating expenses for the year ending December 31, 2006 of $88,169. The decrease in operating expenses for the year ending December 31, 2006 was primarily due to the fact that the Company utilized fewer consultants throughout 2006, and was not required to issue its common stock for services. We did not incur any settlement expenses in 2006. If the Company receives funding for either the Las Vegas Project or the UAE Project we expect these fees to increase substantially including support for employees that will be required.

Professional and Consulting Fees. We paid professional and consulting fees of $1,377,970 for the year ending December 31, 2006 versus $1,469,866 for the year ending December 31, 2005 that attributed to a decrease of $91,896 or 6.2%. Our primary expense is the issuance of common stock to consultants as well as professional fees to Synthetic Systems totaling $800,000. There is currently an accrued unpaid balance of $625,000. Synthetic Systems is controlled by our President. In 2006 we issued fewer shares to consultants for services than in 2005.

Net Losses from Operations. As a result of the decreases, primarily in professional and consulting fees where our common stock was issued for services, net loss from operations for the period ended December 31, 2005 was $1,666,948 and was an decrease of $88,169 as compared to the net loss from operations of $1,578,779 for the year ended December 31, 2006. The decrease in net losses can Be attributed to a decrease in common stock issuances to consultants.

Interest Expense. Our interest expense for the year ending December 31, 2006 was $309,056 versus $69,710. It resulted in an increase in interest expense of $239,346. The increase was attributable to interest being paid on a note of $1,250,000 Bearing an interest rate of 14% per anum. The note was secured in September 2006 and the Company commenced making monthly interest payments of $14,583.

Liquidity and Capital Resources

A critical component of our operating plan impacting our continued existence is the ability to obtain additional capital through additional equity and/or debt financing. We do not anticipate enough positive internal operating cash flow until such time as we can generate substantial revenues, which may take the next few years to fully realize. In the event we cannot obtain the necessary capital to pursue our strategic plan, we may have to cease or significantly curtail our operations. This would materially impact our ability to continue operations.

Our near term cash requirements are anticipated to be offset through the receipt of funds from private placement offerings and loans obtained through private sources. Since inception, we have financed cash flow requirements through debt financing and issuance of common stock for cash and services. As we initiate operational activities, we may continue to experience net negative cash flows from operations, pending receipt of servicing or licensing fees, and will be required to obtain additional financing to fund operations through stock offerings and bank borrowings to the extent necessary to provide working capital.

Over the next twelve months, we believe that existing capital and anticipated funds from operations will not be sufficient to sustain operations and planned development. Consequently, we will be required to seek additional capital in the future to fund growth and expansion through additional equity or debt financing or credit facilities. No assurance can be made that such financing would be available, and if available it may take either the form of debt or equity. In either case, the financing could have a negative impact on our financial condition and our stockholders.

We anticipate incurring operating losses over the next twelve months. Our lack of operating history makes predictions of future operating results difficult to ascertain. Our prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly companies in new and rapidly evolving markets such as development related companies. Such risks include, but are not limited to, an evolving and unpredictable business model and the management of growth. To address these risks we must, among other things, implement and successfully execute our business and marketing strategy, continue to develop and upgrade technology and products, respond to competitive developments, and attract, retain and motivate qualified personnel. There can be no assurance that we will be successful in addressing such risks, and the failure to do so can have a material adverse effect on our business prospects, financial condition and results of operations.

As of December 31, 2006, we had cash of $76,241, which consisted primarily of cash on hand and current liabilities of $4,440,899, resulting in working capital deficit of $4,324,658 versus current assets of $108,552, current liabilities of $3,256,762 and a working capital deficit of $3,148,210 respectively for the year ending December 31, 2005. The increase in cash was attributable to the Company conducting private placement transactions throughout 2005.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements and does not participate in non-exchange traded contracts requiring fair value accounting treatment.

NOTE PAYABLE

On November 15, 2002, we entered into a loan and security agreement with Mr. Dan Fugal, an unaffiliated individual, whereby Mr. Fugal was to provide us with a credit facility in the form of a secured line of credit not to exceed $2.5 million.

On February 15, 2003, we executed an amendment to the Loan and Security Agreement to amend the term date from February 15, 2003 to April 15, 2003. As of the year ending December 31, 2005, Mr. Fugal has loaned $605,000 to the Company. The loan and security agreement with Mr. Fugal has expired and requires the Company to repay $605,000 to Mr. Fugal as well as a one time interest payment of

$605,000. Any agreements or amendments for Mr. Fugal to provide additional funds have been canceled, and the Company is obligated to repay a total of $1,210,000. As a requirement of the Agreement, the Company is obligated to repay Mr. Fugal when an adequate amount of funding is received. At this time, unless funding is received, it is likely that the Company will be unable to repay the debt. As collateral for the Loan and Security Agreement with Mr. Fugal, Mr. Fugal filed a UCC-1 against the assets and intellectual property of the Company which would give Mr. Fugal the right to institute foreclosure proceedings toward the Company. Mr. Fugal could institute foreclosure proceedings at any time if he believes that he will not be repaid. As of this date Mr. Fugal has not indicated any intentions to institute foreclosure proceedings. However, we can not guarantee that Mr. Fugal will not attempt to institute foreclosure proceedings against the Company. This credit facility is deemed closed and will not increase.

Diversified Lending

On September 5, 2006, the Company entered into a note payable with Diversified Lending for $1,250,000. The Company is a joint tenant with Western Architectural in this debt which bears interest of 14% and is due within one year from the date of the note.

As consideration for the loan, the Company was required to pay $50,000 and issue 4,000,000 shares of its common stock, both of which have been completed. Also, to collateralize the loan, the Company was required to issue 7,500,000 shares of its common stock. The promissory note also holds an anti-dilution clause where the Company is required to issue additional shares of its common stock to the debt holder so that their 4% ownership is not diluted. As of December 31, 2006, we issued an additional 464,278 of common shares relating to third quarter 2006 dilution and have accounted for this issuance as additional interest expense of $27,857. At December 31, 2006, we have accrued an additional $6,261 of interest relating to the year end dilution calculation which will result in us issuing an additional 89,438 shares once these financial statements have been filed.

As the collateral, loan fees and anti-dilution components of the agreement are dominated in Company common stock, the Company maintains the full risk of loss and we have recorded the full debt component on our balance sheet.

From the proceeds of the debt facility we issued $500,000 to Western Architectural Services, LLC and recorded an unsecured Note Receivable on our balance sheet.

United Arab Emirates (UAE)

On March 17, 2005 the Company issued a press release announcing the signing of a definitive joint venture agreement with Allied Investment House, Inc. to build a 600ft Observation Wheel in the United Arab Emirates. Allied Investment House, Inc. will provide 100% of the financing of an Observation Wheel in the UAE up to $150 million.

Voyager and Allied will form a UAE corporation in order for the transaction to be completed. Both Voyager (or its assigns) and Allied (or its assigns) will own, operate and govern the newly formed company.

As a result of the signing of the agreement Voyager will be responsible for the management of the construction of the project and will receive a premium above and beyond the cost of building the project. There will be a management agreement which allows Voyager to contract a third party management company to perform day-to-day operations. Voyager will also receive a percentage of gross revenues from operations.

The primary goal for the UAE project is locating an appropriate site for the project to be located. There can be no guarantees that if a site is located it will be attainable at terms acceptable to the Company and its partner.

Risks that could cause actual performance to differ from expected performance are detailed in the remainder of this section, and under the section titled "Factors That May Affect the Company's Future Operating Results."

FACTORS THAT MAY AFFECT THE COMPANY'S FUTURE OPERATING RESULTS

We must comply with penny stock regulations which could effect the liquidity and price of our stock.

The Securities and Exchange Commission has adopted rules that regulate broker-dealer practices in connection with transactions in "penny stocks." Penny stocks generally are equity securities with a price of less than $5.00, other than securities registered on certain national securities exchanges or quoted on NASDAQ, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system. Prior to a transaction in a penny stock, a broker-dealer is required to: Deliver a standardized risk disclosure document prepared by the SEC; Provide the customer with current bid and offers quotations for the penny stock; Explain the compensation of the broker-dealer and its salesperson in the transaction; Provide monthly account statements showing the market value of each penny stock held in the customer's account; Make a special written determination that the penny stock is a suitable investment for the purchaser and Provide a written agreement to the transaction. These requirements may have the effect of reducing the level of trading activity in the secondary market for our stock. Because our shares are subject to the penny stock rules, you may find it more difficult to sell your shares.

We may in the future issue additional shares of our common stock which would reduce investors percentage ownership and may dilute our share value.

Our articles of incorporation authorize the issuance of 200,000,000 shares of common stock. As of March 31, 2006, we have 114,842,905 shares of our common stock issued and outstanding. We are also authorized to issue 50,000,000 shares of Series A Preferred Stock at par value $.001 with no face value, convertible to common stock at 10 to 1 and 10,000,000 shares of Preferred B Stock face value of $.10 convertible to Common Stock at 2 to 1 of which there are 1,000,000 shares of our Series B Preferred Stock outstanding. The future issuance of all or part of our remaining authorized common stock, Preferred Stock or any combination of either, may result in substantial dilution in the percentage of our common stock held by our then existing shareholders. We may value any common stock issued in the future on an arbitrary basis. The issuance of common stock for future services or acquisitions or other corporate actions will have the effect of diluting the value of the shares held by our investors, and might have an adverse effect on any trading market for our common stock.

We are a development stage Company, recently reorganized and have minimal operating history, which makes an evaluation of us extremely difficult. At this stage of our business operations, even with our good faith efforts, potential investors have a high probability of losing their investment.

As a result of our reorganization in 2002, we have yet to generate revenues from operations and have been focused on organizational, start-up, market analysis and fund raising activities. Although we have a project to market, there is nothing at this time on which to base an assumption that our business operations will prove to be successful or that we will ever be able to operate profitably. Our future operating results will depend on many factors, including our ability to raise adequate working capital, demand and acceptance of our project, the level of our competition and our ability to attract and maintain key management and employees.

Our auditors' report reflects the fact that without realization of additional capital, it would be unlikely for us to continue as a going concern. If we are unable to continue as a going concern, it is unlikely that we will continue in business.

As a result of our deficiency in working capital and other factors, our auditors have included a paragraph in their report regarding substantial doubt about our ability to continue as a going concern. Our plans in this regard are to seek additional funding through future equity private placements or debt facilities. Without funding for one of our projects the Company would have to rely primarily on raising capital through investors. There can be no guarantee that we are capable of continuing to raise additional capital.

There is a limited current public market for our common stock.

Although our common stock is listed on the Over-the-Counter Bulletin Board, there is a limited volume of sales, thus providing a limited liquidity into the market for our shares. As a result of the foregoing, stockholders may be unable to liquidate their shares for any reason.

Operating in Foreign Countries

Currently we have a signed definitive agreement to build a Voyager Project in the UAE. Operating in a foreign country provides additional risks such as, permitting and licensing can be more difficult to obtain, obtaining personnel for the daily operations could present significant challenges, and if the local government were to become unstable our results could be severely affected.

Acts of Terrorism

Because the Voyager Project will depend upon tourism, if there is a terrorist attack in the city or country where the project will be located, the anticipated results could be dramatically affected.

Personnel

As of December 31, 2006, we had three Officers and Directors. The Company pays approximately $35,000 a month in consulting fees to Synthetic Systems LLC, an entity wholly owned by Richard Hannigan. We are dependent upon Richard Hannigan, President, CEO and Director and Tracy Jones, COO and Director and Myong Hannigan, Secretary and Treasurer. We do not have any employees at this time and do not anticipate the need to hire any employees until such time as we have been sufficiently capitalized.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has no established source of revenue, has a working capital deficit of $4,290,908, total debt plus accrued interest of $3,675,889 of which $1,210,000 is callable at any time and $1,250,000 is due in 2007, and has an accumulated deficit of $13,966,083. Additionally we have incurred significant losses of $1,886,694 and $1,736,658, and used cash from operating activities of $771,807 and $887,534 in 2006 and 2005, respectively. All of this raises substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The Company has limited operations and is still in the development stage. The Company will need to raise a substantial amount of capital in order to continue its business plan. Management intends to initial their business plan and will continue to seek out joint venture partners, attempt to locate the appropriate location for the Las Vegas Project as well as other projects and continually seek funding opportunities

Management intends to use borrowings and security sales to mitigate the effects of its cash position. However, no assurance can be given that debt or equity financing, if and when required, will be available. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the Company be unable to continue existence.

ITEM 7. FINANCIAL STATEMENTS.

VOYAGER ENTERTAINMENT INTERNATIONAL, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2006

VOYAGER ENTERTAINMENT INTERNATIONAL, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)

CONTENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
Voyager Entertainment International, Inc. and Subsidiaries
Las Vegas, Nevada

We have audited the accompanying consolidated balance sheet of Voyager Entertainment International, Inc. and subsidiaries as of December 31, 2006, and the related consolidated statements of operations, stockholders' deficit, and cash flows for the years ended December 31, 2006 and 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based on our audits, the financial statements referred to above present fairly, in all material respects, the financial position of Voyager Entertainment International, Inc. as of December 31, 2006, and the results of its operations and cash flows for the years ended December 31, 2006 and 2005 in conformity with accounting principles generally accepted in the United States.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered losses from operations and current liabilities exceed current assets, all of which raise substantial doubt about its ability to continue as a going concern. Management's plans in regards to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ De Joya Griffith & Company, LLC
CERTIFIED PUBLIC ACCOUNTANTS
Henderson, Nevada

April 10, 2007

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VOYAGER ENTERTAINMENT INTERNATIONAL, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED BALANCE SHEET

	December 31, 2006
ASSETS	
CURRENT ASSETS	
Cash	$ 76,241
Loan origination costs net of amortization of $16,250	33,750
Total current assets	109,991
NOTE RECEIVABLE	500,000
FIXED ASSETS, net of accumulated depreciation of $26,505	16,147

Total assets	$ 626,138

LIABILITIES AND STOCKHOLDERS' DEFICIT

CURRENT LIABILITIES	
Accounts payable and accrued expenses	$ 1,042,660
Accrued expenses - related party	625,000
Loans and settlement payable	878,239
Notes payable	1,855,000
Total current liabilities	4,400,899
Total liabilities	4,400,899
COMMITMENTS & CONTINGENCIES	
STOCKHOLDERS' DEFICIT	
Preferred stock: $.001 par value; authorized 50,000,000 shares	
Series A - 1,500,000 designated, none outstanding	--
Series B - 10,000,000 designated, 1,000,000 outstanding	1,000
Common stock: $.001 par value; authorized 200,000,000 shares; issued and outstanding: 113,842,905	113,844
Additional paid-in capital	12,043,353
Deferred construction costs paid with common stock	(196,875)
Acquisition deposit paid with common stock	(750,000)
Loan collateral paid with common stock	(750,000)
Loan fees paid with common stock, net of accretion	(270,000)
Accumulated deficit during the development stage	(13,966,083)
Total stockholders' deficit	(3,774,761)
Total liabilities and stockholders' deficit	$ 626,138

The accompanying notes form an integral part of these consolidated financial statements.

VOYAGER ENTERTAINMENT INTERNATIONAL, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED STATEMENTS OF OPERATIONS

	December 31, 2006	December 31, 2005	From i March 1 Decembe
Revenues	$ --	$ --	$
Operating Expenses:			
Professional and consulting fees (including $800,000 and $660,000 to related parties in 2006 and 2005,			

respectively)	1,377,970	1,469,866	10,6
Project costs	46,119	11,592	1
Depreciation	10,143	7,566	
Settlement expense	--	--	6
Other expense	144,547	177,924	8
	1,578,779	1,666,948	12,3
Operating loss	(1,578,779)	(1,666,948)	(12,3
Other income (expense):			
Interest income	1,141	--	
Interest expense	(309,056)	(69,710)	(1,6
	(307,915)	(69,710)	(1,6
Net Loss	(1,886,694)	(1,736,658)	(13,9
Preferred stock dividends	--	--	(1
Net loss allocable to common stockholders	$ (1,886,694)	$ (1,736,658)	$(14,0
Net loss per common share - basic and diluted	$ (0.01)	$ (0.02)	
Weighted average number of common shares outstanding	89,541,635	72,741,543	

The accompanying notes form an integral part of these consolidated financial statements.

VOYAGER ENTERTAINMENT INTERNATIONAL, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT
FROM INCEPTION MARCH 1, 1997 TO December 31, 2006

	Preferred Stock Series A		Preferred Stock Series B	
	Shares	Amount	Shares	Amount
For the period since inception on March 1, 1997 to December 31, 2000 (as restated for reorganization)	--	$ --	--	$ --
Net loss for the year ended December 31, 2001	--	--	--	--

Balance at December 31, 2001	--	--	--	--
Issuance of stock for cash and services (pre-merger)	2,160,000	2,160	--	--
Conversion of preferred stock to common stock	(660,000)	(660)	--	--
Acquisition of net assets of Dakota	--	--	--	--
Issuance of common stock for cash - February 15, 2002	--	--	--	--
Issuance of common stock for services - April 2002	--	--	--	--
Issuance of common stock for Architectural agreement - May 2002	--	--	--	--
Issuance of common stock for cash - June 2002	--	--	--	--
Issuance of common stock for Architectural agreement - October 2002	--	--	--	--
Issuance of common stock for financing costs - November 2002	--	--	--	--
Issuance of stock for services - October 2002	--	--	--	--
Net loss for the year ended December 31, 2002	--	--	--	--
Balance at December 31, 2002	1,500,000	1,500	--	--
Issuance of common stock for financing costs - June 2003	--	--	--	--
Issuance of preferred stock for cash June 2003	--	--	1,000,000	1,000
Issuance of preferred stock for cash August 2003	--	--	500,000	500
Issuance of common stock for cash September 2003	--	--	--	--
BCF associated with preferred stock	--	--	--	--
Amortization of beneficial conversion feature in a manner similar to preferred stock dividends	--	--	--	--
Issuance of common stock for services September 2003	--	--	--	--
Issuance of common stock for cash December 2003	--	--	--	--

Issuance of common stock for cash - December 2003	--	--	--	--
Issuance of common stock for cash - December 2003	--	--	--	--
Issuance of common stock for cash - December 2003	--	--	--	--
Issuance of common stock for cash - December 2003	--	--	--	--
Issuance of preferred stock for service RP - December 2003	--	--	(2,500,000)	(2,500)
Issuance of common stock for services - December 2003	--	--	--	--
Net loss for the year ended 12/31/03	--	--	--	--
Balance at December 31, 2003	1,500,000	$ 1,500	4,000,000	$ 4,000
Issuance of common stock for cash January 2004	--	--	--	--
Issuance of common stock for cash February 2004	--	--	--	--
Issuance of common stock for cash February 2004	--	--	--	--
Issuance of common stock for cash February 2004	--	--	--	--
Issuance of common stock for services February 2004	--	--	--	--
Issuance of common stock for services February 2004	--	--	--	--
Issuance of common stock for services February 2004	--	--	--	--
Conversion of preferred stock to common stock March 2004	(500,000)	(500)	--	--
Conversion of preferred stock to common stock March 2004	(500,000)	(500)	--	--
Issuance of common stock for cash March 2004	--	--	--	--
Issuance of common stock for services June 2004	--	--	--	--
Issuance of common stock for cash September 2004	--	--	--	--
Issuance of common stock for cash October 2004	--	--	--	--

Issuance of common stock for services October 2004	--	--	--	--
Net loss for the year ended December 31, 2004	--	--	--	--
	---------	-------	---------	--------
Balance at December 31, 2004	500,000	$ 500	4,000,000	$ 4,000
	=========	=======	=========	========
Issuance of common stock for services January 2005	--	--	--	--
Issuance of common stock for cash February 2005	--	--	--	--
Issuance of common stock for services March 2005	--	--	--	--
Issuance of common stock for cash March 2005	--	--	--	--
Issuance of common stock for cash June 2005	--	--	--	--
Issuance of common stock for cash June 2005	--	--	--	--
Issuance of common stock for cash July 2005	--	--	--	--
Issuance of common stock for cash July 2005	--	--	--	--
Issuance of common stock for cash July 2005	--	--	--	--
Conversion of preferred stock to common Stock August 2005	--	--	(2,500,000)	(2,500)
Issuance of common stock for cash September 2005	--	--	--	--
Issuance of common stock for cash September 2005	--	--	--	--
Issuance of common stock for cash November 2005	--	--	--	--
Issuance of common stock for cash November 2005	--	--	--	--
Issuance of common stock for cash November 2005	--	--	--	--
Issuance of common stock for cash December 2005	--	--	--	--

Net loss for the year ended December 31, 2005	--	--	--	--
Balance at December 31, 2005	500,000	$ 500	1,500,000	$ 1,500
Issuance of common stock for cash February 2006	--	--	--	--
Conversion of preferred series B stock To common stock April 2006	--	--	(500,000)	(500)
Issuance of common stock for Services April 2006	--	--	--	--
Issuance of common stock for Acquisition Deposit April 2006	--	--	--	--
Issuance of common Stock for services May 2006	--	--	--	--
Issuance of common stock for services June 2006	--	--	--	--
Conversion of Preferred Series A To common Stock July 2006	(500,000)	(500)	--	--
Issuance of common stock for loan August 2006	--	--	--	--
Issuance of common Stock for collateral August 2006	--	--	--	--
Issuance of common stock for services November 2006	--	--	--	--
Issuance of common stock as deposit For acquisition November 2006	--	--	--	--
Issuance of common stock for additional Debt interest December 2006	--	--	--	--
Issuance of common stock for cash December 2006	--	--	--	--
Issuance of common stock for services December 2006	--	--	--	--
Fair market adjustment to stock for Deferred Construction Costs, December 2006	--	--	--	--
Accretion of loan costs to interest expense December 2006	--	--	--	--
Net loss as of December 31, 2006	--	--	--	--
Balance at December 31, 2006	--	--	1,000,000	$1,000

	Additional paid-in capital	Deferred construction costs	Acquisition deposit	Loan collateral
For the period since inception on March 1, 1997 to December 31, 2000 (as restated for reorganization)	$ 20,000	$ --	--	--
Net loss for the year ended December 31, 2001	--	--	--	--
Balance at December 31, 2001	20,000	--	--	--
Issuance of stock for cash and services (pre-merger)	25,840	--	--	--
Conversion of preferred stock to common stock	(5,940)	--	--	--
Acquisition of net assets of Dakota	(11,615)	--	--	--
Issuance of common stock for cash - February 15, 2002	399,200	--	--	--
Issuance of common stock for services - April 2002	399,800	--	--	--
Issuance of common stock for Architectural agreement - May 2002	18,138,722	(18,141,535)	--	--
Issuance of common stock for cash - June 2002	149,950	--	--	--
Issuance of common stock for Architectural agreement - October 2002	162,000	(162,600)	--	--
Issuance of common stock for financing costs - November 2002	162,500	--	--	--
Issuance of stock for services - October 2002	74,750	--	--	--
Net loss for the year ended December 31, 2002	--	--	--	--
Balance at December 31, 2002	19,515,207	(18,304,135)	--	--
Issuance of common stock for financing costs - June 2003	309,400	--	--	--
Issuance of preferred stock for cash June 2003	99,000	--	--	--

Issuance of preferred stock for cash August 2003	49,500	--	--	--
Issuance of common stock for cash September 2003	99,231	--	--	--
BCF associated with preferred stock	130,000	--	--	--
Amortization of beneficial conversion feature in a manner similar to preferred stock dividends	(130,000)	--	--	--
Issuance of common stock for services September 2003	99,375	--	--	--
Issuance of common stock for cash December 2003	297,692	--	--	--
Issuance of common stock for cash - December 2003	198,462	--	--	--
Issuance of common stock for cash - December 2003	198,462	--	--	--
Issuance of common stock for cash - December 2003	24,808	--	--	--
Issuance of common stock for cash - December 2003	49,616	--	--	--
Issuance of preferred stock for service RP - December 2003	2,347,500	--	--	--
Issuance of common stock for services - December 2003	847,827	--	--	--
Net loss for the year ended 12/31/03	--	--	--	--
	--------	-------	------	-------
Balance at December 31, 2003	$24,136,080	$ 18,304,135)	--	--
	===========	============	======	=======
Issuance of common stock for cash January 2004	24,808	--	--	--
Issuance of common stock for cash February 2004	49,615	--	--	--
Issuance of common stock for cash February 2004	199,500	--	--	--
Issuance of common stock for cash February 2004	318,325	--	--	--
Issuance of common stock for services February 2004	119,850	--	--	--
Issuance of common stock for services February 2004	119,850	--	--	--
Issuance of common stock for services February 2004	(4,500)	--	--	--

Conversion of preferred stock to common stock March 2004	(4,500)	--	--	--
Conversion of preferred stock to common stock March 2004	49,615	--	--	--
Issuance of common stock for cash March 2004	49,615	--	--	--
Issuance of common stock for services June 2004	322,350	--	--	--
Issuance of common stock for cash September 2004	49,667	--	--	--
Issuance of common stock for cash October 2004	149,000	--	--	--
Issuance of common stock for services October 2004	54,500	--	--	--
Net loss for the year ended December 31, 2004	--	--	--	--
Balance at December 31, 2004	$25,683,910	$(18,304,135)	--	--
Issuance of common stock for services January 2005	74,500	--	--	--
Issuance of common stock for cash February 2005	99,500	--	--	--
Issuance of common stock for services March 2005	159,500	--	--	--
Issuance of common stock for cash March 2005	74,625	--	--	--
Issuance of common stock for cash June 2005	99,333	--	--	--
Issuance of common stock for cash June 2005	298,000	--	--	--
Issuance of common stock for cash July 2005	69,800	--	--	--
Issuance of common stock for cash July 2005	99,333	--	--	--
Issuance of common stock for cash July 2005	24,833	--	--	--
Conversion of preferred stock to common Stock August 2005	(2,500)	--	--	--

Issuance of common stock for cash September 2005	32,900	--	--	--
Issuance of common stock for cash September 2005	164,500	--	--	--
Issuance of common stock for cash November 2005	49,667	--	--	--
Issuance of common stock for cash November 2005	119,200	--	--	--
Issuance of common stock for cash November 2005	99,333	--	--	--
Issuance of common stock for cash December 2005	24,833	--	--	--
Net loss for the year ended December 31, 2005	--	--	--	--
	-------	-------	-------	------
Balance at December 31, 2005	27,171,267	$(18,304,135)	--	--
	==========	=============	=======	======
Issuance of common stock for cash February 2006	24,833	--	--	--
Conversion of preferred series B stock To common stock April 2006	(500)	--	--	--
Issuance of common stock for Services April 2006	141,550	--	--	--
Issuance of common stock for Acquisition Deposit April 2006	447,000	--	(450,000)	--
Issuance of common Stock for services May 2006	15,900	--	--	--
Issuance of common stock for services June 2006	34,750	--	--	--
Conversion of Preferred Series A To common Stock July 2006	(4,500)	--	--	--
Issuance of common stock for loan August 2006	396,000	--	--	--
Issuance of common Stock for collateral August 2006	742,500	--	--	(750,000)
Issuance of common stock for services November 2006	740,182	--	--	--
Issuance of common stock as deposit For acquisition November 2006	298,000	--	(300,000)	--
Issuance of common stock for additional Debt interest December 2006	27,393	--	--	--

Issuance of common stock for cash December 2006	24,833	--	--	--
Issuance of common stock for services December 2006	91,400	--	--	--
Fair market adjustment to stock for Deferred Construction Costs, December 2006	(18,107,260)	18,107,260	--	--
Accretion of loan costs to interest expense December 2006	--	--	--	--
Net loss as of December 31, 2006	--	--	--	--
Balance at December 31, 2006	$12,043,353	$ (196,875)	$(750,000)	$(750,000)

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VOYAGER ENTERTAINMENT INTERNATIONAL, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED STATEMENT OF CASH FLOWS

	December 31, 2006	December 31, 2005	From in March 1, December
Cash Flows from Operating Activities:			
Net Loss	$ (1,886,694)	$ (1,736,658)	$(13,9
Adjustments to reconcile net loss to net cash used by operating activities:			
Depreciation	10,143	7,566	
Issuance of common stock for services	286,500	503,000	5,5
Issuance of common stock for accrued bonus	750,000	--	7
Interest expense from the issuance of common stock	34,118	--	5
Accretion of debt issuance costs	146,250	--	1
Changes in assets and liabilities:			
Accounts payable and accrued expenses	47,876	48,558	1,0
Accrued expenses - related party	(160,000)	290,000	6
Accrued settlement obligation	--	--	6
Net cash used in operating activities	(771,807)	(887,534)	(4,7
Cash flows used in Investing Activities:			
Payments to acquire fixed assets	(10,504)	(14,889)	(
Note receivable	(500,000)	--	(5
Net cash used in investing activities	(510,504)	(14,889)	(5
Cash flows provided by Financing Activities:			
Proceeds from notes payable	1,250,000	--	2,0
Proceeds from the sale of preferred stock	--	--	1

Proceeds from the sale of common stock	50,000	995,000	3,1
Payments for loan fees	(50,000)	--	(
Net cash provided by financing activities	1,250,000	995,000	5,3
Net increase (decrease) in cash	(32,311)	92,577	
Cash, beginning of year	108,552	15,974	
Cash, end of year	$ 76,241	$ 108,552	$
Cash paid for:			
Interest	$ 60,000	$ --	$
Income Taxes	$ --	$ --	$
Supplemental schedule of non-cash Investing And Financing Activities:			
Common stock issued for financing costs	$ 400,000	$ --	$ 9
Common stock issued for loan collateral	$ 750,000	$ --	$ 7
Deferred construction costs, adjusted to fair value	$(18,107,260)	$ --	$ 1
Conversion of preferred shares	$ 1,000	$ 5,000	$
Common stock issued as acquisition deposit	$ 750,000	$ --	$ 7

The accompanying notes form an integral part of these consolidated financial statements.

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VOYAGER ENTERTAINMENT INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION AND ORGANIZATION
Voyager Entertainment International, Inc. (the "Company"), a Delaware corporation formerly known as Dakota Imaging, Inc. on January 31, 1991, is in entertainment development business with plans to develop the world's tallest Observation Wheel on the Las Vegas strip area. The financial statements reflect from the period of inception of Outland Development in 1997. During April 2002, the Company changed its name from Dakota Imaging, Inc. to Voyager Entertainment International, Inc. and adopted a new fiscal year.

As used in these Notes to the Consolidated Financial Statements, the terms the "Company", "we", "us", "our" and similar terms refer to Voyager Entertainment International, Inc. and, unless the context indicates otherwise its consolidated subsidiaries. The Company's wholly owned subsidiaries include Voyager Ventures, Inc. ("Ventures"), a Nevada corporation, Outland Development, LLC ("Outland"), a Nevada Limited Liability Corporation, and Voyager Entertainment Holdings, Inc. ("Holdings"), a Nevada corporation.

The Company is currently a development stage company reporting under the provisions of Statement of Financial Accounting Standard ("FASB") No. 7, "Accounting and Reporting for Development Stage Enterprises."

The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany transactions and accounts have been eliminated in consolidation.

GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. There is no established source of revenue, has a working capital deficit of $4,290,908, total debt plus accrued interest of $3,675,899 of which $1,210,000 is callable at any time and $1,250,000 is due in 2007, and has an accumulated deficit of $13,966,083. Additionally we have incurred significant losses of $1,886,694 and $1,736,658, and used cash from operating activities of $771,807 and $887,534 in 2006 and 2005, respectively. All of this raises substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The Company has limited operations and is still in the development stage. The Company will need to raise a substantial amount of capital in order to continue its business plan. Management intends to initiate their business plan and will continue to seek out joint venture partners, attempt to locate the appropriate location for the Las Vegas Project as well as other projects and continually seek funding opportunities.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

ESTIMATES
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH
For the Statements of Cash Flows, all highly liquid investments with maturity of three months or less are considered to be cash equivalents. There were no cash equivalents as of December 31, 2006.

CONCENTRATIONS
The Company maintains cash balances at a financial institution in Nevada. Accounts at this institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $100,000. From time to time the Company's cash balance may exceed the FDIC limits. At December 31, 2006, the Company did not have any accounts in excess of $100,000.

Due to the uniqueness of the Observation Wheel, we may encounter concentrations with certain vendors who specialize in this type of construction.

FIXED ASSETS
Furniture, fixtures and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on a straight-line basis. Estimated service lives of property and equipment is 3 years.

INCOME TAXES
Income taxes are provided for using the liability method of accounting in accordance with Statement of Financial Accounting Standard ("SFAS") No. 109, "Accounting for Income Taxes." A deferred tax asset or liability is recorded for all temporary differences between financial and tax reporting. Temporary differences are the differences between the reported amounts of assets and

liabilities and their tax basis. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effect of changes in tax laws and rates on the date of enactment.

STOCK BASED COMPENSATION

On January 1, 2006, we adopted the fair value recognition provisions of SFAS No. 123(R), "Accounting for Stock-Based Compensation", to account for compensation costs under our stock option plans. We previously utilized the intrinsic value method under Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (as amended).

We use the fair value method for equity instruments granted to employees and non-employees and will use the Black Scholes model for measuring the fair value of options, if issued. The stock based fair value compensation is determined as of the date of the grant or the date at which the performance of the services is completed (measurement date) and is recognized over the vesting periods.

NET LOSS PER COMMON SHARE

Net loss per share is calculated in accordance with SFAS No. 128, "Earnings Per Share". The weighted-average number of common shares outstanding during each period is used to compute basic loss per share. Diluted loss per share is computed using the weighted averaged number of shares and dilutive potential common shares outstanding. Potentially dilutive common shares consist of employee stock options, warrants, and restricted stock, and are excluded from the diluted earnings per share computation in periods where the Company has incurred a net loss.

FAIR VALUE

The carrying amounts reflected in the consolidated balance sheets for cash, accounts payable and accrued expenses approximate the respective fair values due to the short maturities of these items. The Company does not hold any investments that are available-for-sale.

ADVERTISING AND MARKETING COSTS

Advertising and marketing costs are charged to operations as incurred. Advertising and marketing costs for the years ended December 31, 2006 and 2005 were $7,084 and $7,005, respectively.

RECLASSIFICATION

Certain reclassifications, which have no effect on net income (loss), have been made in the prior period financial statements to conform to the current presentation. Specifically, we have presented accrued interest relating the debt on our balance sheet in accrued expenses.

NEW ACCOUNTING PRONOUNCEMENTS

In February 2006, the Financial Accounting Standards Board ("FASB") issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments--an Amendment of FASB Statements No. 133 and 140" ("SFAS No. 155"). SFAS No. 155 allows financial instruments that contain an embedded derivative and that otherwise would require bifurcation to be accounted for as a whole on a fair value basis, at the holders' election. SFAS No. 155 also clarifies and amends certain other provisions of SFAS No. 133 and SFAS No. 140. This statement is effective for all financial instruments acquired or issued in fiscal years beginning after September 15, 2006. We do not expect that the adoption of SFAS No. 155 will have a material impact on our financial condition or results of operations.

In March 2006, the FASB issued SFAS No. 156, "Accounting for Servicing of Financial Assets--an Amendment of FASB Statement No. 140" ("SFAS No. 156"). SFAS No. 156 provides guidance on the accounting for servicing assets and liabilities when an entity undertakes an obligation to service a financial asset by entering into a servicing contract. This statement is effective for all transactions in fiscal years beginning after September 15, 2006. We do not expect that the adoption of SFAS No. 156 will have a material impact on our financial condition or results of operations.

In July 2006, the FASB issued FIN 48, "Accounting for Uncertainty in Income Taxes--an interpretation of FASB Statement No. 109" ("FIN 48"). FIN 48 clarifies the recognition threshold and measurement of a tax position taken on a tax return. FIN 48 is effective for fiscal years beginning after December 15, 2006. FIN 48 also requires expanded disclosure with respect to the uncertainty in income taxes. We are currently evaluating the requirements of FIN 48 and the impact this interpretation may have on our financial statements.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" (SFAS 157). SFAS 157 provides guidance for using fair value to measure assets and liabilities. SFAS 157 addresses the requests from investors for expanded disclosure about the extent to which companies measure assets and liabilities at fair value, the information used to measure fair value and the effect of fair value measurements on earnings. SFAS 157 applies whenever other standards require (or permit) assets or liabilities to be measured at fair value, and does not expand the use of fair value in any new circumstances. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and will be adopted by the Company in the first quarter of fiscal year 2008. We do not expect that the adoption of SFAS 157 will have a material impact on our financial condition or results of operations.

In September 2006, the FASB issued SFAS No. 158, "Statement of Financial Accounting Standards" ("SFAS 158") which amends SFAS No. 87, 88, 106, and 132(R). Post application of SFAS 158, an employer should continue to apply the provisions in Statements 87, 88, and 106 in measuring plan assets and benefit obligations as of the date of its statement of financial position and in determining the amount of net periodic benefit cost. SFAS 158 requires amounts to be recognized as the funded status of a benefit plan, that is, the difference between plan assets at fair value and the benefit obligation. SFAS 158 further requires recognition of gains/losses and prior service costs or credits not recognized pursuant to SFAS No. 87 or SFAS No. 106. Additionally, the measurement date is to be the date of the employer's fiscal year-end. Lastly, SFAS 158 requires disclosure in the financial statements effects from delayed recognition of gains/losses, prior service costs or credits, and transition assets or obligations. SFAS No. 158 is effective for years ending after December 15, 2006 for employers with publicly traded equity securities and as of the end of the fiscal year ended after June 15, 2007 for employers without publicly traded equity securities. We do not expect that the adoption of SFAS 158 will have a material impact on our financial condition or results of operations.

In February 2007, the FASB issued Statement No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities, including an amendment of FASB Statement No. 115" (FAS 159). FAS 159 permits companies to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value and establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities. The provisions of FAS 159 become effective as of the beginning of our 2009 fiscal year. We do not expect that the adoption of SFAS 159 will have a material impact on our financial condition or results of operations.

NOTE 2. NOTE RECEIVABLE

The Company issued $500,000 as a note receivable to a related party from the proceeds of their debt secured in late 2006. This receivable bears no interest and is unsecured. See Note 6 for additional information.

NOTE 3. FIXED ASSETS

Fixed assets and accumulated depreciation consists of the following:

	December 31, 2006
Computer equipment	$ 42,652
Accumulated depreciation	(26,505)
	$ 16,147

NOTE 4. ACCRUED EXPENSES

Accrued expenses consist of the following:

	December 31, 2006
Accounts payable	$ 100,000
Accrued interest	942,660
	$ 1,042,660

NOTE 5. LOAN PAYABLE

Loans payable have no stated interest rate, are due on demand and unsecured. Interest has been accrued at an estimated market interest rate of 8%, is included in accrued expenses, and totaled $319,413 and $179,025 as of December 31, 2006 and 2005, respectively.

The original balance was $228,239 and the proceeds were received and used for operating capital during the year ended December 31, 2002. In March 2003, a claim of $1,460,000 was asserted by the lender. Although management believed the claims were frivolous, due to the additional resources needed by management to defend against these claims and the likely distraction of management's efforts from moving forward with the Company's business plan, a settlement agreement was executed with the lender in August 2003.

Pursuant to the Settlement Agreement, the Company agreed to pay a settlement amount of an additional $650,000, without claiming any fault or wrong doing. As of December 31, 2006, the total obligation included loans of $228,239 in principal and the settlement obligation of $650,000, plus total accrued interest of $319,143 amounting to an aggregate of $1,197,382. One half of this amount, or $563,566 is due and payable at the closing of the first round of project funding and the remaining balance is due and payable at the closing of any subsequent project funding, neither of which have occurred as of December 31, 2006. Since the loan payable does not have a maturity date, the entire balance has been presented as a current liability. The debt holder is a shareholder in our Company and owns approximately 7.4 million shares of our common stock.

NOTE 6. NOTES PAYABLE

Line of Credit
On November 19, 2002, the Company entered into a line of credit financing agreement which entitled the Company to borrow from creditor up to an aggregate of $2,500,000. Advances under this line of credit are based on achievement of certain milestones pursuant to the agreement. Upon the receipt of funds, the Company was required to issue up to 1,500,000 shares of its common stock on a pro rata basis.

The Company borrowed $605,000 against this line of credit and issued 1,500,000 shares. The balance payable under this line of credit was due on April 15, 2003 and is secured by all of the Company's assets.

The original line of credit bore interest at the rate of 12% per annum. This line of credit has expired and no principal or accrued interest has been paid back. Consequently, during the year ended December 31, 2003, the Company agreed to pay 100% interest related to this line of credit. Interest of $605,000 has been accrued and included in accrued expenses in the accompanying consolidated financial statements.

As of December 31, 2006, the total obligation including loans of $605,000, and accrued interest of $605,000, amounted to $1,210,000. The debt holder has agreed to be repaid from those funds received by the Company at its next project funding. If the Company does not receive significant project funding it will not be able to repay the debt. As collateral for the Loan and Security Agreement the debt holder filed a UCC-1 against the assets and intellectual property of the Company giving the debt holder the right to institute foreclosure proceedings against the Company. Foreclosure proceedings could be instituted at any time if the debt holder believes that he will not be repaid. As of the date of these financial statements the debt holder has not indicated any intentions to institute foreclosure proceedings.

Diversified Lending
On September 5, 2006, the Company entered into a note payable with Diversified Lending Group, Inc. for $1,250,000. The Company is a joint tenant with Western Architectural in this debt which bears interest of 14% and is due within one year from the date of the note.

As consideration for the loan, the Company was required to pay $50,000 and issue 4,000,000 shares of its common stock, both of which have been completed. Also, to collateralize the loan, the Company was required to issue 7,500,000 shares of its common stock. The promissory note also holds an anti-dilution clause where the Company is required to issue additional shares of its common stock to the debt holder so that their 4% ownership is not diluted. As of December 31, 2006, we issued an additional 464,278 of common stock relating to third quarter 2006 dilution and have accounted for this issuance as additional interest expense of $27,857. At December 31, 2006 we have accrued an additional $6,261 of interest relating to the year end dilution calculation which will result in us issuing an additional 89,438 shares once these financial statements have been filed.

As the collateral, loan fees and anti-dilution components of the agreement are dominated in Company common stock, the Company maintains the full risk of loss and we have recorded the full debt component on our balance sheet.

From the proceeds of the debt facility we issued $500,000 to Western

Architectural Services, LLC and recorded an unsecured Note Receivable on our balance sheet.

Year Ended December 31,	Principal Payments
2007	$ 1,250,000
2008	-
Thereafter	-
Total	$ 1,250,000

NOTE 7. RELATED PARTY TRANSACTIONS AND ACQUISITION

Related Party Transactions
During February 2004, the Company paid $300,000 in cash to Western Architectural Services, LLC, an entity owned by an officer-stockholder and director of the Company pursuant to a Contractor Agreement between Western Architectural Services and the Company to design and build a car for the Voyager project and conduct a feasibility study.

During the years ended December 31, 2006 and 2005, the Company awarded a bonus of $380,000 payable to Synthetic Systems, LLC, an entity jointly owned by its Chief Executive Officer and Secretary. At December 31, 2006, accrued expenses - related party consists of the $625,000 unpaid bonus balance, which includes the bonuses disclosed above.

During the years ended December 31, 2006 and 2005, the Company paid consulting fees of approximately $35,000 per month to Synthetic Systems, LLC, for a total of $420,000 in each year. Synthetic Systems is jointly owned by our Chief Executive Officer and Secretary. The Company also paid to Synthetic Systems LLC., office rent expenses of $34,694 and $31,794 and furniture and equipment lease of $13,800 or $1,150 per month as of December 31, 2006 and 2005, respectively.

On May 30, 2002, the Company executed a Contractor Agreement with Western Architectural Services, LLC ("Western") where Western will provide to the Company certain architectural services for the Las Vegas Observation Wheel Project in exchange for which the Company issued 2,812,500 shares of restricted common stock to Western. Although he was not an affiliate of the Company upon execution of the Contractor Agreement, Westerns Chief Executive Officer is currently an executive officer, director and significant stockholder of the Company. We have accounted for these shares as Deferred Construction Costs in these financial statements.

Western plans to sell the amount of common stock at the time before and during the contract to purchase supplies and pay subcontractors. At the time the contract was issued the shares of the Company were trading at $6.50 per share. The current stock price of the Company has a trading range of $0.10 to $0.50. If at the time Western performs the services contracted and the share price is below $6.50 per share, the Company will be required to issue new shares to Western in order for the contract to be fulfilled. Western's Chief Executive Officer is currently an affiliate of the Company which will also limit the amount of shares that can be sold based on the trading volume and shares outstanding in accordance with Rule 144 of the Securities Act of 1933. As of

December 31, 2006, we have marked these shares to market in accordance with EITF No. 96-18 "Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services", Issue 3, using the year end closing price of our stock. The change in valuation was debited to additional-paid in capital due to the deferred construction cost nature of these shares.

Acquisition

On April 10, 2006, Voyager entered into a Unit Purchase (Buy-Sell) Agreement ("Agreement") to acquire all the outstanding units of Western Architectural Services, LLC ("Western") in exchange for a total of 5,000,000 shares of Voyager's common stock ("Shares"). On September 11, 2006, Voyager believed it had fully completed the necessary due diligence pursuant to the Agreement and consequently delivered the Shares consideration as required for the final closing. Upon further evaluation of Voyager's due diligence of Western pursuant to Section 2.02 of the Agreement, it has been determined that the existing limited liability company ("LLC") operating agreement of Western would need to be modified in order for Voyager to continue the existing operations of Western.

On March 30 2007, Voyager and Western were not able to come to acceptable terms with regards to the needed changes to the LLC operating agreement and therefore cancelled the Agreement since the transaction did not meet all the requirements of Section 2.02 of the Agreement and was deemed as if the acquisition transaction was never closed.

As a result, the acquisition was nullified effective March 30, 2007. As a result of the nullification of the acquisition transaction 2,500,000 shares of common stock will be returned to the Company for cancellation and returned to the treasury. The remaining 2,500,000 shares will be accounted for as a fee for the nullification. The shares were valued at fair value of $0.15 per shares for a total value of $375,000. As of the date of these financial statements the Company and Western are in the process of cancelling the necessary shares under the March 30, 2007 agreement.

We have removed Western from our financial statements as of December 31, 2006 due to the above and will subsequently remove the Acquisition Deposit when all necessary shares have been cancelled and reissued.

NOTE 8. COMMITMENTS AND CONTINGENCIES

The Company shares office space with Synthetic Systems as previously disclosed. The Company has no other commitments.

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NOTE 9. STOCKHOLDERS' EQUITY

The authorized common stock of the Company consists of 200,000,000 shares of common stock with par value of $0.001, 50,000,000 shares of series A preferred stock with a par value of $0.001 an 10,000,000 shares of Series B Preferred Stock..

PREFERRED STOCK

Convertible Preferred Stock - Series A

The Series A convertible preferred stock carries the following rights and preferences:

- 10 to 1 voting rights per share
- Each share has 10 for 1 conversion rights to shares of common stock
- No redemption rights

During 2002, prior to the date of the Merger discussed in Note 1, the Company issued 2,160,000 shares of convertible preferred stock as consideration for cash and services, of which 660,000 shares were immediately converted to shares of common stock, resulting in the Company having 3,660,000 shares of common stock outstanding.

Effective February 8, 2002 the Company, as consideration for the Merger, issued 3,660,000 shares of its Series A convertible preferred stock in exchange for 100% of Voyager's outstanding common stock. Additionally, simultaneously upon closing of the Merger 2,160,000 shares of the Series A convertible preferred stock immediately converted into 21,600,000 shares of common stock, resulting in a balance of 1,500,000 shares of convertible preferred stock remaining outstanding. These amounts have been adjusted pursuant to reverse merger accounting in the accompanying financial statements.

Immediately preceding the Merger, Dakota, the legal acquirer, had 11,615,000 shares of common stock outstanding.

On March 5, 2004, the Company's CEO converted 500,000 Series A Preferred shares into 5,000,000 shares of common stock of the Company.

On March 31, 2004, a former officer and director converted 500,000 Series A Preferred shares into 5,000,000 shares of common stock of the Company.

In September 2006, 500,000 Series A Preferred shares were converted into 5,000,000 shares of common stock of the Company by a non-officer.

Convertible Preferred Stock - Series B

The Series B convertible preferred stock carries the following rights and preferences:

- 2 to 1 voting rights per share
- Each share has 2 for 1 conversion rights to shares of common stock
- No redemption rights
- Preferential liquidation rights to Series A preferred stock and common stock
- Anti-dilution clauses in the event of a reverse split

In June 2003, the Company sold 1,000,000 of the Series B Preferred Stock Shares for total cash consideration of $100,000 to one investor at $0.10 per share. The Company recognized a beneficial conversion feature of $80,000 accounted for as a preferred stock dividend during the year. Since these shares are immediately convertible into common stock of the Company, pursuant to Emerging Issues Task Force ("EITF") Nos. 00-27 and EITF 98-5, the Company recognized the dividend immediately.

In August 2003, the Company sold 500,000 of the Series B Preferred Stock Shares for total cash consideration of $50,000 to one investor at $0.10 per share. The Company recognized a beneficial conversion feature of $50,000 accounted for as a preferred stock dividend during the year. Since these shares are immediately convertible into common stock of the Company, pursuant to EITF 00-27 and EITF 98-5, the Company recognized the dividend immediately.

In December 2003, the Company issued 2,500,000 of the Series B Preferred Stock Shares for total consideration valued at $2,350,000, or $0.94 per share, to its officer-stockholders. The fair value of the services received was determined based on the fair value of the underlying trading common stock.

In August 2005, the Company's CEO converted 1,000,000 Series B Preferred shares into 2,000,000 shares of common stock of the Company.

In August 2005, the Company's Secretary converted 1,000,000 Series B Preferred shares into 2,000,000 shares of common stock of the Company.

In August 2005, an entity controlled by an officer and director of the Company converted 500,000 Series B Preferred shares into 1,000,000 shares of common stock of the Company.

In May 2006, an officer and director of the Company converted 500,000 Series B Preferred Shares into 1,000,000 shares of common stock of the Company.

Common Stock Issuances

On February 15, 2002, the Company sold 800,000 restricted shares of common stock at a price of $0.50 per share for $400,000, which represented the fair market value of the common stock on date of issuance.

On April 5, 2002, the Company issued 200,000 restricted shares of common stock in exchange for services performed totaling $200,000. The fair market value of the common stock on the date of issuance totaled $400,000. Therefore, the Company has recognized stock discount expense of $200,000.

On May 30, 2002, the Company executed a Contractor Agreement with Western Architectural Services, LLC ("Western") where Western will provide to be determined architectural services to the Company for its Las Vegas Observation Wheel Project. The Company issued 2,812,500 shares of restricted common stock in consideration for Western's contract sum of $18,141,533 classified as deferred construction costs. See Note 7 above.

During June 2002, the Company sold 50,000 restricted shares of common stock at a price of $3.00 per share solely to accredited investors for cash consideration totaling $150,000, which represents the fair market value of the common stock on date of issuance. Since the cash consideration received was from unrelated parties, it was determined to best represent the fair market value of the shares on the transaction date.

On October 28, 2002, the Company entered into a professional architectural services agreement with an architect firm in exchange for 600,000 shares of common stock. The Company's stock must be issued within 10 days of the agreement. In addition, the Company is responsible for reimbursement of expenses.

On November 19, 2002, the Company entered into a line of credit financing in the amount of $1,000,000 in exchange for 650,000 shares of common stock. The fair market value of the trading common stock on the date of issuance totaled $163,150.

On December 9, 2002, the Company entered into a consulting agreement in exchange for 325,000 shares of common stock. The fair market value of the trading common stock on the date of issuance totaled $75,075.

In September 2003, the Company sold 769,222 shares of common stock for total cash consideration of $100,000 to one investor, which represents the fair market value of the common stock on date of issuance. Since the cash consideration received was from unrelated parties, it was determined to best represent the fair market value of the shares on the transaction date. The common stock was offered in reliance upon the private offering exemptions contained in Sections 3(b) and 4(2) of the Securities Act of 1933, as amended, and Rule 506 of Regulation D promulgated thereunder.

In September 2003, the Company also issued 625,000 shares of restricted common stock to two individuals for consulting services rendered. These shares were valued at the trading fair market value of $0.16 per share or total compensation cost of $100,000.

In December 2003, an investor entered into an agreement to purchase 1,346,154 additional shares of common stock for cash proceeds of $175,000. These shares were purchase and issued as follows: |X| In January 2004, $25,000 was received from the sale of 192,307 shares of common stock pursuant to a purchase agreement from December 2003, |X| In February 2004, $50,000 was received from the sale of 384,614 shares of common stock pursuant to a purchase agreement from December 2003, |X| In March 2004, $100,000 was received from the sale of 769,228 shares of common stock pursuant to a purchase agreement from December 2003,

The common stock above was offered in reliance upon the private offering exemptions contained in Sections 3(b) and 4(2) of the Securities Act of 1933, as amended, and Rule 506 of Regulation D promulgated thereunder.

In February 2004, $300,000 was received for 750,000 shares of common stock. The common stock was offered in reliance upon the private offering exemptions contained in Sections 3(b) and 4(2) of the Securities Act of 1933, as amended, and Rule 506 of Regulation D promulgated thereunder.

During February 2004, the Company also issued 725,000 shares of restricted common stock to three consultants for services rendered. These shares were valued at the fair market value ranging from $0.75 to $0.80 per share for total consideration of $558,750.

On March 5, 2004, the Company's CEO converted 500,000 Series A Preferred shares into 5,000,000 shares of common stock of the Company.

On March 31, 2004, a former officer and director converted 500,000 Series A Preferred shares into 5,000,000 shares of common stock of the Company.

On June 17, 2004, the Company initiated negotiations to potentially purchase a parcel of property in Las Vegas, Nevada At that time, the Company issued 500,000 shares of common stock as an incentive to the owner of that property which will not be recovered regardless of whether the Company completes the transaction. The shares were valued at the fair market value of $0.49 per share for a total of $245,000.

On June 30, 2004, the Company issued 150,000 shares of common stock to an individual for services rendered. These shares were valued at the fair market value of $0.52 per share for total consideration of $78,000.

In September 2004, $50,000 was received for 333,333 shares of common stock. The common stock was offered in reliance upon the private offering exemptions contained in Sections 3(b) and 4(2) of the Securities Act of 1933, as amended, and Rule 506 of Regulation D promulgated thereunder.

In October 2004, $150,000 was received for 1,000,000 shares of common stock. The common stock was offered in reliance upon the private offering exemptions contained in Sections 3(b) and 4(6) of the Securities Act of 1933, as amended, and Rule 506 of Regulation D promulgated thereunder.

In October 2004, the Company issued 500,000 shares of common stock to an individual for services rendered. These shares were valued at the fair market value of $0.11 per share for total consideration of $55,000.

In January 2005, the Company issued 500,000 shares of common stock for consulting services rendered in the first quarter of 2005. These shares were valued at the fair value of $0.15 per share for total compensation of $75,000.

In February 2005, $100,000 was received for 500,000 shares of common stock at $0.20 per share.

In March 2005, $75,000 was received for 375,000 shares of common stock at $0.20 per share.

In March 2005, the Company issued 500,000 shares of common stock for consulting services rendered. These shares were valued at the fair value of $0.32 per share for total compensation of $160,000.

In June 2005, $400,000 was received for 2,666,667 shares of common stock at $0.15 per share.

In July 2005, $125,000 was received for 833,333 shares of common stock at $0.15 per share.

In July 2005, the Company issued 200,000 shares of common stock for consulting services rendered. These shares were valued at the fair value of $0.35 per share for total compensation of $70,000.

In August 2005, the Company's CEO converted 1,000,000 Series B Preferred shares into 2,000,000 shares of common stock of the Company.

In August 2005, the Company's Secretary converted 1,000,000 Series B Preferred shares into 2,000,000 shares of common stock of the Company.

In August 2005, an entity controlled by an officer and director of the Company converted 500,000 Series B Preferred shares into 1,000,000 shares of common stock of the Company.

In September 2005, the Company issued 600,000 shares of common stock for consulting services rendered. These shares were valued at the fair value of $0.33 per share for total compensation of $198,000.

In November 2005, $25,000 was received for 166,667 shares of common stock at $0.15 per share.

In December 2005, $270,000 was received for 1,800,000 shares of common stock at $0.15 per share.

In February 2006, $25,000 was received for 166,667 shares of common stock at $0.15 per share.

In April 2006, the Company issued 3,000,000 shares of common stock in anticipation of the Western merger, see Note 7. These shares were valued at fair value of $0.15 per share or $450,000.

In April 2006, the Company issued 950,000 shares of common stock for consulting services rendered. These shares were valued at the fair value on the date of grant of $0.15 per share for total compensation of $142,500.

In May 2006, an officer and director of the Company converted 500,000 Series B Preferred Shares into 1,000,000 shares of common stock of the Company.

In May 2006, the Company issued 100,000 shares of common stock for consulting services rendered. These shares were valued at the fair value of $0.16 per share on the date of grant for total compensation of $16,000.

In June 2006, the Company issued 250,000 shares of common stock for consulting services rendered. These shares were valued at the fair value per share of $0.14 per share on the date of grant for total compensation of $35,000.

In September 2006, 500,000 Series A Preferred shares were converted into 5,000,000 shares of common stock of the Company by a non-officer.

In August 2006, the Company issued 4,000,000 and 7,500,000 shares of common stock in association with loan origination costs and collateral for the loan, valued at fair value on the issuance date at $0.10 per share for a total value of $400,000 and $750,000, respectively.

In November 2006, the Company issued 9,812,500 shares of common stock for consulting services rendered. These shares were valued at the fair value of $0.08 per share on the date of grant for total compensation of $750,000.

In November 2006, the Company issued 2,000,000 shares of common stock in anticipation of the Western merger, see Note 7. These shares were valued at fair value of $0.15 per share for a total value of $300,000.

In December 2006, the Company issued 464,278 shares of common stock due to the anti-dilution clause in our debt agreement, see Note 6 above. The shares were valued at the fair value of $0.06 per share

In December 2006, $25,000 was received for 166,667 shares of common stock at $0.15 per share.

In December 2006, the Company issued 1,000,000 shares of common stock for consulting services rendered. 1, 000,000 shares were valued at the fair value of $.058 per share on the date of grant for total compensation of $58,000 and 600,000 shares were valued at the fair value of $0.06 per share for a total value of $36,000.

Stock Option Plan

The Company's stockholders approved the 2002 Stock Option Plan on April 2, 2002 at the Company's annual meeting. The plan authorizes the Company to issue 5,000,000 shares of common stock for issuance upon exercise of options.

The plan is intended to encourage directors, officers, employees and consultants of the Company to acquire ownership of common stock. Officers (including officers who are members of the Board of Directors), directors (other than members of the Stock Option Committee (the "Committee") to be established to administer the Stock Option Plan) and other employees and consultants of the Company and its subsidiaries (if established) will be eligible to receive options under the planned Stock Option Plan. The Committee will administer the Stock Option Plan and will determine those persons to whom options will be granted, the number of options to be granted, the provisions applicable to each grant and the time periods during which the options may be exercised. No options may be granted more than ten years after the date of the adoption of the Stock Option Plan.

Unless the Committee, in its discretion, determines otherwise, non-qualified stock options will be granted with an option price equal to the fair market value of the shares of common stock to which the non-qualified stock option relates on the date of grant. In no event may the option price with respect to an incentive stock option granted under the Stock Option Plan be less than the fair market value of such common stock to which the incentive stock option relates on the date the incentive stock option is granted. Each option granted under the Stock Option Plan will be exercisable for a term of not more than ten years after the date of grant. Certain other restrictions will apply in connection with this Plan when some awards may be exercised.

In the event of a change of control (as defined in the Stock Option Plan), the date on which all options outstanding under the Stock Option Plan may first be exercised will be accelerated. Generally, all options terminate 90 days after a change of control. As of December 31, 2006, no options have been issued under this plan.

NOTE 11. INCOME TAXES

No tax benefit has been reported in connection with the net operating loss carry forwards in the consolidated financial statements as the Company believes it is more likely than not that the net operating loss carry forwards will expire unused. Accordingly, the potential tax benefits of the net operating loss carry forwards are offset by a valuation allowance of the same amount. Net operating loss carry forwards start to expire in 2021.

The components of the Company's deferred tax asset as of December 31, 2006 and 2005 are as follows:

	2006	2005
Net operating loss carry forward	$ 4,557,900	$ 4,027,500
Valuation allowance	(4,557,900)	(4,027,500)
Net deferred tax asset	$ --	$ --

A reconciliation of income taxes computed at the statutory rate to the income tax amount recorded is as follows:

	2006	2005	Since Inception
Tax at statutory rate (35%)	$ 530,400	$ 477,500	$ 4,557,900
Increase in valuation allowance	(530,400)	(477,500)	(4,557,900)
Net deferred tax asset	$ --	$ --	$ --

NOTE 12. SUBSEQUENT EVENTS

In March 2007, the Company issued 1,000,000 shares of common stock for consulting services rendered. These shares were valued at the fair value on the date of grant for total compensation of $100,000 or $0.10 a share.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

On January 17, 2006 Stonefield Josephson, Inc. ("Stonefield") resigned as the Company's independent registered public accounting firm.

As a result, the Company's board of directors believed that it was in the best interest of the Company to seek local representation. On January 23, 2006, upon approval of the board of directors,the Company engaged De Joya Griffith & Company, LLC ("De Joya Griffith") of Las Vegas, Nevada to serve as the Company's independent auditors.

Stonefield Josephson, Inc. had audited the Company's financial statements for each of the two fiscal years ended December 31, 2004 and December 31, 2003. The report of Stonefield Josephson, Inc. for each of those years did not contain an adverse opinion or disclaimer of opinion and was not modified as to uncertainty, audit scope, or accounting principles, except that the audit report of Stonefield Josephson, Inc. on the financial statements of the registrant as of and for the fiscal year ended December 31, 2004 contained an explanatory paragraph expressing substantial doubt about the registrant's ability to continue as a going concern.

During the two most recent fiscal years and the subsequent interim period through the date of Stonefield's resignation there were no disagreements with Stonefield Josephson, Inc. on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to the satisfaction of Stonefield Josephson, Inc., would have caused it to make reference to the subject matter of the disagreement in connection with its report.

There were no other "reportable events" as that term is described in Item 304 (a)(1)(iv)(B) of Regulation S-B occurring within the registrant's two most recent fiscal years and through the subsequent interim period through the date of Stonefield's resignation.

During the two most recent fiscal years ended December 31, 2005 and December 31, 2004 and the subsequent interim period ending through the date of engagement, the Company did not consult De Joya Griffith with respect to the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company's consolidated financial statements, or any disagreement as described under Item 304(a)(1)(iv)(B) of Regulation S-B, or event described under Item 304(a)(2) of Regulation S-B.

ITEM 8A. CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. We do realize that we are a small company and as a small company with only the officers and directors participating in the day to day management, with the ability to override controls, each officer and director has multiple positions and responsibilities that would normally be distributed among several employees in larger organizations with adequate segregation of duties to ensure the appropriate checks and balances.

EVALUATION OF DISCLOSURE, CONTROLS AND PROCEDURES

Based on their evaluation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this annual report on Form 10-KSB the Company's chief executive officer has concluded that the Company's disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and are operating in an effective manner.

CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

There were no significant changes to our internal controls or in other factors that could significantly affect internal controls over financial reporting subsequent to the date of our accountant's evaluation.

ITEM 8B. OTHER INFORMATION

For the period ending September 30, 2006 the Company filed financial statement and the 10-QSB for that period to reflect the acquisition of Western Architectural Services. As a result of the cancellation of the acquisition it will be necessary to amend the 10-QSB for the period ending September 30, 2006. The amendment will extract any information from the financial statements referring to Western and will only be based on the financial results of Voyager.

PART III

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The following table sets forth the names and positions of our executive officers and directors. Directors will be elected at our annual meeting of stockholders and serve for one year or until their successors are duly elected and qualified. Officers are elected by the Board and their terms of office are, except to the extent governed by employment contract, at the discretion of the Board.

Name	Age	Positions and Offices held
Richard Hannigan	57	President, CEO and Director
Tracy Jones	54	Chief Operating

		Officer and Director
Myong Hannigan	58	Secretary, Treasurer and Director

Duties, Responsibilities and Experience

Richard L. Hannigan, Sr., has been the Company's President and Chief Executive Officer and a Director since February 8, 2002. Mr. Hannigan also serves as the President, Chief Executive Officer and a Director of Voyager Entertainment Holdings, Inc., our wholly-owned subsidiary ("VEHI"). Mr. Hannigan has been President of a design and construction company, Synthetic Systems, Inc., since 1991. This Company specializes in custom designs for interior and exterior casino construction. Under Mr. Hannigan's control, Synthetic Systems, Inc. has been involved in several casino projects in Las Vegas, including the Luxor Hotel Casino, its interior themed areas and exterior main entry Sphinx. Prior to forming Synthetic Systems, Inc., Mr. Hannigan owned and operated two consulting and construction companies from 1983-1991. These companies, Architectural Services, Inc. and Architectural Systems, Inc., respectively, have been responsible for construction projects located in Las Vegas, Palm Springs, Los Angeles and Salt Lake City Mr. Hannigan has also consulted for exterior glazing and exotic fenestrations on commercial as well as casino companies in Las Vegas.

Tracy Jones, has been the Company's Chief Operating Officer and became a Board member, on May 26, 2003. Mr. Jones also serves as the Chief Operating Officer of VEHI, our wholly-owned subsidiary. Mr. Jones formed Western Architectural Services, LLC ("Western") in 1982, as an architectural design and fabrication company. Over the past 20 years Mr. Jones has been instrumental in the development of "themed" environments for the Hotel/Casino, Restaurant, and Theme Park industry. At Western, Mr. Jones has revolutionized the use of digitized computer enhancement for the replication of historical features.

Mr. Jones created methods that reduced the time to produce large-scale projects such as the Statue of Liberty at the New York - New York Hotel and Casino in Las Vegas. Previously, this project would have taken almost 1-1/2 years to recreate. However, with methods developed at Western, this project was fabricated in just over 6 months.

Mr. Jones has a history of producing the most difficult projects on time, and on budget. With his new position at the Company, Mr. Jones can take this same approach to developing the Observation Wheels. Through many years of difficult construction projects and budgetary constraints, Mr. Jones has developed creative and effective means of manufacturing and construction that will revolutionize] this industry.

Mr. Jones will bring his expertise of manufacturing to this world class project. Mr. Jones will focus on product development, quality control, safety, state and federal regulations, freight issues, and on-time production and overall construction review.

Myong Hannigan has served as Secretary of the Company, and a Board member, since April 4, 2004. Ms. Hannigan also serves as the Secretary and Treasurer of VEHI, our wholly-owned subsidiary. Ms. Hannigan attended college at Seoul University in Seoul, South Korea for general studies and business management. Ms. Hannigan has been a managing partner of a design and construction company, Synthetic Systems, Inc., since 1991. This Company specializes in custom design for interior and exterior casino construction. Prior to Synthetic Systems, Inc., Ms. Hannigan was a managing partner for Architectural Services, Inc. and Architectural Systems, Inc., from 1983-1991. This company specialized in design and installation of custom glass and glazing systems. Prior to Architectural Services, Inc. and Architectural Systems, Ms. Hannigan owned and managed Antiqua Stain Glass Company in Honolulu, Hawaii from 1979-1981, which was relocated from Bloomington, Illinois (1976-1979). This company specialized in design, manufacturing, installation and retail/wholesale products. Ms. Hannigan is the wife of Richard Hannigan, President, Chief Executive Officer and Director of the Company.

AUDIT COMMITTEE AND FINANCIAL EXPERT

The Board of Directors does not have a separate Audit Committee; rather the Board as a whole performs all functions of an Audit Committee. The Board currently does not have an "audit committee financial expert" as defined by the Securities and Exchange Commission Regulation S-B, Item 401(c)(2). The Board believes that, given the developmental stage of the Company, the Company is not currently in a position to attract the services of a Board member who does qualify as a financial expert. However, the Board will continue its search for an individual who would qualify as a financial expert.

BOARD OF DIRECTORS COMMITTEES AND COMPENSATION

COMPENSATION COMMITTEE INTERLOCK AND INSIDER PARTICIPATION

The Board of Directors does not have a Compensation Committee. Richard Hannigan, President, oversaw the compensation of our executive officers.

BOARD OF DIRECTOR'S REPORT ON EXECUTIVE REPORT ON EXECUTIVE COMPENSATION

General. As noted above, our Board of Directors does not have a Compensation Committee and, accordingly, during the year ended December 31, 2006, the Board of Directors, through the President, reviewed and approved the compensation of our executive officers.

Overall Policy; Significant Factors. The compensation decisions made by the Board of Directors in respect of our executive officers were influenced by two major factors. First, our start-up nature brings with it all of the normal capital requirements to sustain growth; therefore, certain stock compensation was granted in lieu of salaries or commissions for services rendered. This practice may be extended into the future on a case-by-case basis. Finally, as we continue to mature, certain additions to the executive staff will be required. As we are required to seek talent in the outside market, we will be required to provide a competitive compensation package.

As an overall policy, however, the Board continues to believe that long-term compensation tied to the creation of stockholder value should constitute a significant component of the compensation to be earned by our executive officers. In this respect, it will be the Board's policy to attempt to restrain base cash compensation (subject to competitive pressures), while providing the incentive for management to increase stockholder value by providing such officers with significant numbers of market-price stock that will not confer value upon the officers unless and until the Company's share price rises. The Board of Directors expects that stock options will constitute a significant component of the compensation package provided to executive officers.

The Board believes that cash bonuses are, at times, appropriate based upon the performance of our business compared to our internal expectations and general business conditions.

STOCK OPTION PLAN

Our stockholders approved the 2002 Stock Option Plan on April 2, 2002 at our annual meeting. The plan authorizes the Company to issue 5,000,000 shares of common stock for issuance upon exercise of options.

The plan is intended to encourage directors, officers, employees and consultants of the Company to acquire ownership of common stock. Officers (including officers who are members of the Board of Directors), directors (other than members of the Stock Option Committee (the "Committee") to be established to administer the Stock Option Plan) and other employees and consultants of the Company and its subsidiaries (if established) will be eligible to receive options under the planned Stock Option Plan. The Committee will administer the Stock Option Plan and will determine those persons to whom options will be granted, the number of options to be granted, the provisions applicable to each grant and the time periods during which the options may be exercised. No options may be granted more than ten years after the date of the adoption of the Stock Option Plan.

Unless the Committee in its discretion determines otherwise, non-qualified stock options will be granted with an option price equal to the fair market value of the shares of common stock to which the non-qualified stock option relates on the date of grant. In no event may the option price with respect to an incentive stock option granted under the Stock Option Plan be less than the fair market value of our common stock on the date the incentive stock option is granted. Each option granted under the Stock Option Plan will be exercisable for a term of not more than ten years after the date of grant. Certain other restrictions will apply in connection with this Plan when some awards may be exercised.

In the event of a change of control (as defined in the Stock Option Plan), the date on which all options outstanding under the Stock Option Plan may first be exercised will be accelerated. Generally, all options terminate 90 days after a change of control. As of December 31, 2006, no options have been issued under this plan.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires our executive officers and directors, and persons who beneficially own more than ten percent of our common stock, to file initial reports of ownership and reports of changes in ownership with the SEC. Executive officers, directors and greater than ten percent beneficial owners are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. Based upon a review of the copies of such forms furnished to us, and written representations from our executive officers and directors, our belief is that during and prior to the year ended 2006, all reports were filed timely as required except for the following:

Officer, Director or 10% Stockholder	Required Form	Transaction and Date
Richard Hannigan	Form 4	Converted 1,000,000 shares of Series B Convertible Preferred Stock into 2,000, shares of common stock on August 17, 20
	Form 4	Issued 2,550,000 shares of common stock convert bonus and accrued salary payabl

		November 20, 2006
Myong Hannigan	Form 4	Converted 1,000,000 shares of Series B Convertible Preferred Stock into 2,000, shares of common stock on August 17, 20
	Form 4	Issued 7,162,500 shares of common stock convert bonus and accrued salary payabl November 20, 2006
Tracy Jones	Form 4	Converted 500,000 shares of Series B Convertible Preferred Stock into 1,000, shares of common stock on August 17, 20
	Form 4	Converted 500,000 shares of Series B Convertible Preferred Stock into 1,000, shares of common stock on August 17, 20
	Form 4	Issued 3,000,000 shares of common stock For the acquisition of Western Architec

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CODE OF ETHICS

The Company has not adopted a code of ethics primarily because there are only three officers and directors who have focused mainly on acquiring a suitable site location and financing for the project. The Company plans to adopt a code of ethics as soon as practicable.

ITEM 10. EXECUTIVE COMPENSATION

The following table sets forth the compensation for the fiscal period(s) for the past three years for our Executive Officers who served in those positions, and the remaining two executive officers of the Company who were serving as executive officers as of December 31, 2006.

SUMMARY COMPENSATION TABLE

						Long Term Compensa	
		Annual Compensation			Awards		
Name and Principle Position	Year	Salary ($)	Bonus ($)(1)	Other Annual Compensation ($)(2)	Restricted Stock Award(s) ($)	Securities Underlying Options/SARs (#)	L
Richard Hannigan President/CEO/ Director	2006	-0-	190,000	210,000	-0-	-0-	
Tracy Jones COO/Director	2006	-0-	-0-	-0-	-0-	-0-	
Myong Hannigan (3)	2006	-0-	190,000	210,000	-0-	-0-	

Secretary						
Richard Hannigan President/CEO/ Director	2005	-0-	190,000	210,000	-0-	-0-
Tracy Jones COO/Director	2005	-0-	-0-	-0-	-0-	-0-
Myong Hannigan (3) Secretary	2005	-0-	190,000	210,000	-0-	-0-
Richard Hannigan President/CEO/ Director	2004	$-0-	$185,500	145,000	-0-	-0-
Tracy Jones COO/Director	2004	$-0-	-0-	-0-	-0-	-0-
Myong Hannigan (3) Secretary	2004	$-0-	$185,000	145,000	-0-	-0-

(1) 2005/2006 Bonus: The Company awarded a cash bonus of $380,000 payable to Synthetic Systems, Inc. for each respective year. The 2005 bonus was retired by the issuance of common stock. Synthetic Systems, Inc. is jointly owned equally by Richard L. Hannigan Sr., our President, and Myong Hannigan, our Secretary. The total bonus of $380,000 will be issued to Synthetic Systems at the appropriate time when the Company deems it practicable.

2004 Bonus: The Company awarded a cash bonus of $370,000 payable to Synthetic Systems, Inc. Synthetic Systems, Inc. is jointly owned equally by Richard L.Hannigan Sr., our President, and Myong Hannigan our Secretary. The total bonus of $370,000 will be issued to Synthetic Systems at the appropriate time when the Company deems it practicable.

(2) 2005/2006: Other Annual Compensation for fiscal year 2005 includes (i) $420,000 in professional consulting fees paid by the Company to Synthetic Systems, Inc., an entity owned by Richard and Myong Hannigan (Mr. Hannigan $210,000 and Ms. Hannigan $210,000)

2004: Other Annual Compensation for fiscal year 2004 includes (i) $290,000 in professional consulting fees paid by the Company to Synthetic Systems, Inc., an entity owned jointly and equally by Richard and Myong Hannigan (Mr. Hannigan received $145,000 and Ms. Hannigan received $145,000 for a total of $290,000).

(3) Myong Hannigan is the wife of Richard Hannigan, Sr.

COMPENSATION PURSUANT TO PLANS

None.

PENSION TABLE

None.

OTHER COMPENSATION

None.

COMPENSATION OF DIRECTORS

None.

TERMINATION OF EMPLOYMENT

There are no compensatory plans or arrangements, including payments to be received from the Company, with respect to any person named in Cash Consideration set out above which would in any way result in payments to any such person because of his resignation, retirement, or other termination of such person's employment with the Company or its subsidiaries, or any change in control of the Company, or a change in the person's responsibilities following a change in control of the Company.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

EQUITY COMPENSATION PLAN INFORMATION

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number o availab under eq (excludi
	(a)	(b)	
Equity compensation plans approved by security holders (1)	-0-	-0-	
Equity compensation plans not approved by security holders			
Total	-0-	-0-	

(1) On April 2, 2002, the Company's stockholders approved the 2002 Stock Option Plan, authorizing the issuance of up to 5,000,000 shares of common stock under the Plan.

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There were no stock options issued to any employee or consultants for the year ending December 31, 2006 and there have not been any options issued since inception. The board of directors determines on an individual basis as to whether the Company should issue stock for services. There are no current plans to issue additional stock for services. However, as the Company conducts business there may be situations from time to time where the Company may elect to issue stock for services.

The following table sets forth information as of March 31, 2007 with respect to the beneficial ownership of the Company's common stock, Series A Convertible Preferred Stock and Series B Convertible Preferred Stock by (i) each person who, to the knowledge of the Company, beneficially owned or had the right to acquire more than 5% of the outstanding common stock, Series A Convertible Preferred Stock and Series B Convertible Preferred Stock, (ii) each director and executive officer of the Company and (iii) all executive officers and directors of the Company as a group.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner(1)	Perce of Cla (2)
	Gregg Giuffria (4) 8617 Rainbow Ridge Dr Las Vegas, NV 89117	10,000,000	8.7
	Don and Nancy Tyner (4) 9807 Highridge Las Vegas, NV 89134	7,450,694	6.4
	Richard Hannigan (5) President, CEO 4483 West Reno Avenue Las Vegas, NV 89118	34,947,500	30.
	Myong Hannigan (5) Secretary 4483 West Reno Avenue Las Vegas, NV 89118	24,197,500	21.
	Tracy Jones COO 4483 West Reno Avenue Las Vegas, NV 89118	6,717,500	5.8
	All Directors & Officers as a Group	41,665,000	36.
	Gregg Giuffria	-0-	-0-
	Richard Hannigan President, CEO	-0-	-0-
	Myong Hannigan Secretary	-0-	-0-
	Tracy Jones COO	-0-	-0-
	All Directors & Officers as a Group	-0-	-0-

Series B Preferred Stock

	Dan and Jill Fugal (3)	1,000,000	100.

	1216 N 600 W Pleasant Grove UT 84062		
	Richard Hannigan President, CEO	-0-	0.0
	Myong Hannigan Secretary	-0-	0.0
	Tracy Jones COO	-0-	0.0
	All Directors & Officers as a Group (8)	-0-	0.0

(1) Pursuant to the rules of the Securities and Exchange Commission, shares shown as "beneficially" owned include those shares over which the individual has voting power, including power to vote, or direct the voting of, such security, and/or investment power, including the power to dispose or direct the disposition of such security, and includes all shares the individual has the right to acquire beneficial ownership of within 60 days, including, but not limited to, any right to acquire shares (a) through the exercise of any options, warrants, or other right, (b) through conversion of a security, (c) pursuant to the power to revoke a trust, discretionary account or similar arrangement, and (d) pursuant to the automatic termination of a trust, discretionary account or similar arrangement. This information is not necessarily indicative of beneficial ownership for any other purpose. The directors and executive officers of the Company have sole voting and investment power over the shares of the Company's common stock, Series A Convertible Preferred Stock and Series B Convertible Preferred Stock held in their names, except as noted in the following footnotes.

(2) Calculations are based on 114,842,905 shares of common stock, and 1,000,000 shares of Series B Convertible Preferred Stock, as applicable, outstanding as of March 31, 2007. Each outstanding share of Series B Convertible Preferred Stock is immediately convertible into 2 shares of common stock.

(3) Mr. and Mrs. Fugal jointly own 2,653,837 shares of common stock and 1,000,000 shares of Series B Convertible Preferred Stock which are immediately convertible into 2,000,000 shares of common stock. Mr. Fugal currently holds all of the 1,000,000 shares of Series B Preferred Stock outstanding.

(4) Includes all shares beneficially owned as reported on most recent Form 4.

(5) Richard Hannigan and Myong Hannigan are husband and wife, Richard Hannigan directly owns 12,135,000 shares of common stock and has voting power Over an additional 10,750,000 shares. Myong Hannigan is the direct owner of 12,062,500 shares of common stock.

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(6) Mr. Jones is the direct owner of 3,570,000 shares of common stock and 335,000 shares of common stock owned by the Tracy Jones Charitable Remainder Trust. In addition, Mr. Jones (i) is the sole owner of Western Architectural LLC and deemed to beneficially own the 2,812,500

shares of common stock owned by Western.

(7) Currently Mr. Dan Fugal is the only owner of the Series B Preferred stock. Mr. Fugal is neither an officer or director of the Company.

(8) Includes all shares beneficially owned as reported by the Company's transfer agent Nevada Agency and Trust Company.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

We have numerous related party transactions with Synthetic Systems, Inc. ("Synthetic"). Synthetic is a company owned jointly by Richard L. Hannigan, Sr., our President and CEO and Myong Hannigan, Secretary, Mr. Hannigans spouse. We are obligated to pay to Synthetic $35,000 per month for management and consulting fees. As of the year ended December 31, 2006, the Company had paid a total of $420,000 to Synthetic Systems for professional and consulting fees. During 2006, a bonus was awarded to Synthetic in the amount of $380,000. In November 2006, the Company issued shares of our common stock in order to retire the accrued salary and bonuses.

During the years ended December 31, 2006 and 2005, the Company awarded a bonus of $380,000 payable to Synthetic Systems, LLC, an entity jointly owned by its Chief Executive Officer and Secretary. At December 31, 2006 accrued expenses - related party consists of the $625,000 unpaid bonus balance, which includes the bonuses disclosed above.

We also currently lease 2,100 square feet of office space on a month-to-month basis from Synthetic for $2,325 per month and paid as of December 31, 2005 an aggregate of $31,794.

In addition, the Company leases office furniture and equipment from Synthetic at a monthly rental rate of $1,150. During 2005 and 2006, the Company paid an aggregate of $13,800 or $1,150 per month to Synthetic for the lease of this office furniture and equipment.

During the fiscal year ended December 31, 2004, the Company issued shares of its Series B Convertible Preferred Stock, valued at approximately $0.94 per share based upon the fair value of the underlying common stock into which such Series B Convertible Preferred Stock is convertible on a 2 for 1 basis, to the following executive officers and directors of the Company, as compensation for services provided by such individuals as executive officers.

Richard Hannigan	1,000,000 shares
Tracy Jones	500,000 shares
Myong Hannigan	1,000,000 shares

On May 30, 2002, the Company executed a Contractor Agreement with Western Architectural Services, LLC ("Western"), pursuant to which Western will provide to the Company certain architectural services for the L.V. Voyager Project and in exchange for which the Company issued 2,812,500 shares of restricted common stock to Western. Moreover, pursuant to the Contractor Agreement, Western is entitled to earn up to an aggregate of $18,141,533. Although he was not an affiliate of the Company upon execution of the Contractor Agreement, Mr. Jones, currently an executive officer, director and significant stockholder of the Company, formed Western in 1982 and is currently its 85% majority owner and managing member.

Western plans to sell the amount of common stock at the time before and during the contract to purchase supplies and pay subcontractors. At the time the contract was issued the shares of the Company were trading at $6.50 per share.

The current stock price of the Company has a trading range of $0.10 to $0.50. If at the time Western performs the services contracted and the share price is below $6.50 per share the Company will be required to issue new shares to Western in order for the contract to be fulfilled. Western's Chief Executive Officer is currently an affiliate of the Company which will also limit the amount of shares that can be sold by can based on the trading volume and shares outstanding in accordance with Rule 144 of the Securities Act of 1933. As of December 31, 2006, we have marked these shares to market at the year end closing price of our stock. The change in valuation was debited to additional -paid in capital due to the deferred construction cost nature of these shares.

In February 2004, the Company advanced a payment of $300,000 to Western, pursuant to the Contractor Agreement, to enable Western to design and build an Orbiter for an Observation Wheel in order to conduct a feasibility study.

On March 4, 2004, Richard L. Hannigan Sr., our President and CEO, converted a total of 500,000 shares of Series A Convertible Preferred Stock held by Mr. Hannigan into 5,000,000 shares of our common stock.

On August 17, 2005, Richard L. Hannigan Sr., our President and CEO, converted a total of 1,000,000 shares of Series B Convertible Preferred Stock held by Mr. Hannigan into 2,000,000 shares of our common stock.

On August 17, 2005, Myong Hannigan,our Secretary converted a total of 1,000,000 shares of Series B Convertible Preferred Stock held by Mr. Hannigan into 2,000,000 shares of our common stock.

On August 17, 2005, Varna Group LC, which is controlled by Tracy Jones our COO, converted a total of 500,000 shares of Series B Convertible Preferred Stock held by Varna Group LC into 1,000,000 shares of our common stock. The stock is now held directly by Mr. Jones.

Acquisition

On April 10, 2006, Voyager entered into a Unit Purchase (Buy-Sell) Agreement ("Agreement") to acquire all the outstanding units of Western Architectural Services, LLC ("Western") in exchange for a total of 5,000,000 shares of Voyager's common stock ("Shares"). On September 11, 2006, Voyager believed it had fully completed the necessary due diligence pursuant to the Agreement and consequently delivered the Shares consideration as required for the final closing. Upon further evaluation of Voyager's due diligence of Western pursuant to Section 2.02 of the Agreement, it has been determined that the existing limited liability company ("LLC") operating agreement of Western would need to be modified in order for Voyager to continue the existing operations of Western.

On March 30 2007, Voyager and Western were not able to come to acceptable terms with regards to the needed changes to the LLC operating agreement and therefore cancelled the Agreement since the transaction did not meet all the requirements of Section 2.02 of the Agreement and was deemed as if the acquisition transaction was never closed.

As a result, the acquisition transaction was nullified effective March 30, 2007, in order for the new structure to move forward. As a result of the nullification of the transaction, 2,500,000 shares of common stock will be returned to the Company for cancellation and returned to the treasury. The remaining 2,500,000 shares will be accounted for as a fee for the nullification. The shares were valued at the fair value of $0.15 per share for a total value of $375,000. As of the date of these financial statements the Company and Western are in the process of canceling the necessary shares under the March 30, 2007 agreement.

ITEM 13. EXHIBITS

Number	Description
2.1	Plan and Agreement of Merger of Voyager Entertainment International, Inc. (North Dakota) into Voyager Entertainment International, Inc. (Nevada) (incorporated by reference to Exhibit 3.3 to the Company's Quarterly Report on Form 10- QSB for the period ended September 30, 2003 filed on November 14, 2003).
2.2	Nevada Articles of Merger (incorporated by reference to Exhibit 3.4 to the Company's Quarterly Report on Form 10- QSB for the period ended September 30, 2003 filed on November 14, 2003).
2.3	North Dakota Certificate of Merger (incorporated by reference to Exhibit 3.5 to the Company's Quarterly Report on Form 10-QSB for the period ended September 30, 2003 filed on November 14, 2003).
3.1	Nevada Articles of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-QSB for the period ended September 30, 2003 filed on November 14, 2003).
3.2	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-QSB for the period ended September 30, 2003 filed on November 14, 2003).
4.1	Certificate of Designation of Series A Convertible Preferred Stock (incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-QSB for the period ended September 30, 2003 filed on November 14, 2003).
4.2	Certificate of Designation of Series B Convertible Preferred Stock (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-QSB for the period ended September 30, 2003 filed on November 14, 2003)
4.3	2002 Stock Plan for Voyager Entertainment International, Inc. (incorporated by reference to Exhibit 99 to the Company's Current Report on Form 8-K filed on April 15, 2002.)
10.1	Loan and Security Agreement [by and between the Company and Dan Fugal, dated November 15, 2002] (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 22, 2002).
10.2	Amendment No. 1 to Loan and Security Agreement [by and between the Company and Dan Fugal, dated February 15, 2003] (incorporated by reference to Exhibit 10(k) to the Company's Form 10-KSB filed on April 16, 2003).
10.3	Amendment No. 2 to Loan and Security Agreement [by and between the Company and Dan Fugal, dated April 23, 2003 (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-QSB for the period ended March 31, 2003 filed on May 20, 2003).
10.4	Contractor Agreement by and between the Company and Western Architectural Services, LLC, dated May 30, 2002 (incorporated by reference as exhibit 10.1 to for the Quarter ending September 30, 2004 and filed with the 10QSB on November 23, 2004).

10.5 Definitive Joint Venture Agreement between Allied Investment House, Inc. and Voyager to build a Voyager Project in the United Arab Emirates dated March 15, 2005 (incorporated by reference as filed and attached as exhibit 99.1 to the 8- K filed on March 17, 2005.)

10.6 Settlement and General Release Agreement (incorporated by reference as exhibit 10.6 as filed with the 10QSB for the Quarter Ending September 30, 2004 and filed on November 23, 2004.)

31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herein.

31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herein.

32.1 Section 1350 Certification of Chief Executive Officer, filed herein.

32.2 Section 1350 Certification of Chief Financial Officer, filed herein.

(b) Reports on Form 8-K

* On January 24, 2006, the Company filed with the SEC a Current Report pursuant to Item 4.01 of Form 8-K, "Change in registrants Certifying Accountant".

* On January 25, 2006, the Company filed an amended report with the SEC pursuant to Item 4.01 of Form 8-K, "Change in registrants Certifying Accountant".

* On January 25, 2006, the Company filed an amended report with the SEC pursuant to Item 4.01 and 9.01 of Form 8-K, "Change in registrants Certifying Accountant" and "Financial Statements and Exhibits".

* On April 12, 2006, the Company filed with the SEC a Current Report pursuant to Item 8.01 and 9.01 of Form 8-K, "Other Events" And "Financial Statements and Exhibits".

* On September 12, 2006, the Company filed with the SEC a Current Report on Form 8-K pursuant to items 2.01, 2.03, 8.01, and 9.01.

* On March 30, 2007, the Company filed with the SEC a Current Report pursuant to Item 2.01 of Form 8-K, "Completion of Acquisition Or Disposition of Assets".

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ITEM 14. Principal Accounting Fees and Services

Audit Fees.

The audit fees billed to the Company by DeJoya Griffith and Company for the fiscal year ended December 31, 2005 was approximately $32,000 These fees pertain to the audit of the Company's annual financial statements and review of our financial statements included in our quarterly reports on Form 10-QSBs in 2006.

It is anticipated that the audit fees for the period ending December 31, 2006 will be approximately $30,000.

Audit-Related Fees, Tax Fees and All Other Fees.

No "audit-related fees," "tax fees" or "other fees," as those terms are defined by the Securities and Exchange Commission, were paid to Stonefield Josephson, Inc. for the fiscal years ended December 31, 2005 and 2004.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

VOYAGER ENTERTAINMENT INTERNATIONAL, INC.

By: /s/ Richard Hannigan

Richard Hannigan,
President/Director
Dated: April 10, 2007

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Richard Hannigan, Sr.

Richard Hannigan, Sr.
President/CEO/Director
April 10, 2007

By: /s/ Myong Hannigan

Myong Hannigan
Secretary/Treasurer/Director
April 10, 2007

By: /s/Tracy Jones

Tracy Jones
COO/Director
April 10, 2007