

VOYAGER ENTERTAINMENT INTERNATIONAL INC
Form 10KSB
April 10, 2006

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

FORM 10-KSB

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

For the fiscal year ended: December 31, 2005

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 (I.R.S. Employer Identification No.)
Incorporation or Organization)

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

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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 September 27, 2005 the company announced that the Observation Wheel would be located on the north end of the Las Vegas Strip at the site currently known as the Westward Ho Hotel and Casino. It is anticipated that the project will be part of a larger master planned resort.

The primary focus of the company over the next 12 months will be on the Las Vegas Project and selecting a site location in the UAE.

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 of 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.

(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. 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 operate and govern the newly formed company. Voyager and Allied will jointly own the newly formed company.

Using "best efforts" within 180 days and depending on current prevailing market Conditions, Allied will cause the newly formed company to offer its stock in a public offering that will cause the newly formed company's stock to be traded on an internationally recognized stock exchange.

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.

Voyager Entertainment International, Inc., a Nevada corporation, formerly named Dakota Imaging, Inc., was originally 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 Convertible Preferred Stock in exchange for 100% of Ventures outstanding common stock. Pursuant to the terms of the merger, Ventures merged with DSC wherein DSC ceased to exist and Ventures became a wholly owned subsidiary of the Company.

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 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 unknown if this was the name will find out from prior counsel, 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 \$12,079,389 and used cash for operations of \$887,534 and \$1,094,500 during the years ended December 31, 2005 and 2004, respectively. The Company also has a working capital deficit of \$3,148,210 and a stockholders' deficit of \$3,132,424 as of December 31, 2005. 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.

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

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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.

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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 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 operate and govern the newly formed company. Voyager and Allied will jointly own 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.

Currently the 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

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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

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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., in 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, 2005, we incurred operating expenses of \$10,751,272 and interest expense of \$1,328,118 against no revenues, which resulted in accumulated losses of \$12,079,389.

Employees

As of December 31, 2005, we only had unpaid 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.

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Hannigan, Mr. Jones or our inability to attract and retain other qualified employees could have 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 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.

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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.

	2005						2004			
	Low Bid	High Bid	Close	Low Ask	High Ask	Close	Low Bid	High Bid	Close	Low Ask
1st Quarter	\$0.13	\$0.50	\$0.32	\$0.15	\$0.51	\$0.34	\$0.105	\$0.27	\$0.19	\$0.11
2nd Quarter	\$0.12	\$0.36	\$0.27	\$0.16	\$0.43	\$0.31	\$0.16	\$0.51	\$0.20	\$0.19
3rd Quarter	\$0.23	\$0.55	\$0.41	\$0.235	\$0.60	\$0.44	\$0.40	\$0.75	\$0.31	\$0.23

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4th Quarter	\$0.17	\$0.42	\$0.24	\$0.165	\$0.44	\$0.25	\$0.41	\$0.96	\$0.46	\$0.46
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(b) HOLDERS OF COMMON STOCK

As of December 31, 2005, we had approximately 77 stockholders of record (not including shares held by brokers or in street name), of the 77,832,793 shares of Common Stock outstanding. The closing bid stock price on March 4, 2006 was \$0.12.

(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 the year ended December 31, 2005 we issued and sold the following unregistered securities:

In February, 2005, the Company also issued 500,000 shares of restricted Common Stock, for consulting services performed during the first quarter of 2005. 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 \$0.15 per share for total consideration of \$75,000.

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In March 2005, the Company sold 500,000 shares of Common Stock for \$100,000. 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 \$100,000. 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 March, 2005, the Company also issued 500,000 shares of restricted Common Stock, for consulting services performed during the first quarter of 2005. The Company believes that the issuance of the shares was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933

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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 \$160,000.

In March 2005, the Company sold 375,000 shares of Common Stock for \$75,000. 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 \$75,000. 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 June 2005, the Company sold 2,666,667 shares of Common Stock for \$400,000. 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 \$400,000. 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 July 2005, the Company sold 833,333 shares of Common Stock for \$125,000. 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 \$125,000. 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 July, 2005, the Company also issued 200,000 shares of restricted Common Stock, for consulting services performed during the first quarter of 2005. 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

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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 \$70,000.

In August 2005 Richard Hannigan our CEO and Director converted 1,000,000 shares Of Series B Preferred stock, at the ratio of 2 shares of common stock to every 1 Share of Series B Preferred stock owned, into 2,000,000 shares of common stock.

In August 2005 Myong Hannigan a Director and the spouse of our CEO Richard Hannigan converted 1,000,000 shares Of Series B Preferred stock, at the ratio of 2 shares of common stock to every 1 Share of Series B Preferred stock owned, into 2,000,000 shares of common stock.

In August 2005 Varna Group L.C. of which Tracy Jones a member and is our COO and Director converted 500,000 shares Of Series B Preferred stock, at the ratio of 2 shares of common stock to every 1 Share of Series B Preferred stock owned, into 1,000,000 shares of common stock.

In September, 2005, the Company also issued 600,000 shares of restricted Common Stock, for consulting services performed during the first quarter of 2005. 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 \$198,000.

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In November 2005, 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 2005, the Company sold 1,800,000 shares of Common Stock for \$270,000. 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 \$270,000. 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

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(d) qualify as "accredited investors" as such term is defined in Rule 501(a) of Regulation D.

SUBSEQUENT EVENTS

In February 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.

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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.

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Overview

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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.

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 \$74,000 per month. As of the year ending December 31, 2005 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

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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.

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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 throughout 2005 as a result of the agreement signed to develop a observation wheel in the United Arab Emirates. 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 going 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.

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Results of Operations

Years Ended December 31, 2005 and December 31, 2004

	For the year ended December 31, 2005	For the year ended December 31, 2004
	-----	-----
Net revenue	\$ --	\$ --
Operating expenses:		
Professional and consulting fees	1,469,866	2,211,423
Rent expense	31,794	27,900
Settlement expense, excluding interest	--	--
Project costs	11,592	3,463
Other operating expenses	35,605	144,011
	-----	-----
	1,666,948	2,386,798
	-----	-----
Loss from operations	1,736,658	(2,386,798)
Interest expense	69,710	69,088
	-----	-----
Loss before income taxes	1,736,658	(2,455,885)
Income taxes	--	--
	-----	-----
Net loss	\$ 1,736,658	(2,455,885)
	-----	-----

Revenues. We did not have any revenues for the fiscal year ending December 31, 2005 and 2004. There was no change in revenues from the year ending 2005 versus 2004 because we are still in a 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, 2005 were \$11,592 which is \$8,129 more than the \$3,463 of project costs incurred in the year ended December 31, 2004. 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. The increase in projects costs was attributed to the purchase Of mini DVD players and metal boxes necessary to ship the presentations to prospective funding partners. Our total project costs since inception are \$120,504.

Computer Supplies. For the year ended December 31, 2005 computer expenses Were \$10,884 versus \$20,272 for the year ending December 32, 2004. There was a total in computer supplies expense of \$9,388 or 46% for 2005 versus 2004. The company was not required to purchase as many computers and printers in 2005 versus 2004.

Entertainment Expense. We had entertainment expenses for the year ending December 31, 2005 of \$21,251 versus \$14,851 for the year ending December 31, 2004 that attributed to a gain in entertainment Expenses of \$6,400 or 43%.

Operating Expenses. We had operating expenses of \$1,666,948 for the year ended December 31, 2005 verses operating expenses of \$2,386,798 for the year ended December 31, 2004 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, 2005 of \$719,850. The decrease in operating expenses for the year ending December 31, 2005 was primarily due to the fact that the company utilized fewer consultants

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throughout 2005, and was not required to issue its common stock for services. We did not incur any settlement expenses in 2005. 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 \$1,469,866 for the year ending December 31, 2005 versus \$2,211,423 for the year ending December 31, 2004 that attributed to a decrease of \$741,558 or 34%. Our primary expense is the issuance of common stock to consultants as well as professional fees to Synthetic Systems totaling \$800,000 during 2005 of which an accrued but unpaid bonus of \$390,000 remains outstanding. Synthetic Systems is controlled by our President. In 2005 we issued fewer shares to consultants for services than in 2004.

Miscellaneous Expenses. In the year ending December 31, 2005 we did not incur any miscellaneous expenses versus \$10,000 in miscellaneous expenses for the year ending December 31, 2004 or a decrease of 100%.

Office Supplies and Postage. We incurred \$21,954 in office supplies and postage Expenses for the year ending December 31, 2005 versus \$12,851 for the year ending December 31, 2004 that was an increase of \$9,103 or 71%.

Travel Expenses. We had travel expenses of \$38,981 for the year ending December 31, 2005 versus \$21,092 for the period ending December 31, 2004 that was an increase of \$17,889 or 85%. The increase in travel expenses was attributable to an increase in travel of our executives to UAE in 2004.

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 \$1,736,658 and was a decrease of \$719,227 as compared to the net loss from operations of \$2,455,885 for the year ended December 31, 2004.

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Interest Expense. Our interest expense for the year ending December 31, 2005 was \$69,710 versus \$69,088. The slight increase in interest expense for 2005 was primarily due to the fact the company accrues interest expense on a payable at the rate of 8% per annum.

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.

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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, 2005, we had current assets of \$108,552, which consisted primarily of cash on hand and current liabilities of \$3,256,762, resulting in working capital deficit of \$3,148,210 versus current assets of \$24,438, current liabilities of \$2,918,204 and a working capital deficit of \$2,893,766 respectively for the year ending December 31, 2004. 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

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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. The company does not plan to exercise any additional funds from this credit facility.

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 operate and govern the newly formed company. Voyager and Allied will jointly own 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. Their can be no guarantees that if a site is located that 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."

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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 receives the purchaser's; 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

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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 77,994,460 shares of our common stock issued and outstanding. We are also authorized to issue 50,000,000 shares of our Preferred Stock par value \$.001 of which there are 500,000 shares of Series A, with no face value, convertible to Common Stock at 10 to 1 and 1,500,000 shares of Preferred B Stock face value of \$.10 convertible to Common Stock at 2 to 1. 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 [please confirm], 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 auditor's 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.

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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

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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, 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, 2005, 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 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 \$12,079,389 and used cash for operations of \$887,534 and \$1,094,500 during the years ended December 31, 2005 and 2004, respectively. The Company also has a working capital deficit of \$3,148,210 and a stockholders' deficit of \$3,132,424 as of December 31, 2005. 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.

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ITEM 7. FINANCIAL STATEMENTS

1. Financial Statements:

A. INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

1. Report to Independent Registered Public Accounting Firm F-1

2. Consolidated Financial Statements:

Consolidated Balance Sheet F-2

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Consolidated Statements of Operations	F-3
Consolidated Statement of Stockholders' Deficit	F-4
Consolidated Statements of Cash Flows	F-5
Notes to Consolidated Financial Statements	F-6 - F-17

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying consolidated balance sheet of Voyager Entertainment International, Inc. (a Development Stage Company) and Subsidiaries as of December 31, 2005 and the related consolidated statements of operations, stockholders' deficit and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of Voyager Entertainment International, Inc. as of December 31, 2004. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included in the period ending December 31, 2004, is based solely on the report of the other auditors.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States of America). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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 audit and the report of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Voyager Entertainment International, Inc. as of December 31, 2005, and the results of their consolidated operations and cash flows for the year ended December 31, 2005 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the accompanying consolidated financial statements, the Company has no established

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source of revenue, has a working capital deficit of \$3,148,210, has debt of \$1.2 million which can be called at any time, has an accumulated deficit of \$10,342,732, incurred significant net losses of \$1,736,658 and has used cash for operating activities of \$887,534 in 2005 all of which raise substantial doubt about its ability to continue as a going concern. Management's plan in regard to these matters is also discussed in Note 1. These 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
 Las Vegas, NV

March 31, 2006

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

CONSOLIDATED BALANCE SHEET - DECEMBER 31, 2005

ASSETS	
Current asset:	
Cash and cash equivalents	\$ 108,552
Total Current Assets	\$ 108,552 -----
Property and equipment, net of accumulated depreciation	15,786 -----
Total assets	\$ 124,338 =====
LIABILITIES AND STOCKHOLDERS' DEFICIT	
Current liabilities:	
Accounts payable and accrued expenses	\$ 134,630
Accrued expenses - related party	785,000
Loans and settlement payable including accrued interest of \$179,025	1,127,132
Note payable and accrued interest of \$605,000	1,210,000 -----
Total current liabilities	\$ 3,256,762
Stockholders' deficit:	
Preferred stock 50,000,000 authorized - Series A; \$.001 par value; 1,500,000 shares designated, 500,000 shares outstanding	500
Preferred stock - Series B; \$.001 par value; 10,000,000 shares designated, 1,500,000 shares outstanding	1,500
Common stock; \$.001 par value; 200,000,000 shares authorized, 77,832,793 shares issued and outstanding	77,833
Issued and outstanding	77,833
Additional paid-in capital	27,171,267

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Deferred construction cost	(18,304,135)
Deficit accumulated during development stage	(12,079,389)

Total stockholders' deficit	(3,132,424)
-----------------------------	-------------

Total liabilities and stockholders' deficit	\$ 124,338
---	------------

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

F-2

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

CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended		For since March December
	December 31, 2005	December 31, 2004	
Net revenue	\$ --	\$ --	\$
Operating expenses:			
Professional and consulting fees (including \$660,000 to related parties in 2004 and 800,000 in 2005)	1,469,866	2,211,423	
Project costs	11,592	3,463	
Rent expense	31,794	27,900	
Settlement expense	--	--	
Other operating expenses	153,696	144,011	
	1,666,948	2,386,797	
Interest expense	69,710	69,088	
Loss from operations before income taxes	(1,736,658)	(2,455,885)	(
Income taxes	--	--	
Net loss	\$ (1,736,658)	\$ (2,455,885)	\$ (
Preferred stock dividends	--	--	
Net loss attributed to common stockholders	(1,736,658)	(2,455,885)	(
Net loss per share - basic and diluted	\$ (0.02)	\$ (0.04)	

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Weighted average common stock		
shares outstanding - basic and diluted	72,741,543	60,983,000
	=====	=====

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

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

CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT

FOR THE PERIOD SINCE INCEPTION ON MARCH 1, 1997 TO DECEMBER 31, 2005

	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	--	--	--	--

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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	--	--	130,000	130,000
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	--	--	--	--

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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	--	--	--	--

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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
	=====	=====	=====	=====

	Additional paid-in capital	Deferred construction costs	Deficit accumulated during the development stage
	-----	-----	-----
For the period since inception on March 1, 1997 to December 31, 2000 (as restated for reorganization)	\$ 20,000	\$ --	\$ (87,193)
Net loss for the year ended December 31, 2001	--	--	(101,432)
	-----	-----	-----
Balance at December 31, 2001	20,000	--	(188,625)
Issuance of stock for cash and			

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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	--	--	(1,754,327)
	-----	-----	-----
Balance at December 31, 2002	19,515,207	(18,304,135)	(1,942,952)
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			
Amortization of beneficial conversion feature in a manner similar to preferred stock dividends	(130,000)	--	(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 -			

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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	--	--	(5,943,895)
	-----	-----	-----
Balance at December 31, 2003	\$ 24,136,080	\$ (18,304,135)	\$ (7,886,847)
	=====	=====	=====
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	99,750	--	--
Issuance of common stock for cash February 2004	199,500	--	--
Issuance of common stock for services February 2004	318,325	--	--
Issuance of common stock for services February 2004	119,850	--	--
Issuance of common stock for services February 2004	119,850	--	--
Conversion of preferred stock to common stock February 2004	(4,500)	--	--
Conversion of preferred stock to common stock March 2004	(4,500)	--	--
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			

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October 2004	54,500	--	--
Net loss for the year ended December 31, 2004	--	--	(2,455,885)
	-----	-----	-----
Balance at December 31, 2004	\$ 25,683,910	\$ (18,304,135)	\$ (10,342,732)
	=====	=====	=====
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	24,833	--	--
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		--	--
Conversion of preferred stock to common 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	--	--

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Net loss for the year ended	--	--	(1,736,658)
December 31, 2005	-----	-----	-----
 Balance at December 31, 2005	 \$ 27,171,267	 \$ (18,304,135)	 \$ (12,079,389)
	=====	=====	=====

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

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2005	Year Ended December 31,
	-----	-----
Cash flows provided by (used for) operating activities:		
Net loss	\$ (1,736,658)	(2,455,8
	-----	-----
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	7,566	5,3
Issuance of common stock for services	503,000	936,7
Interest expense from the issuance of common stock	--	
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	48,558	103,3
Accrued payable - related parties	290,000	316,0
Accrued settlement obligation	--	
	-----	-----
Net cash used for operating activities	(887,534)	(1,094,5
	-----	-----
Cash flows used for investing activities -		
Payments to acquire property and equipment	(14,889)	(3,6
	-----	-----
Net cash used for investing activities	(14,889)	(3,6
	-----	-----

Cash flows provided by (used for) financing activities:		
Proceeds from notes payable	--	
Proceeds from sale of preferred stock	--	
Proceeds from issuance of common stock	995,000	625,0
	-----	-----
Net cash provided by financing activities	995,000	625,0

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Net increase (decrease) in cash	92,577	(473,1
Cash, beginning of year	15,974	489,1
	-----	-----
Cash, end of year	\$ 108,552	\$ 15,9
	=====	=====
Cash paid during the period for:		
Interest expense	\$ --	\$
	=====	=====
Income taxes	\$ --	\$
	=====	=====
Non cash financing activity:		
Common stock issued for services	\$ 503,000	\$ 936,7
	=====	=====
Common stock issued for financing costs and services	\$ --	\$
	=====	=====
Common stock issued for Architectural Agreement	\$ --	\$
	=====	=====
Conversion of preferred stock to common stock	\$ 5,000	\$
	=====	=====

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

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(1) Summary of Significant Accounting Policies:

The Company is in the entertainment development business and is planning the development of the world's tallest Ferris wheel on the Las Vegas Strip area. The Company's corporate offices are located in Las Vegas, Nevada.

Business Activity:

The Company is in the entertainment development business and is planning the development of the world's tallest Ferris wheel on the Las Vegas Strip area. The Company's corporate offices are located in Las Vegas, Nevada.

Basis of Presentation:

The accompanying consolidated financial statements include the accounts of Voyager Entertainment International, Inc. (the "Company"), formerly known as Dakota Imaging, Inc., ("Dakota"), incorporated under the laws of the state of North Dakota on January 31, 1991, and its subsidiaries:

a) Voyager Ventures, Inc. ("Ventures"), incorporated under the laws of the State of Nevada on January 15, 2002 (owned 100% by the Company); b) Outland Development, LLC ("Outland"), a limited liability company formed under the laws of the State of Nevada on March 1, 1997(owned 100% by Ventures); and c) Voyager Entertainment Holdings, Inc. ("Holdings"), incorporated under the laws of the State of Nevada on May 2, 2002 (owned 100% by the Company).

The Company is currently a development stage enterprise reporting under the provisions of Statement of Financial Accounting Standards ("SFAS") No. 7.

During April 2002, the Company changed its name from Dakota Imaging, Inc. to Voyager Entertainment International, Inc. and adopted a new fiscal year-end of

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December 31.

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 \$3,148,210, has debt of \$1.2 million which can be called at any time, has an accumulated deficit of \$12,079,389 incurred significant net losses of \$1,736,658 and \$2,455,855 and has used cash for operating activities of \$887,534 and \$1,094,500 in 2005 and 2004, respectively all of which raise substantial doubt about its 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. This situation raises substantial doubt about its ability to continue as a going concern. The accompanying

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consolidated financial statements do not include any adjustments relative to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result from the outcome of this uncertainty. 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. Management also intends to raise additional capital through the sale of it's stock to private individuals that have prior relationships with the company and have been successful in providing enough capital in the past for minimal operations in the past. However, there can be no guarantees that management will continue to be successful in the future. The company is currently indebted to two creditors and will not have the ability to repay either of the creditors if significant project funding is not received. If repayment does not occur, it is possible that a creditor could foreclose on the assets of the company causing the Company to be insolvent.

Use of Estimates:

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Fair Value:

Unless otherwise indicated, the fair values of all reported assets and liabilities which represent financial instruments, none of which are held for trading purposes, approximate carrying values of such amounts.

Comprehensive Income:

SFAS No. 130, "Reporting Comprehensive Income," establishes standards for the reporting and display of comprehensive income and its components in the financial statements. For the years ended December 31, 2005 and 2004, the

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Company has no items that represent other comprehensive income and, accordingly, has not included a Statement of Comprehensive Income in the financial statements.

Stock Based Compensation:

SFAS No. 123, "Accounting for Stock-Based Compensation," establishes and encourages the use of the fair value based method of accounting for stock-based compensation arrangements under which compensation cost is determined using the fair value of stock-based compensation determined as of the date of grant and is recognized over the periods in which the related services are rendered. The statement also permits companies to elect to continue using the current intrinsic value accounting method specified in Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," to account for stock-based compensation.

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For options granted to employees where the exercise price is less than the fair value of the stock at the date of grant, the Company recognizes an expense in accordance with APB 25.

For non-employee stock based compensation the Company recognizes an expense in accordance with SFAS No. 123 and values the equity securities based on the fair value of the security on the date of grant. For stock-based awards the value is based on the market value for the stock on the date of grant and if the stock has restrictions as to transferability a discount is provided for lack of tradability.

Stock option awards are valued using the Black-Scholes option-pricing model. The Company did not issue any Stock option rewards during the years ended December 31, 2005 and 2004.

Net Loss Per Share:

In accordance with SFAS No. 128, "Earnings Per Share," the basic loss per common share is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding. Diluted loss per common share is computed similar to basic loss per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive.

Cash and Cash Equivalents:

Equivalents - For purposes of the statement of cash flows, cash equivalents include all highly liquid debt instruments with original maturities of three months or less which are not securing any corporate obligations.

Concentration - The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. As of December 31, 2005 there was \$8,552 over the federally insurable limit. The Company has not experienced any losses in such accounts.

Property and Equipment:

Property and equipment are stated at cost. Depreciation is computed using the straight-line method based on estimated useful lives from 5 to 7 years. Expenditures for maintenance and repairs are charged to operations as incurred while renewals and betterments are capitalized. Gains and losses on disposals are included in the results of operations.

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Advertising and Marketing Costs

The Company expenses costs of advertising and marketing as incurred. Advertising and marketing expense for the years ended December 31, 2005 and 2004 was \$7,005 and \$5,919, respectively.

Segment Information:

The Company's management believes it operates in a single business segment; all operations for the year ended December 31, 2005 and 2004 are domestic.

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Income Taxes:

The Company accounts for income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes." Deferred taxes are provided on the liability method whereby deferred tax assets are recognized for deductible temporary differences, and deferred tax liabilities are recognized for taxable temporary differences.

Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. 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 be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Recent Accounting Pronouncements:

(7) Recent Accounting Pronouncements

Standard (SFAS) No. 154, Accounting Changes and Error Corrections - a Replacement of APB Opinion No. 20 and FASB Statement No. 3. SFAS No. 154 requires Retrospective application to prior periods' financial statements of changes in accounting principle, unless it is impracticable to determine either the period-specific effects or the cumulative effect of the change. SFAS No. 154 also requires that retrospective application of a change in accounting principle be limited to the direct effects of the change. Indirect effects of a change in accounting principle, such as a change in nondiscretionary profit-sharing payments resulting from an accounting change, should be recognized in the period of the accounting change. SFAS No. 154 also requires that a change in depreciation, amortization or depletion method for long-lived, non-financial assets be accounted for as a change in accounting estimate effected by a change in accounting principle. SFAS No. 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. Early adoption is permitted for accounting changes and corrections of errors made in fiscal years beginning after the date this Statement is issued. Management does not expect the implementation of this new standard to have a material impact on our financial position, results of operations and cash flows.

In March 2005, the SEC released Staff Accounting Bulletin No. 107, "Share-Based Payment" ("SAB 107"), which provides interpretive guidance related to the interaction between SFAS 123(R) and certain SEC rules and regulations. It also provides the SEC staff's views regarding valuation of share-based payment arrangements. In April 2005, the SEC amended the compliance dates for SFAS 123(R), to allow companies to implement the standard at the beginning of their next fiscal year, instead of the next reporting period beginning after June 15, 2005. Management is currently evaluating the impact SAB 107 will have on our

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consolidated financial statements.

In March 2005, the SEC released Staff Accounting Bulletin No. 107, "Share-Based Payment" ("SAB 107"), which provides interpretive guidance related to the interaction between SFAS 123(R) and certain SEC rules and regulations. It also provides the SEC staff's views regarding valuation of share-based payment arrangements. In April 2005, the SEC amended the compliance dates for SFAS 123(R), to allow companies to implement the standard at the beginning of their next fiscal year, instead of the next reporting period beginning after June 15, 2005. Management believes that this will not have a material impact on the financial statements.

In June 2005, the Emerging Issues Task Force, or EITF, reached a consensus on Issue 05-6, Determining the Amortization Period for Leasehold Improvements, which requires that leasehold improvements acquired in a business combination or purchased subsequent to the inception of a lease be amortized over the lesser of the useful life of the assets or a term that includes renewals that are reasonably assured at the date of the business combination or purchase. EITF 05-6 is effective for periods beginning after July 1, 2005. We do not expect the provisions of this consensus to have a material impact on the our financial position, results of operations or cash flows.

In March 2005, the FASB issued FASB Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations" ("FIN 47"). FIN 47 provides guidance relating to the identification of and financial reporting for legal obligations to perform an asset retirement activity. The Interpretation requires recognition of a liability for the fair value of a conditional asset retirement obligation when incurred if the liability's fair value can be reasonably estimated. FIN 47 also defines when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation. The provision is effective no later than the end of fiscal years ending after December 15, 2005. The Company will adopt FIN 47 beginning the first quarter of fiscal year 2006 and does not believe the adoption will have a material impact on its consolidated financial position or results of operations or cash flows.

In February 2006, the FASB issued Statement of Financial Accounting Standards No. 155, Accounting for Certain Hybrid Financial Instruments ("SFAS No. 155"), which amends Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities ("SFAS No. 133") and Statement of Financial Accounting Standards No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities ("SFAS No. 140"). SFAS No. 155 permits fair value measurement for any hybrid financial instrument that contains an embedded derivative that otherwise would require bifurcation, establishes a requirement to evaluate interests in securitized financial assets to identify interests that are freestanding derivatives or hybrid financial instruments containing embedded derivatives. We do not expect the adoption of SFAS 155 to have a material impact on its consolidated financial position, results of operations or cash flows.

In March 2006, the FASB issued Statement of Financial Accounting Standards No. 156, Accounting for Servicing of Financial Assets ("SFAS No. 156"), which amends FASB Statement No. 140 ("SFAS No. 140"). SFAS 156 may be adopted as early as January 1, 2006, for calendar year-end entities, provided that no interim financial statements have been issued. Those not choosing to early adopt are required to apply the provisions as of the beginning of the first fiscal year that begins after September 15, 2006 (e.g., January 1, 2007, for calendar year-end entities). The intention of the new statement is to simplify accounting for separately recognized servicing assets and liabilities, such as those common with mortgage securitization activities, as well as to simplify efforts to obtain hedge-like accounting. Specifically, the FASB said FAS No. 156 permits a

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servicer using derivative financial instruments to report both the derivative financial instrument and related servicing asset or liability by using a consistent measurement attribute, or fair value. We do not expect the adoption of SFAS 155 to have a material impact on its consolidated financial position, results of operations or cash flows.

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(2) Property and equipment:

The cost of property and equipment at December 31, 2005 consisted of the following:

Computer equipment	\$ 32,148
Less accumulated depreciation	(16,362)

	\$ 15,786
	=====

Depreciation expense for the years ended December 31, 2005 and 2004 was \$7,566 and \$2,065 respectively.

(3) Loan Payable:

Loans payable had no stated interest rate, were due on demand and unsecured. Interest has been accrued at an estimated market interest rate of 8% and is included with the principal balance. 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 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, 2005, the total obligation included loans of \$228,239 in principal, the settlement obligation of \$650,000, and accrued interest of \$248,893 amounted to an aggregate of \$1,127,132. 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. Since the loan payable does not have a maturity date, the entire balance has been presented as a current liability. Mr. Tyner who controls First Nevada Development is a shareholder in our company and owns approximately 7.4 million shares of our common stock.

(4) Note Payable:

On November 19, 2002, the Company entered into a line of credit financing agreement which entitled the Company to borrow from Dan Fugal up to an aggregate of \$2,500,000. Advances

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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

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Company has 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 with the principal balance in the accompanying consolidated financial statements. As of December 31, 2005, the total obligation including loans of \$605,000, and accrued interest of \$605,000, amounted to \$1,210,000. Mr. Fugal 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 Mr. Fugal. 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 gives Mr. Fugal the right to institute foreclosure proceedings against the Company. Mr. Fugal could institute foreclosure proceedings at any time if he believes that he will not be repaid. As of the date of this Annual Report on Form 10-KSB, Mr. Fugal has not indicated any intentions to institute foreclosure proceedings. However, management can not guarantee that Mr. Fugal will not attempt to institute foreclosure proceedings against the Company.

(5) 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 year ended December 31, 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, 2005 accrued expenses - related party consists of the \$785,000 unpaid bonus balance, which includes \$380,000 and \$370,000 from the years ended December 31, 2005 and 2004, respectively.

During the year ended December 31 2005, the Company paid consulting fees of approximately \$35,000 per month to Synthetic Systems, LLC. For a total of \$420,000. Synthetic Systems is jointly owned by Richard L. Hannigan Sr. and his spouse Myong Hannigan. The company also paid to Synthetic Systems LLC, office rent expenses of approximately \$31,794 and furniture and equipment lease Of \$13,800 or \$1,150 per month.

(6) Litigation

None.

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(7) Stockholders' Deficit

Convertible Preferred Stock - Series A

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

- o 10 to 1 voting rights per share
- o Each share has 10 for 1 conversion rights to shares of common stock

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- o 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.

Convertible Preferred Stock - Series B

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

- o 2 to 1 voting rights per share
- o Par value of \$0.001
- o Each share has 2 for 1 conversion rights to shares of common stock
- o No redemption rights
- o Preferential liquidation rights to Series A preferred stock and common stock
- o 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

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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 EITF 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.

On March 5, 2004, Richard L. Hannigan, Sr. an officer and director converted 500,000 Series A Preferred shares into 5,000,000 Common shares of the Company.

On March 31, 2004, Gregg Giuffria, a former officer and director converted

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500,000 Series A Preferred shares into 5,000,000 Common shares of the Company.

In August 2005 Richard L. Hannigan, Sr. an officer and director converted 1,000,000 Series B Preferred shares into 2,000,000 Common shares of the Company.

In August 2005 Myong Hannigan, an officer and director converted 1,000,000 Series B Preferred shares into 2,000,000 Common shares of the Company.

In August 2005 Varna Group LC, an entity of which Tracy Jones has control and officer and director of the Company converted 500,000 Series B Preferred shares into 1,000,000 Common shares 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 April 5, 2002, the Company issued 125,000 restricted common shares for Investor Relations Services. The shares were being held by the Company in anticipation of executing a formal definitive agreement with the service provider. On June 6, 2002 the Company cancelled the shares due to an inability to reach an agreement with the service provider.

On May 30, 2002, the Company executed a Contractor Agreement with Western Architectural Services, LLC ("WAL") whereby Western Architectural will provide to be determined architectural services to the Company for its Voyager Project to be located on the Las Vegas Strip.

The Company issued 2,812,500 shares of restricted common stock to Western Architectural ("WAL") in consideration for Western Architecture's contract sum of \$18,141,533 classified as deferred financing costs, to be expensed as earned. As of December 31, 2005, no amounts have been earned by WAL and accordingly, no amounts have been expensed. Although he is now a related party, at the time of this transaction, this principal of WAL was not a related party.

During June 2002, the Company sold 50,000 restricted shares of common stock at a price of

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\$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 A.C.E Architect, Inc. in exchange for 600,000 shares of preferred stock. The Company's stock must be issued within 10 days of the agreement. In addition, the Company is responsible for reimburse of expenses.

On November 19, 2002, the Company entered into a line of credit financing in the

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amount of \$1,000,000 \$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 par value \$.001 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. During the three months ended March 31, 2004, this investor had acquired 961,535 Common shares for total proceeds of \$125,000 as follows:

In January 2004, \$25,000 was received from the sale of 192,307 Common shares pursuant to a purchase agreement from December 2003,

In February 2004, \$50,000 was received from the sale of 384,614 common shares pursuant to a purchase agreement from December 2003,

In March 2004, \$50,000 was received from the sale of 384,614 common shares pursuant to a purchase agreement from December 2003,

The Common Stock was offered in reliance upon the private offering exemptions contained in

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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 common shares. 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, an Richard L. Hannigan, Sr., an officer-stockholder converted 500,000 Series A Preferred shares into 5,000,000 Common shares of the Company.

On March 31, 2004, Gregg Giuffria, a former officer-stockholder converted 500,000 Series A Preferred shares into 5,000,000 Common shares of the Company.

On June 17, 2004 the Company initiated negotiations to potentially purchase a

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parcel of property in Las Vegas, Nevada. The Company at that time 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 common shares. 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 common shares. 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 being 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 common shares at \$0.20 per share.

In March 2005, \$75,000 was received for 375,000 common shares 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 common shares at \$0.15 per share.

In July 2005, \$125,000 was received for 833,333 common shares 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, a total of 2,500,000 shares of series B Preferred stock, convertible at the ratio of 2 shares of common stock for every 1 share of series B Preferred stock owned, was converted to a total of 5,000,000 shares of common stock.

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 common shares at \$0.15 per share.

In December 2005, \$270,000 was received for 1,800,000 common shares at \$0.15 per

share.

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

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"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, 2005, no options have been issued under this plan.

(8) Commitments and Contingencies:

During January 2002, the Company entered into a month-to-month office lease totaling \$2,350 per month with a related party.

Contingent Liability

During the year ended December 31, 2002, an officer of the Company who lacked appropriate authority offered approximately 16.4 million options to investors at an exercise price of \$0.001. There were no written agreements and Board approval was required for such transactions, and hence, the officer did not have the authority to grant the options. These options were contingently issuable upon the successful completion of debt financing of amounts ranging from \$100 million to \$300 million, unrelated to the above. The Company and its Board of Directors have denied any liability for the issuance of these options, plans to vigorously defend its position and accordingly, no amount has been accrued for this contingency in the accompanying consolidated financial statements. These

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disputed options expired in August 2003.

Deferred Construction Costs

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 sub contractors. 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. Mr. Jones, the majority owner of Western is currently an affiliate of the company which will also limit the amount of shares that can be sold by an based on the trading volume and shares outstanding in accordance with Rule 144 of the Securities Act of 1933.

(9) Income Taxes:

The reconciliation of the effective income tax rate to the federal statutory rate for the years ended December 31, 2005 and 2004 is as follows:

	2005	2004
Federal income tax rate	35.0%	35.0%
Accrued expenses and stock based	(17.0)	(17.0)
Effect of net operating loss	(28.0)%	(28.0)%
	-----	-----
Effective income tax rate	0.0%	0.0%
	-----	-----

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Deferred tax assets and liabilities reflect the net effect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities at December 31, 2005 are as follows:

Loss carry forwards	\$ 2,530,000
Accrued expenses	700,000
Stock based compensation	320,000
Less valuation allowance	(3,550,000)

\$ --

At December 31, 2005, the Company has provided a valuation allowance for the deferred tax asset since management has not been able to determine that the realization of that asset is more likely than not. The net change in the valuation allowance for the years ended December 31, 2005 and 2004 were an increase of approximately \$850,000 and \$2,100,000, respectively. Net operating loss carry forwards start to expire in 2021.

(10) SUBSEQUENT EVENTS

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

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

None.

SUBSEQUENT EVENTS

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,

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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

None.

PART III

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The following table sets forth the names and positions of our executive

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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	56	President, CEO and Director
Tracy Jones	53	Chief Operating Officer and Director
Myong Hannigan	57	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 restraints, 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,

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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.

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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 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, 2005, 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

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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.

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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, 2004, 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 2005, all reports were filed timely as

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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
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
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

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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, 2005.

SUMMARY COMPENSATION TABLE

Name and Principle Position	Year	Annual Compensation			Awards		
		Salary (\$)	Bonus (\$)(1)	Other Annual Compensation (\$)(2)	Restricted Stock Award(s) (\$)	Securities Underlying Options/SARs (#)	Long Term Compensation
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-	

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Richard Hannigan President/CEO/ Director	2004	-0-	185,000	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-
Richard Hannigan President/CEO/ Director	2003	\$-0-	\$94,500	\$1,180,000	-0-	-0-
Tracy Jones COO/Director	2003	\$-0-	-0-	\$470,000	-0-	-0-
Myong Hannigan (3) Secretary	2003	\$-0-	\$94,500	\$1,180,000	-0-	-0-

=====
 (1) 2005 Bonus: The Company awarded a cash bonus of \$380,000 payable to Synthetic Systems, Inc., of which none had been paid as of December 31, 2005. 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., of which none had been paid as of December 31, 2004. 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.

2003 Bonus: The Company awarded a cash bonus of \$189,000 payable to Synthetic Systems, Inc., of which \$10,000 had been paid on December 31, 2003.

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(2) 2005: 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).

2003: Other Annual Compensation for fiscal year 2003 includes (i) \$240,000 in professional consulting fees paid by the Company to Synthetic Systems, Inc., an entity owned by Richard and Myong Hannigan (Mr. Hannigan \$94,500 and Ms. Hannigan \$94,500) and (ii) shares of Series B Convertible Preferred Stock issued to our officers, valued at \$0.94 per share based upon the trading price of the Common Stock underlying the Series B Convertible Preferred Stock (Mr. Hannigan, 1,000,000 shares valued at \$940,000, Mr. Jones, 500,000 shares valued at \$470,000, and Ms. Hannigan, 1,000,000 shares valued at \$940,000).

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(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 of securities available under equity compensation plans (excluding restricted stock)
	(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, 2005 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, 2006 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)	Percentage of Class (2)
	Gregg Giuffria (5) 8617 Rainbow Ridge Dr Las Vegas, NV 89117	10,000,000	12.8
	Don and Nancy Tyner (5) 9807 Highridge Las Vegas, NV 89134	7,450,694	9.5
	Richard Hannigan (6) President, CEO 4483 West Reno Avenue Las Vegas, NV 89118	14,585,000	18.7
	Myong Hannigan (6) Secretary 4483 West Reno Avenue Las Vegas, NV 89118	14,585,000	18.7
	Tracy Jones COO 4483 West Reno Avenue Las Vegas, NV 89118	4,217,500	5.4
	All Directors & Officers as a Group	18,802,500	24.
	Veldon Simpson (3) 193 South 200 East St George, UT 84770	500,000	10
	Gregg Giuffria	-0-	-0-
	Richard Hannigan President, CEO	-0-	-0-

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Myong Hannigan Secretary	-0-	-0-
Tracy Jones COO	-0-	-0-
All Directors & Officers as a Group	-0-	-0-

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Series B Preferred Stock

Dan and Jill Fugal (4) 1216 N 600 W Pleasant Grove UT 84062	1,000,000	25.0
Richard Hannigan President, CEO	-0-	0.0
Myong Hannigan Secretary	-0-	0.0
Tracy Jones (8) COO	500,000	33.3
All Directors & Officers as a Group (8)	1,500,000	33.3

(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 77,994,460 shares of Common Stock, 500,000 shares of Series A Convertible Preferred Stock, and 1,500,000 shares of Series B Convertible Preferred Stock, as applicable, outstanding as of March 31, 2005. Each outstanding share of Series A Convertible Preferred Stock is immediately convertible into 10 shares of Common Stock, and each outstanding shares of Series B Convertible Preferred Stock is immediately convertible into 2 shares of Common Stock.

(3) Includes 500,000 shares of Series A Convertible Preferred Stock immediately convertible into 5,000,000 shares of Common Stock.

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- (4) 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.
- (5) Includes all shares beneficially owned as reported on most recent Form 4.
- (6) Richard Hannigan and Myong Hannigan are husband and wife, Richard Hannigan directly owns 9,585,000 shares of Common Stock, and Myong Hannigan is the direct owner of 5,000,000 shares of Common Stock.

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- (7) Mr. Jones is the direct owner of 70,000 shares of Common Stock, 500,000 shares of Series B Convertible Preferred Stock, which are immediately convertible into 1,000,000 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 and (ii) is the majority owner of Varna Holdings LC and deemed to beneficially own the 1,000,000 shares of Common Stock owned by Varna Holdings, LC.
- (8) Includes an aggregate of 1,500,000 shares of Series B Convertible Preferred Stock which are immediately convertible into 3,000,000 shares of Common Stock.
- (9) Includes all shares beneficially owned as reported by the Company's transfer agent Nevada Agency and Trust Company.
- (10) Includes 1,000,000 shares of Common Stock directly by Varna Holdings, LC, of which Mr. Jones owns a majority of the outstanding interests.

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. Hannigan's spouse. We are obligated to pay to Synthetic \$35,000 per month for management and consulting fees. As of the year ended December 31, 2005 the company had paid a total of \$420,000 to Synthetic Systems for professional and consulting fees. Moreover, during 2005, our Board of Directors approved a bonus to Synthetic in the amount of \$380,000. As of December 31, 2005 the Company had not paid any of the bonus that had been awarded. 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, 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

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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.

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.

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ITEM 13. EXHIBITS

Number	Description
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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).

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- 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 18, 2005 the Company filed with the SEC a Current Report pursuant to Item 5 of Form 8-K, "Other Events and Reported FD Disclosure.

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- * On March 17, 2005 the Company filed with the SEC a Current Report pursuant to Item 5 of Form 8-K, "Other Events and Reported FD Disclosure".
- * On September 28, 2005 the Company filed with the SEC a Current Report pursuant to Item 5 of Form 8-K, "Other Events and Reported FD Disclosure."
- * 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".

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ITEM 14. Principal Accounting Fees and Services

Audit Fees.

The audit fees billed to the Company by Stonefield Josephson, Inc. for the fiscal year ended December 31, 2004 was approximately \$41,677 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 2005.

In January 2006 the registered public accounting firm of De Joya Griffith \$Company was retained to be the Companys new registered independent public accountant and audit the Companys financial statement for the period ending December 31, 2005. It is anticipated that the audit fees 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 7, 2006

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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 7, 2006

By: /s/ Myong Hannigan

Myong Hannigan
Secretary/Treasurer/Director
April 7, 2006

By: /s/Tracy Jones

Tracy Jones
COO/Director
April 7, 2006