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A N N U A L R E P O R T
December 31, 2009

*Value Line
Larger
Companies
Fund, Inc.*



This audited report is issued for information to shareholders. It is not authorized for distribution to prospective investors unless preceded or accompanied by a currently effective prospectus of the Fund (obtainable from the Distributor).

#00069462

To Our Value Line Larger

To Our Shareholders: (unaudited)

Enclosed is the annual report for the period ending December 31, 2009. I encourage you to carefully review this report, which includes economic observations, your Fund's performance data, the schedule of investments, and financial statements.

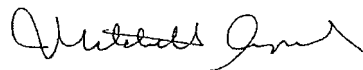
The Value Line Larger Companies Fund, Inc. (the "Fund") had a total return of 17.62% in 2009, compared with a return of 26.46% for the S&P 500 Index⁽¹⁾.

Returns for the broader equity indexes bounced back strongly in 2009 as government stimulus from both fiscal and monetary policy took effect. Economic growth also returned in the second half of the year after one of the worst recessions in decades. As the economy has begun to mend, so have corporate earnings. While many companies have dramatically cut costs, this trend appears to be coming to an end and now revenue growth should help earnings grow at a double-digit pace in the coming year. While the outlook is significantly better, some of this positive news may already be priced into the market. In addition, some of the borrowing excesses of the past, especially in the real estate sector, still need to be worked through and will likely continue to be a drag on consumption. Given this backdrop, we expect investment returns to be more muted going forward, but so too should the market volatility of the past few years.

The Fund generally invests in large-capitalization equities, which are ranked in the higher categories for price performance (Rank 1 and 2) over the next six to twelve months by the Value Line Timeliness Ranking System[®]. The System favors stocks with strong price and earnings momentum relative to those of all other companies in the Value Line Investment Survey of approximately 1,700 stocks. The Fund was underweighted in the Technology sector for much of last year, the highest return sector for the overall market, which contributed to the Fund lagging the broader market index. At the start of this year, the Fund is now overweighted in the Technology and Consumer Discretionary segments and under invested in the Energy and Utility arenas.

As always, we appreciate your continued investment.

Sincerely,



Mitchell Appel, President

February 8, 2010

(1) The Standard & Poor's 500 Index consists of 500 stocks which are traded on the New York Stock Exchange, American Stock Exchange and the NASDAQ National Market System and is representative of the broad stock market. This is an unmanaged index and does not reflect charges, expenses or taxes. It is not possible to directly invest in this index.

Companies Fund Shareholders

Economic Observations (unaudited)

The recession, which commenced in the latter stages of 2007 and proved to be long and severe, most likely ended in the third quarter of last year, although the National Bureau of Economic Research, which assigns dates to the beginning and end of recessions, has yet to determine the exact conclusion of the recent downturn. In all, the business contraction—which produced a succession of quarterly declines in the nation’s gross domestic product along with countless additional upheavals—apparently concluded with the restoration of a modest 2.2% rise in GDP in the third quarter of 2009. The nascent up cycle was underpinned initially by strengthening consumer spending, lesser declines in housing construction and home sales (with that ailing sector boosted by government assistance for first-time home buyers), and an irregular comeback in business spending.

Going forward, the upturn should be supported by further, but uneven, improvement in consumer and industrial activity. It is worth noting that the prospective rate of GDP growth in the year upcoming should be, at an estimated 2.5%-3.0%, well below the historical norm of 3%-4%. The problem is that there is just too much overall weakness in certain critical sectors—notably housing and employment—to generate the greater levels of consumer spending needed for significantly higher levels of economic growth, in our opinion.

The long and painful recession was traceable to several events, beginning with sharp declines in housing construction, home sales, and real estate prices. We also experienced a large reduction in credit availability, a high level of bank failures, increasing foreclosures and bank repossessions, a multi-decade high in unemployment, weak retail activity, and trendless manufacturing. Unfortunately, several of these problems are likely to stay with us for some time—notably the weakness in housing and employment.

Such continuing difficulties underscore why we expect below-trend rates of U.S. GDP growth through 2010. Encouragingly, though, most business barometers are now either stabilizing or improving selectively. It is much the same overseas, where severe business declines had been seen earlier across Europe and Asia. Those prior setbacks, which generally got under way several months after our own reversal commenced, have also largely run their course. Following this initially moderate business recovery state-side, we would look for sufficient brightening in housing and employment to help underpin a more substantial economic recovery in 2011 and through the middle years of the next decade. By then, in fact, we would expect GDP growth to average a fairly sustainable 3.0%-3.5%.

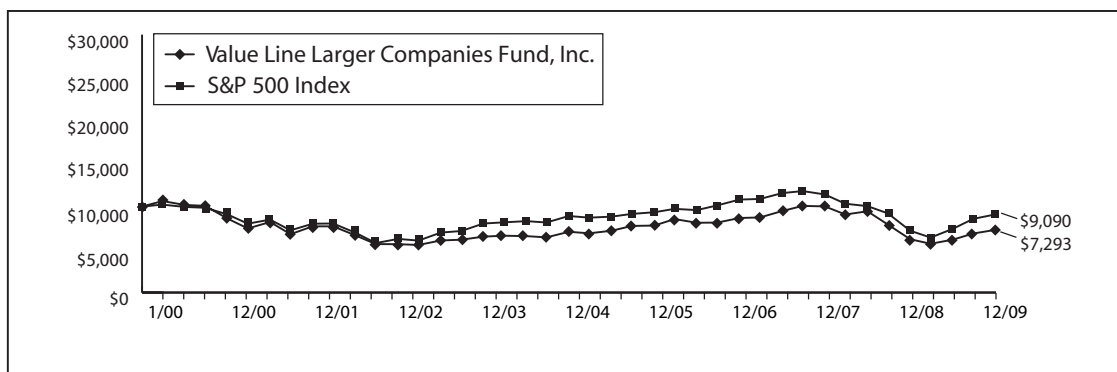
Inflation, which moved up sharply last year, following dramatic gains in oil, food, and commodity prices, has moved onto a more irregular path recently. Going forward, we expect pricing to chart an uneven path, with further up-and-down swings in oil and commodities being the norm, as the economy’s expansion matures. On average, we think that pricing will increase less sharply over the next year or two than it did before the 2007-2009 recession. Looking further out, we expect pricing pressures to evolve later on in the business up cycle—as is only natural, as demand for labor and materials increases. The Federal Reserve, meanwhile, continues to express support for an accommodative monetary approach. As a result, we believe that it is unlikely to start raising interest rates until well into 2010, and to do so rather gently once it does finally opt to tighten the credit reins. Clearly, the risks to the sustainability of the economic up cycle appear too great for the Fed to consider tightening aggressively anytime soon.

Overall, we see a comparatively benign period ahead for the equity and fixed-income markets over the next year or so.

(unaudited)

The following graph compares the performance of the Value Line Larger Companies Fund, Inc. to that of the S&P 500 Index. The Value Larger Companies Fund, Inc. is a professionally managed mutual fund, while the Index is not available for investment and is unmanaged. The returns for the Index do not reflect charges, expenses or taxes, but do include the reinvestment of dividends. The comparison is shown for illustrative purposes only.

Comparison of a Change in Value of a \$10,000 Investment in the Value Line Larger Companies Fund, Inc. and the S&P 500 Index*



Performance Data: **

	Average Annual Total Return	Growth of an Assumed Investment of \$10,000
1 year ended 12/31/09	17.62%	\$11,762
5 years ended 12/31/09	0.64%	\$10,323
10 years ended 12/31/09	(3.11)%	\$ 7,293

* The Standard and Poor's 500 Index is an unmanaged index that is representative of the larger-capitalization stocks traded in the United States.

** The performance data quoted represent past performance and are no guarantee of future performance. The average annual total returns and growth of an assumed investment of \$10,000 include dividends reinvested and capital gains distributions accepted in shares. The investment return and principal value of an investment will fluctuate so that an investment, when redeemed, may be worth more or less than its original cost. The performance data and graph do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

FUND EXPENSES (unaudited):

Example

As a shareholder of the Fund, you incur ongoing costs, including management fees, distribution and service (12b-1) fees, and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (July 1, 2009 through December 31, 2009).

Actual Expenses

The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), redemption fees, or exchange fees. Therefore, the table is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. In addition, if transactional costs were included, your costs would have been higher.

	Beginning account value 7/1/09	Ending account value 12/31/09	Expenses paid during period 7/1/09 thru 12/31/09*
Actual	\$1,000.00	\$1,185.17	\$5.76
Hypothetical (5% return before expenses)	\$1,000.00	\$1,019.93	\$5.32

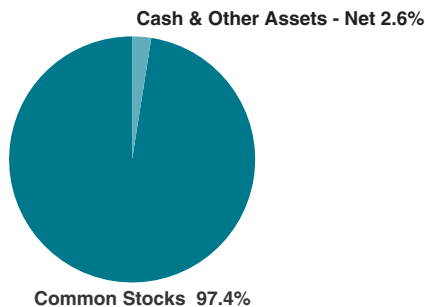
* Expenses are equal to the Fund's annualized expense ratio of 1.05% multiplied by the average account value over the period, multiplied by 184/365 to reflect the one-half year period. This expense ratio may differ from the expense ratio shown in the Financial Highlights.

Portfolio Highlights at December 31, 2009 (unaudited)

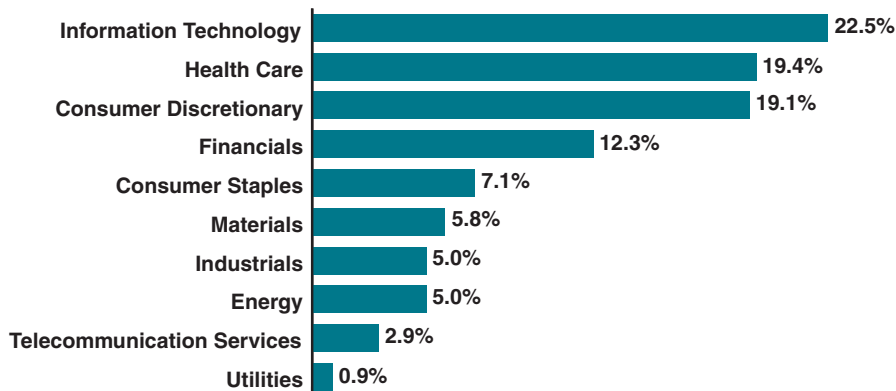
Ten Largest Common Stock Holdings

Issue	Shares	Value	Percentage of Net Assets
Apple, Inc.	10,500	\$2,214,030	1.1%
Seagate Technology	120,000	\$2,182,800	1.1%
News Corp. Class B	137,000	\$2,181,040	1.1%
Walt Disney Co. (The)	67,000	\$2,160,750	1.1%
Medtronic, Inc.	49,000	\$2,155,020	1.1%
Forest Laboratories, Inc.	67,000	\$2,151,370	1.1%
Cablevision Systems Corp. Class A	83,000	\$2,143,060	1.1%
AmerisourceBergen Corp.	82,000	\$2,137,740	1.1%
Computer Sciences Corp.	37,000	\$2,128,610	1.1%
BMC Software, Inc.	53,000	\$2,125,300	1.1%

Asset Allocation – Percentage of Net Assets



Sector Weightings – Percentage of Total Investment Securities



Schedule of Investments

December 31, 2009

Shares		Value	Shares		Value
COMMON STOCKS (97.4%)			FINANCIALS (12.0%)		
	CONSUMER DISCRETIONARY (18.6%)		43,000	AFLAC, Inc.	\$ 1,988,750
15,000	Amazon.com, Inc. *	\$ 2,017,800	50,000	American Express Co.	2,026,000
83,000	Cablevision Systems Corp.		52,000	Ameriprise Financial, Inc.	2,018,640
	Class A	2,143,060	8,500	BlackRock, Inc.	1,973,700
54,000	Coach, Inc.	1,972,620	131,000	Blackstone Group L.P. (The) ..	1,718,720
58,000	DIRECTV Class A *	1,934,300	52,000	Capital One Financial Corp. ...	1,993,680
73,000	Expedia, Inc. *	1,876,830	77,000	CNA Financial Corp. *	1,848,000
200,000	Ford Motor Co. *	2,000,000	118,000	Discover Financial Services ...	1,735,780
90,000	Gap, Inc. (The)	1,885,500	18,000	Franklin Resources, Inc.	1,896,300
55,000	Garmin Ltd.	1,688,500	11,000	Goldman Sachs Group, Inc.	
124,000	Las Vegas Sands Corp. *	1,852,560		(The)	1,857,240
137,000	News Corp. Class B	2,181,040	70,000	Hartford Financial Services Group,	
30,000	NIKE, Inc. Class B	1,982,100		Inc.	1,628,200
53,000	Nordstrom, Inc.	1,991,740	39,000	Prudential Financial, Inc.	1,940,640
25,000	Polo Ralph Lauren Corp.		85,000	Unum Group	<u>1,659,200</u>
	Class A	2,024,500			24,284,850
9,000	Priceline.com, Inc. *	1,966,500	HEALTH CARE (18.9%)		
90,000	Starbucks Corp. *	2,075,400	12,000	Alcon, Inc.	1,972,200
42,000	Target Corp.	2,031,540	33,000	Allergan, Inc.	2,079,330
53,000	TJX Companies, Inc. (The)	1,937,150	82,000	AmerisourceBergen Corp.	2,137,740
66,000	Viacom, Inc. Class B *	1,962,180	23,000	Cerner Corp. *	1,896,120
67,000	Walt Disney Co. (The)	<u>2,160,750</u>	53,000	CIGNA Corp.	1,869,310
		37,684,070	23,000	Express Scripts, Inc. *	1,988,350
	CONSUMER STAPLES (6.9%)		67,000	Forest Laboratories, Inc. *	2,151,370
31,000	British American Tobacco		39,000	Hospira, Inc. *	1,989,000
	PLC ADR	2,004,460	6,500	Intuitive Surgical, Inc. *	1,971,580
37,000	Brown-Forman Corp.		38,000	Life Technologies Corp. *	1,984,740
	Class B	1,982,090	31,000	McKesson Corp.	1,937,500
95,000	Coca-Cola Enterprises, Inc.	2,014,000	33,000	Medco Health Solutions, Inc.* ...	2,109,030
24,000	Colgate-Palmolive Co.	1,971,600	49,000	Medtronic, Inc.	2,155,020
30,000	General Mills, Inc.	2,124,300	35,000	Novartis AG ADR	1,905,050
33,000	Procter & Gamble Co. (The) ...	2,000,790	32,000	Novo Nordisk A/S ADR	2,043,200
50,000	Walgreen Co.	<u>1,836,000</u>	54,000	Sanofi-Aventis ADR	2,120,580
		13,933,240	40,000	Stryker Corp.	2,014,800
	ENERGY (4.8%)		39,000	Thermo Fisher Scientific, Inc.* ...	1,859,910
39,000	CONSOL Energy, Inc.	1,942,200	35,000	Zimmer Holdings, Inc. *	<u>2,068,850</u>
21,000	Diamond Offshore Drilling, Inc. ...	2,066,820			38,253,680
48,000	Noble Corp.	1,953,600	INDUSTRIALS (4.9%)		
40,000	Petroleo Brasileiro S.A. ADR ..	1,907,200	38,000	Canadian National Railway Co. ...	2,065,680
40,000	Southwestern Energy Co. *	<u>1,928,000</u>	42,000	CSX Corp.	2,036,580
		9,797,820	38,000	ITT Corp.	1,890,120
			18,000	Precision Castparts Corp.	1,986,300
			28,000	United Technologies Corp.	<u>1,943,480</u>
					9,922,160

See Notes to Financial Statements.

December 31, 2009

Shares		Value	Shares		Value
INFORMATION TECHNOLOGY (21.9%)			UTILITIES (0.8%)		
10,500	Apple, Inc. *	\$ 2,214,030	130,000	AES Corp. (The) *	\$ 1,730,300
53,000	BMC Software, Inc. *	2,125,300	TOTAL COMMON STOCKS		
88,000	CA, Inc.	1,976,480	AND TOTAL		
59,000	Check Point Software Technologies Ltd. *	1,998,920	INVESTMENT		
46,000	Cognizant Technology Solutions Corp. Class A *	2,083,800	SECURITIES (1) (97.4%)		
37,000	Computer Sciences Corp. *	2,128,610	(Cost \$167,994,724) 197,154,946		
103,000	Corning, Inc.	1,988,930	Principal		
79,000	eBay, Inc. *	1,859,660	Amount		Value
40,000	Fiserv, Inc. *	1,939,200	SHORT-TERM INVESTMENTS (1.2%)		
3,200	Google, Inc. Class A *	1,983,936	REPURCHASE AGREEMENTS (1.2%)		
39,000	Hewlett-Packard Co.	2,008,890	\$2,400,000	With Morgan Stanley, 0.00%, dated 12/31/09, due 1/04/10, delivery value \$2,400,000 (collateralized by \$2,440,000 U.S. Treasury Notes 1.125%, due 6/30/11, with a value of \$2,450,294)	2,400,000
36,000	Infosys Technologies Ltd. ADR ..	1,989,720	TOTAL SHORT-TERM INVESTMENTS (2)		
16,000	International Business Machines Corp.	2,094,400	(Cost \$2,400,000) (1.2%) .. 2,400,000		
100,000	Marvell Technology Group Ltd. *	2,075,000	CASH AND OTHER ASSETS IN EXCESS OF LIABILITIES (1.4%) .. 2,898,645		
8,000	MasterCard, Inc. Class A	2,047,840	NET ASSETS (100%) \$202,453,591		
210,000	Motorola, Inc. *	1,629,600	NET ASSET VALUE OFFERING AND REDEMPTION PRICE, PER OUTSTANDING SHARE (\$202,453,591 ÷ 13,144,263 shares outstanding) \$ 15.40		
55,000	NetApp, Inc. *	1,891,450			
82,000	Oracle Corp.	2,012,280			
27,000	Salesforce.com, Inc. *	1,991,790			
120,000	Seagate Technology	2,182,800			
48,000	Western Digital Corp. *	2,119,200			
104,000	Western Union Co. (The)	1,960,400			
		44,302,236			
MATERIALS (5.7%)					
25,000	Air Products & Chemicals, Inc.	2,026,500			
47,000	AngloGold Ashanti Ltd. ADR ..	1,888,460			
45,000	Ecolab, Inc.	2,006,100			
39,000	Newmont Mining Corp.	1,845,090			
34,000	Sigma-Aldrich Corp.	1,718,020			
60,000	Southern Copper Corp.	1,974,600			
		11,458,770			
TELECOMMUNICATION SERVICES (2.9%)					
40,000	America Movil SAB de C.V. Ser. L ADR	1,879,200			
46,000	American Tower Corp. Class A *	1,987,660			
23,000	Telefonica S.A. ADR	1,920,960			
		5,787,820			

* Non-income producing.

(1) Unless otherwise indicated, the values of the Portfolio are determined based on Level 1 inputs established by FASB ASC 820-10, Fair Value Measurements and Disclosures.

(2) Values determined based on Level 2 inputs established by FASB ASC 820-10, Fair Value Measurements and Disclosures.

ADR American Depositary Receipt.

See Notes to Financial Statements.

Statement of Assets and Liabilities at December 31, 2009

Assets:	
Investment securities, at value	
(Cost - \$167,994,724)	\$ 197,154,946
Repurchase agreement	
(Cost - \$2,400,000)	2,400,000
Cash	154,003
Receivable for securities sold	2,888,904
Dividends receivable	161,659
Prepaid expenses	18,821
Receivable for capital shares sold	325
Total Assets	<u>202,778,658</u>
Liabilities:	
Payable for capital shares redeemed	74,447
Accrued expenses:	
Advisory fee	129,264
Directors' fees and expenses	15,296
Other	106,060
Total Liabilities	<u>325,067</u>
Net Assets	<u>\$ 202,453,591</u>
Net assets consist of:	
Capital stock, at \$1.00 par value	
(authorized 50,000,000,	
outstanding 13,144,263 shares)	\$ 13,144,263
Additional paid-in capital	234,509,968
Undistributed net investment income	1,169,610
Accumulated net realized loss on	
investments and foreign currency	(75,530,472)
Net unrealized appreciation of	
investments	29,160,222
Net Assets	<u>\$ 202,453,591</u>
Net Asset Value, Offering and	
Redemption Price per Outstanding	
Share (\$202,453,591 ÷ 13,144,263	
shares outstanding)	<u>\$ 15.40</u>

Statement of Operations for the Year Ended December 31, 2009

Investment Income:	
Dividends (net of foreign withholding	
tax of \$101,236)	\$ 3,086,881
Interest	5,101
Total Income	<u>3,091,982</u>
Expenses:	
Advisory fee	1,423,453
Service and distribution plan fees	474,484
Auditing and legal fees	164,245
Transfer agent fees	103,091
Printing and postage	82,121
Registration and filing fees	35,090
Directors' fees and expenses	31,825
Custodian fees	28,048
Insurance	16,026
Other	39,104
Total Expenses Before Custody	
Credits and Fees Waived	2,397,487
Less: Service and Distribution Plan	
Fees Waived	(474,484)
Less: Custody Credits	<u>(31)</u>
Net Expenses	<u>1,922,972</u>
Net Investment Income	<u>1,169,010</u>
Net Realized and Unrealized Gain/ (Loss) on Investments and Foreign Exchange Transactions:	
Net Realized Loss	(20,990,805)
Change in Net Unrealized	
Appreciation/(Depreciation)	51,529,553
Net Realized Loss and Change in Net Unrealized Appreciation/ (Depreciation) on Investments and Foreign Exchange Transactions	<u>30,538,748</u>
Net Increase in Net Assets from Operations	<u>\$ 31,707,758</u>

See Notes to Financial Statements.

Statement of Changes in Net Assets
for the Years Ended December 31, 2009 and 2008

	Year Ended December 31, 2009	Year Ended December 31, 2008
Operations:		
Net investment income	\$ 1,169,010	\$ 1,340,889
Net realized loss on investments and foreign currency	(20,990,805)	(54,431,760)
Change in net unrealized appreciation/(depreciation)	51,529,553	(62,014,346)
Net increase/(decrease) in net assets from operations	31,707,758	(115,105,217)
Distributions to Shareholders:		
Net investment income	(1,339,992)	(366,573)
Net realized gain from investment transactions	—	(2,468,087)
Total Distributions	(1,339,992)	(2,834,660)
Capital Share Transactions:		
Proceeds from sale of shares	10,112,763	28,860,067
Proceeds from reinvestment of dividends and distributions to shareholders	1,288,152	2,715,111
Cost of shares redeemed	(31,265,476)	(25,876,542)
Net increase/(decrease) in net assets from capital share transactions ...	(19,864,561)	5,698,636
Total Increase/(Decrease) in Net Assets	10,503,205	(112,241,241)
Net Assets:		
Beginning of year	191,950,386	304,191,627
End of year	\$ 202,453,591	\$ 191,950,386
Undistributed net investment income, at end of year	\$ 1,169,610	\$ 1,339,999

Notes to Financial Statements

1. Significant Accounting Policies

Value Line Larger Companies Fund, Inc., (the “Fund”) (formally known as the Value Line Leveraged Growth Investors, Inc.) is registered under the Investment Company Act of 1940, as amended, as a diversified, open-end management investment company whose sole investment objective is to realize capital growth.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements.

(A) Security Valuation: Securities listed on a securities exchange are valued at the closing sales prices on the date as of which the net asset value is being determined. Securities traded on the NASDAQ Stock Market are valued at the NASDAQ Official Closing Price. In the absence of closing sales prices for such securities and for securities traded in the over-the-counter market, the security is valued at the midpoint between the latest available and representative asked and bid prices. Short-term instruments with maturities of 60 days or less at the date of purchase are valued at amortized cost which approximates market value. Short-term instruments with maturities greater than 60 days at the date of purchase are valued at the midpoint between the latest available and representative asked and bid prices, and commencing 60 days prior to maturity such securities are valued at amortized cost. Securities for which market quotations are not readily available or that are not readily marketable and all other assets of the Fund are valued at fair value as the Board of Directors may determine in good faith. In addition, the Fund may use the fair value of a security when the closing market price on the primary exchange where the security is traded no longer accurately reflects the

value of a security due to factors affecting one or more relevant securities markets or the specific issuer.

(B) Fair Value Measurements: In accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 820-10, Fair Value Measurements and Disclosures, (formerly Statement of Financial Accounting Standards (“SFAS”) No. 157), the Fund discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (level 3 measurements). FASB ASC 820-10-35-39 to 55 provides three levels of the fair value hierarchy as follows:

- Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access at the measurement date;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;
- Level 3 – Inputs that are unobservable.

In 2009, the Fund adopted the authoritative guidance included in FASB ASC 820-10, Fair Value Measurements and Disclosures, on determining fair value when the volume and level of activity for the asset or liability have significantly decreased and identifying transactions that are not orderly (formerly FSP FAS 157-4). FASB ASC 820-10-35-51A to 51H indicates that if an entity determines that either the volume and/or level of activity for an asset or liability has significantly decreased (from normal conditions for that asset or liability) or price quotations or observable inputs are not associated with orderly transactions, increased analysis and management judgment will be required to

December 31, 2009

estimate fair value. Valuation techniques such as an income approach might be appropriate to supplement or replace a market approach in those circumstances. It provides a list of factors to determine whether there has been a significant decrease in relation to normal market activity. Regardless, however, of the valuation technique and inputs used, the objective for the fair value measurement in those circumstances is unchanged from what it would be if markets were operating at normal activity levels and/or transactions were orderly; that is, to determine the current exit price as promulgated by FASB ASC 820-10.

The following is a summary of the inputs used as of December 31, 2009 in valuing the Fund's investments carried at value:

Investments in Securities:	Level 1	Level 2	Level 3	Total
Assets				
Common				
Stocks	\$197,154,946	\$ 0	\$ 0	\$ 197,154,946
Short Term				
Investments . . .	0	2,400,000	0	2,400,000
Total Investments in Securities . . .	\$197,154,946	\$2,400,000	\$ 0	\$ 199,554,946

For the year ended December 31, 2009, there were no Level 3 investments. The types of inputs used to value each security are identified in the Schedule of Investments, which also includes a breakdown of the Schedule's investments by category.

(C) Repurchase Agreements: In connection with transactions in repurchase agreements, the Fund's custodian takes possession of the underlying collateral securities, the value of which exceeds the principal amount of the repurchase transaction, including accrued interest. To the extent that any repurchase transaction exceeds one business day, it is the Fund's policy to mark-to-market the collateral on a daily basis to ensure the adequacy of the collateral. In the event of default of the obligation to repurchase, the Fund has the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation.

Under certain circumstances, in the event of default or bankruptcy by the other party to the agreement, realization and/or retention of the collateral or proceeds may be subject to legal proceedings.

(D) Federal Income Taxes: It is the Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies, including the distribution requirements of the Tax Reform Act of 1986, and to distribute all of its taxable income to its shareholders. Therefore, no federal income tax provision is required.

(E) Security Transactions and Distributions: Security transactions are accounted for on the date the securities are purchased or sold. Interest income is accrued as earned. Realized gains and losses on sales of securities are calculated for financial accounting and federal income tax purposes on the identified cost basis. Dividend income and distributions to shareholders are recorded on the ex-dividend date. Distributions are determined in accordance with income tax regulations which may differ from generally accepted accounting principles.

(F) Foreign Currency Translation: The books and records of the Fund are maintained in U.S. dollars. Assets and liabilities which are denominated in foreign currencies are translated to U.S. dollars at the prevailing rates of exchange. The Fund does not isolate changes in the value of investments caused by foreign exchange rate differences from the changes due to other circumstances.

Income and expenses are translated to U.S. dollars based upon the rates of exchange on the respective dates of such transactions.

Net realized foreign exchange gains or losses arise from currency fluctuations realized between the trade and settlement dates on securities transactions, the differences between the U.S. dollar amounts of dividends, interest, and foreign withholding taxes recorded by the Fund, and the U.S. dollar equivalent of

Notes to Financial Statements

the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities, other than investments, at the end of the fiscal period, resulting from changes in the exchange rates. The effect of the change in foreign exchange rates on the value of investments is included in realized gain/loss on investments and change in net unrealized appreciation/depreciation on investments.

(G) Representations and Indemnifications: In the normal course of business, the Fund enters into contracts that contain a variety of representations and warranties which provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the Fund expects the risk of loss to be remote.

(H) Foreign Taxes: The Fund may be subject to foreign taxes on income, gains on investments, or currency repatriation, a portion of which may be recoverable. The Fund will accrue such taxes and recoveries as applicable, based upon its current interpretation of tax rules and regulations that exist in the markets in which it invests.

(I) Other: On November 4, 2009, the Securities and Exchange Commission ("SEC") and Value Line, Inc. ("VLI"), Value Line Securities, Inc. (currently, EULAV Securities, Inc. ("ESI" or the "Distributor")), Jean B. Buttner, former Chairman, President and Chief Executive Officer of VLI and David Henigson, a former Director and Officer of VLI, settled a matter related to brokerage commissions charged by ESI to certain Value Line mutual funds ("Funds"), including the Fund, from 1986 through November of 2004. The matter also involved alleged misleading disclosures provided by

VLI to the Boards of Directors/Trustees and shareholders of the Funds regarding such brokerage commissions. VLI agreed to pay disgorgement in the amount of \$24,168,979 (representing disgorgement of commissions received), prejudgment interest of \$9,536,786, and a civil penalty in the amount of \$10,000,000. Also as part of the settlement, Mrs. Buttner and Mr. Henigson each agreed to pay a civil penalty, are barred from association with any broker, dealer or investment adviser, and are prohibited from serving as an employee, officer, director, member of an advisory board, investment adviser or depositor of, or principal underwriter for, a registered investment company or affiliated person of such investment adviser, depositor, or principal underwriter, subject to a limited exception (limited in scope and for a one-year period) for Mrs. Buttner. Pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, a fund will be created for VLI's disgorgement, interest and penalty ("Fair Fund"). VLI will bear all costs associated with any Fair Fund distribution, including retaining a third-party consultant approved by the SEC staff to administer any Fair Fund distribution. VLI informed the Funds' Board that it has paid the settlement, continues to have adequate liquid assets, and that the resolution of this matter will not have a materially adverse effect on the ability of EULAV Asset Management LLC ("EULAV" or the "Adviser"), the Funds' investment adviser, or ESI, the Funds' distributor, to perform their respective contracts with the Funds.

(J) Subsequent Events: Management has evaluated all subsequent transactions and events after the balance sheet date through February 26, 2010, the date on which these financial statements were issued, and except as already included in the notes to these financial statements, has determined that no additional items require disclosure.

2. Capital Share Transactions, Dividends and Distributions to Shareholders

Transactions in capital stock were as follows:

	Year Ended December 31, 2009	Year Ended December 31, 2008
Shares sold	803,201	1,776,472
Shares issued to shareholders in reinvestment of dividends and distributions . . .	83,701	213,750
Shares redeemed	(2,309,397)	(1,488,578)
Net increase/ (decrease)	(1,422,495)	501,644
Dividends per share from net investment income	\$ 0.1020	\$ 0.0256
Distributions per share from net realized gains . . .	—	\$ 0.1721

3. Purchases and Sales of Securities

Purchases and sales of investment securities, excluding short-term securities, were as follows:

	Year Ended December 31, 2009
Purchases:	
Investment Securities	\$ 288,478,652
Sales:	
Investment Securities	\$ 307,317,546

4. Income Taxes

At December 31, 2009, information on the tax components of capital is as follows:

Cost of investments for tax purposes	\$ 170,398,759
Gross tax unrealized appreciation	\$ 31,573,082
Gross tax unrealized depreciation	(2,416,895)
Net tax unrealized appreciation on investments	\$ 29,156,187
Undistributed ordinary income	\$ 1,169,610
Undistributed long-term gain	\$ —
Capital loss carryforward, expires	
December 31, 2016	\$ (36,232,930)
December 31, 2017	\$ (39,293,507)

To the extent that current or future capital gains are offset by capital losses, the Fund does not anticipate distributing any such gains to shareholders.

It is uncertain whether the Fund will be able to realize the benefits of the losses before they expire.

The differences between book basis and tax basis unrealized appreciation/(depreciation) on investments were primarily attributed to wash sales.

Permanent book-tax differences relating to the current year were reclassified within the composition of the net asset accounts. The Fund increased undistributed net investment income by approximately \$593 and increased accumulated realized loss by approximately \$600 and increased additional paid-in-capital by \$7. Net assets were not affected by these reclassifications. These reclassifications were primarily due to differing treatments of foreign currency translation for tax purposes.

Notes to Financial Statements

The tax composition of distributions to shareholders for the years ended December 31, 2009 and December 31, 2008 were as follows:

	2009	2008
Ordinary income	\$ 1,339,992	\$2,081,656
Long-term capital gain	—	753,004
	<u>\$ 1,339,992</u>	<u>\$2,834,660</u>

5. Investment Advisory Fees, Service and Distribution Fees, and Transactions With Affiliates

An advisory fee of \$1,423,453 was paid or payable to EULAV Asset Management, LLC (the “Adviser”) for the year ended December 31, 2009. This was computed at the rate of 0.75% of the average daily net assets for the period and paid monthly. The Adviser provides research, investment programs, supervision of the investment portfolio and pays costs of administrative services, office space, equipment and compensation of administrative, bookkeeping, and clerical personnel necessary for managing the affairs of the Fund. The Adviser also provides persons, satisfactory to the Fund’s Board of Directors, to act as officers and employees of the Fund and pays their salaries.

The Fund has a Service and Distribution Plan (the “Plan”), adopted pursuant to Rule 12b-1 under the Investment Company Act of 1940, for the payment of certain expenses incurred by EULAV Securities, Inc. (the “Distributor”), for advertising, marketing and distributing the Fund’s shares and for servicing the Fund’s shareholders at an annual rate of 0.25% of the Fund’s

average daily net assets. For the year ended December, 2009, fees amounting to \$474,484, before fee waivers, were accrued under the Plan. Effective May 1, 2007, 2008 and 2009, the Distributor contractually agreed to waive the Fund’s 12b-1 fee for one year periods. For the year ended December 31, 2009, the fees waived amounted to \$474,484. The Distributor has no right to recoup prior waivers.

For the year ended December 31, 2009, the Fund’s expenses were reduced by \$31 under a custody credit agreement with the custodian.

Direct expenses of the Fund are charged to the Fund while common expenses of the Value Line Funds are allocated proportionately based upon the Funds’ respective net assets. The Fund bears all other costs and expenses.

Certain officers, employees and a director of Value Line and/or affiliated companies are also officers and a director of the Fund.

The Adviser and/or affiliated companies and the Value Line Profit Sharing and Savings Plan owned 125,448 shares of the Fund’s capital stock, representing less than 1% of the outstanding shares at December 31, 2009. In addition, officers and directors of the Fund as a group owned 183 shares of the Fund, representing less than 1% of the outstanding shares.

6. Borrowing Arrangement

Prior to September 22, 2006, the Fund had a line of credit agreement with State Street Bank and Trust.

Financial Highlights

Selected data for a share of capital stock outstanding throughout each year:

	Years Ended December 31,				
	2009	2008	2007	2006	2005
Net asset value, beginning of year	\$ 13.18	\$ 21.63	\$ 21.37	\$ 22.24	\$ 25.53
Income from investment operations:					
Net investment income/(loss)	0.10	0.09	0.11	(0.02)	(0.15)
Net gains or (losses) on securities (both realized and unrealized)	2.22	(8.34)	3.15	2.55	2.82
Total from investment operations	2.32	(8.25)	3.26	2.53	2.67
Less distributions:					
Dividends from net investment income	(0.10)	(0.03)	(0.08)	—	—
Distributions from net realized gains	—	(0.17)	(2.92)	(3.40)	(5.96)
Total distributions	(0.10)	(0.20)	(3.00)	(3.40)	(5.96)
Net asset value, end of year	\$ 15.40	\$ 13.18	\$ 21.63	\$ 21.37	\$ 22.24
Total return	17.62%	(38.12)%	15.55%	11.31%	10.28%
Ratios/Supplemental Data:					
Net assets, end of year (in thousands)	\$202,454	\$191,950	\$304,192	\$298,601	\$300,411
Ratio of expenses to average net assets (including interest expense) ⁽¹⁾	1.26% ⁽³⁾	1.18% ⁽³⁾	1.13% ⁽³⁾	1.30% ⁽³⁾	1.19%
Ratio of expenses to average net assets (excluding interest expense) ⁽²⁾	1.26% ⁽⁴⁾	1.18% ⁽⁴⁾	1.13% ⁽⁴⁾	1.17% ⁽⁴⁾	1.16%
Ratio of net investment income/(loss) to average net assets ..	0.62%	0.53%	0.47%	(0.11)%	(0.67)%
Portfolio turnover rate	157%	157%	112%	203%	218%

⁽¹⁾ Ratio reflects expenses grossed up for the custody credit arrangement. The ratio of expenses to average net assets net of custody credits would have been 1.17% for the year ended December 31, 2008, 1.29% for the year ended December 31, 2006 and would not have changed for the other years shown.

⁽²⁾ Ratio reflects expenses grossed up for the custody credit arrangement. The ratio of expenses to average net assets net of custody credits would have been 1.17% for the year ended December 31, 2008, and would not have changed for the other years shown.

⁽³⁾ Ratio reflects expenses grossed up for the waiver of the service and distribution plan fees by the Distributor. The ratio of expenses to average net assets, net of the fee waiver, but exclusive of the custody credit arrangement, would have been 1.01% for the year ended December 31, 2009, 0.93% for the year ended December 31, 2008, 0.88% for the year ended December 31, 2007, 1.21% for the year ended December 31, 2006.

⁽⁴⁾ Ratio reflects expenses grossed up for the waiver of the service and distribution plan fees by the Distributor. The ratio of expenses to average net assets, net of the fee waiver, but exclusive of the custody credit arrangement, would have been 1.01% for the year ended December 31, 2009, 0.93% for the year ended December 31, 2008, 0.88% for the year ended December 31, 2007, 1.09% for the year ended December 31, 2006.

See Notes to Financial Statements.

Report of Independent Registered Public Accounting Firm

**To the Board of Directors and Shareholders of
Value Line Larger Companies Fund, Inc.**

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Value Line Larger Companies Fund, Inc. (the “Fund”) at December 31, 2009, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as “financial statements”) are the responsibility of the Fund’s management; our responsibility is to express an opinion on these financial statements based on our

audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2009 by correspondence with the custodian, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
New York, New York

February 26, 2010

Federal Tax Notice (unaudited)

For corporate taxpayers, 100% of the ordinary income distribution paid during the calendar year 2009, qualify for the corporate dividends received deductions.

During the calendar year 2009, 100% of the ordinary income distribution are treated as qualified dividends.

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (“SEC”) for the first and third quarters of each fiscal year on Form N-Q. The Fund’s Forms N-Q are available on the SEC’s website at <http://www.sec.gov> and may be reviewed and copied at the SEC’s Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities, and information regarding how the Fund voted these proxies for the 12-month period ended June 30 is available through the Fund’s website at <http://www.vlfunds.com> and on the SEC’s website at <http://www.sec.gov>. The description of the policies and procedures is also available without charge, upon request, by calling 1-800-243-2729.

Management of the Fund

MANAGEMENT INFORMATION

The business and affairs of the Fund are managed by the Fund's officers under the direction of the Board of Directors. The following table sets forth information on each Director and Officer of the Fund. Each Director serves as a director or trustee of each of the 14 Value Line Funds. Each Director serves until his or her successor is elected and qualified.

Name, Address, and DOB	Position	Length of Time Served	Principal Occupation During the Past 5 Years	Other Directorships Held by Director
Interested Director*				
Thomas T. Sarkany DOB: June 1946	Director	Since 2008	Mutual Fund Marketing Director of EULAV Securities, Inc. (the "Distributor"), formerly Value Line Securities, Inc. Secretary of Value Line, Inc. since November 2009.	None
Non-Interested Directors				
Joyce E. Heinzerling 500 East 77th Street New York, NY 10162 DOB: January 1956	Director	Since 2008	President, Meridian Fund Advisers LLC. (consultants) since April 2009; General Counsel, Archery Capital LLC (private investment fund) until April 2009.	Burnham Investors Trust, since 2004 (4 funds).
Francis C. Oakley 54 Scott Hill Road Williamstown, MA 01267 DOB: October 1931	Director (Lead Independent Director since 2008)	Since 1993	Professor of History, Williams College, (1961-2002). Professor Emeritus since 2002; President Emeritus since 1994 and President, (1985-1994) Chairman (1993-1997) and Interim President (2002-2003) of the American Council of Learned Societies. Trustee since 1997 and Chairman of the Board since 2005, National Humanities Center.	None
David H. Porter 5 Birch Run Drive Saratoga Springs, NY 12866 DOB: October 1935	Director	Since 1997	Professor, Skidmore College, since 2008; Visiting Professor of Classics, Williams College, (1999-2008); President Emeritus, Skidmore College since 1999 and President, (1987-1998).	None
Paul Craig Roberts 169 Pompano St. Panama City Beach, FL 32413 DOB: April 1939	Director	Since 1983	Chairman, Institute for Political Economy.	None
Nancy-Beth Sheerr 1409 Beaumont Drive Gladwyne, PA 19035 DOB: March 1949	Director	Since 1996	Senior Financial Adviser, Veritable L.P. (Investment Adviser) since 2004.	None

Management of the Fund

Name, Address, and DOB	Position	Length of Time Served	Principal Occupation During the Past 5 Years	Other Directorships Held by Director
Daniel S. Vandivort 59 Indian Head Road Riverside, CT 06878 DOB: July 1954	Director	Since 2008	President, Chief Investment Officer, Weiss, Peck and Greer/Robeco Investment Management (2005-2007); Managing Director, Weiss, Peck and Greer, (1995-2005).	None
Officers				
Mitchell E. Appel DOB: August 1970	President	Since 2008	President of each of the Value Line Funds since June 2008; Chief Financial Officer of Value Line since April 2008 and from September 2005 to November 2007; Treasurer from June 2005 to September 2005; Chief Financial Officer of XTF Asset Management from November 2007 to April 2008; Chief Financial Officer of Circle Trust Company from 2003 through May 2005; Chief Financial Officer of the Distributor since April 2008 and President since February 2009; President of the Adviser since February 2009.	
Howard A. Brecher DOB: October 1953	Vice President and Secretary	Since 2008	Vice President and Secretary of each of the Value Line Funds since June 2008; Vice President and Secretary of Value Line until November 2009; Director of Value Line; Acting Chairman and Acting CEO of Value Line since November 2009; Secretary and Treasurer of the Adviser since February 2009; Vice President, Secretary, Treasurer, General Counsel and a Director of Arnold Bernhard & Co., Inc.	
Michael J. Wagner DOB: November 1950	Chief Compliance Officer	Since 2009	Chief Compliance Officer of Value Line Funds since June 2009; President of Northern Lights Compliance Service, LLC (formerly Fund Compliance Services, LLC (2006-present) and Senior Vice President (2004-2006) and Chief Operations Officer (2003-2006) of Gemini Fund Services, LLC; Director of Constellation Trust Company until 2008.	
Emily D. Washington DOB: January 1979	Treasurer	Since 2008	Treasurer and Chief Financial Officer (Principal Financial and Accounting Officer) of each of the Value Line Funds since August 2008; Associate Director of Mutual Fund Accounting at Value Line until August 2008.	

* *Mr. Sarkany is an "interested person" as defined in the Investment Company Act of 1940 by virtue of his position with the Distributor.*

Unless otherwise indicated, the address for each of the above officers is c/o Value Line Funds, 220 East 42nd Street, New York, NY 10017.

The Fund's Statement of Additional Information (SAI) includes additional information about the Fund's Directors and is available, without charge, upon request by calling 1-800-243-2729 or on the Fund's website, www.vlfunds.com.

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The Value Line Family of Funds

1950 — The Value Line Fund seeks long-term growth of capital. Current income is a secondary objective.

1952 — Value Line Income and Growth Fund's primary investment objective is income, as high and dependable as is consistent with reasonable risk. Capital growth to increase total return is a secondary objective.

1956 — Value Line Premier Growth Fund seeks long-term growth of capital. No consideration is given to current income in the choice of investments.

1972 — Value Line Larger Companies Fund's sole investment objective is to realize capital growth.

1979 — Value Line U.S. Government Money Market Fund**, a money market fund, seeks to secure as high a level of current income as is consistent with maintaining liquidity and preserving capital. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

1981 — Value Line U.S. Government Securities Fund seeks maximum income without undue risk to capital. Under normal conditions, at least 80% of the value of its net assets will be invested in securities issued or guaranteed by the U.S. Government and its agencies and instrumentalities.

1983 — Value Line Centurion Fund* seeks long-term growth of capital.

1984 — The Value Line Tax Exempt Fund seeks to provide investors with the maximum income exempt from

federal income taxes while avoiding undue risk to principal. The fund may be subject to state and local taxes and the Alternative Minimum Tax (if applicable).

1985 — Value Line Convertible Fund seeks high current income together with capital appreciation primarily from convertible securities ranked 1, 2 or 3 for the year-ahead performance by the Value Line Convertible Ranking System.

1986 — Value Line Aggressive Income Trust seeks to maximize current income.

1987 — Value Line New York Tax Exempt Trust seeks to provide New York taxpayers with the maximum income exempt from New York State, New York City and federal income taxes while avoiding undue risk to principal. The Trust may be subject to state and local taxes and the Alternative Minimum Tax (if applicable).

1987 — Value Line Strategic Asset Management Trust* seeks to achieve a high total investment return consistent with reasonable risk.

1993 — Value Line Emerging Opportunities Fund invests in US common stocks of small capitalization companies, with its primary objective being long-term growth of capital.

1993 — Value Line Asset Allocation Fund seeks high total investment return, consistent with reasonable risk. The Fund invests in stocks, bonds and money market instruments utilizing quantitative modeling to determine the asset mix.

* Only available through the purchase of Guardian Investor, a tax deferred variable annuity, or ValuePlus, a variable life insurance policy.

** Effective August 19, 2009, The Value Line Cash Fund, Inc. changed its name to the Value Line U.S. Government Money Market Fund, Inc.

For more complete information about any of the Value Line Funds, including charges and expenses, send for a prospectus from EULAV Securities, Inc., 220 East 42nd Street, New York, New York 10017-5891 or call 1-800-243-2729, 9am–5pm CST, Monday–Friday, or visit us at www.vlfunds.com. Read the prospectus carefully before you invest or send money.