
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20599**

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported) June 30, 2004

BASSETT FURNITURE INDUSTRIES, INCORPORATED

(Exact name of registrant as specified in its charter)

VIRGINIA
(State or other jurisdiction of
incorporation or organization)

0-209
(Commission File No.)

54-0135270
(I.R.S. Employer
Identification No.)

**3525 FAIRYSTONE PARK HIGHWAY
BASSETT, VIRGINIA**
(Address of principal executive offices)

24055
(Zip Code)

Registrant's telephone number, including area code 276/629-6000

Item 9. Regulation FD Disclosure

The following information is being furnished pursuant to both this Item 9 and Item 12 Results of Operations and Financial Condition. Audited financial statements of the Bassett Industries Alternative Asset Fund, L.P. are attached as Exhibit 99 hereto.

Item 12. Results of Operations and Financial Condition.

The information furnished in Item 9 above is incorporated herein by reference.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BASSETT FURNITURE INDUSTRIES, INCORPORATED

Date: June 30, 2004

By: /s/ Barry C. Safrit

Barry C. Safrit

Title: Vice President, Chief Financial Officer

Exhibit Index

Exhibit No. 99 Bassett Industries Alternative Asset Fund, L.P - Financial Statements for the Year Ended December 31, 2003 with Independent Auditors' Report.

**BASSETT INDUSTRIES ALTERNATIVE
ASSET FUND, L.P.**

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2003

A CLAIM FOR EXEMPTION FROM CERTAIN REGULATORY REPORTING REQUIREMENTS HAS BEEN MADE TO THE COMMODITY FUTURES TRADING COMMISSION PURSUANT TO COMMISSION REGULATION 4.7 BY THE COMMODITY POOL OPERATOR OF BASSETT INDUSTRIES ALTERNATIVE ASSET FUND, L.P.

CONTENTS

Affirmation of the Commodity Pool Operator	1
Independent Auditors' Report	2
Financial Statements	
Statement of Financial Condition	3
Statement of Operations	4
Statement of Changes in Partners' Capital	5
Statement of Cash Flows	6
Condensed Schedule of Investments	7
Notes to Financial Statements	8-10

BASSETT INDUSTRIES ALTERNATIVE ASSET FUND, L.P.
AFFIRMATION OF THE COMMODITY POOL OPERATOR

To the best of the knowledge and belief of the undersigned, the information contained in the annual report for the year ended December 31, 2003 is accurate and complete.

/s/ Louis W. Moelchert, Jr.

Louis W. Moelchert, Jr., Managing Member
Private Advisors, L.L.C.
General Partner for
Bassett Industries Alternative Asset Fund, L.P.

Commodity Pool Operator:
Private Advisors, L.L.C
1801 Bayberry Court, Suite 303
Richmond, VA 23226
(804) 289-6000

Commodity Pool:
Bassett Industries Alternative Asset Fund, L.P.

INDEPENDENT AUDITORS' REPORT

To the Partners of Bassett Industries Alternative Asset Fund, L.P.

We have audited the accompanying statement of financial condition of Bassett Industries Alternative Asset Fund, L.P., including the condensed schedule of investments, as of December 31, 2003, and the related statements of operations, changes in partners' capital and cash flows for the year then ended. These financial statements are the responsibility of the General Partner of Bassett Industries Alternative Asset Fund, L.P. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the General Partner, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bassett Industries Alternative Asset Fund, L.P. as of December 31, 2003, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ Rothstein, Kass & Company, P.C.

Roseland, New Jersey
April 24, 2004

BASSETT INDUSTRIES ALTERNATIVE ASSET FUND, L.P.

STATEMENT OF FINANCIAL CONDITION

December 31, 2003

ASSETS	
Investments in investment companies, at fair value (cost \$32,191,281)	\$ 45,559,549
Cash and cash equivalents	326,761
	<u>\$ 45,886,310</u>
LIABILITIES AND PARTNERS' CAPITAL	
Liabilities	
Accrued expenses	\$ 7,439
Partners' capital	45,878,871
	<u>\$ 45,886,310</u>

See accompanying notes to financial statements.

BASSETT INDUSTRIES ALTERNATIVE ASSET FUND, L.P.**STATEMENT OF OPERATIONS**

Year Ended December 31, 2003

Investment income, interest	\$ 12,144
<hr/>	
Expenses	
Management fee	423,820
Professional fees and other	18,541
<hr/>	
Total expenses	442,361
<hr/>	
Net investment income (loss)	(430,217)
Equity in net earnings (net loss) of investments in investment companies	5,510,344
<hr/>	
Net income	\$5,080,127
<hr/>	

See accompanying notes to financial statements.

BASSETT INDUSTRIES ALTERNATIVE ASSET FUND, L.P.**STATEMENT OF CHANGES IN PARTNERS' CAPITAL**

Year Ended December 31, 2003

	<u>General Partner</u>	<u>Limited Partner</u>	<u>Total</u>
Partners' capital , beginning of period	\$ 15,676	\$ 40,783,068	\$ 40,798,744
Net income	1,952	5,078,175	5,080,127
Partners' capital , end of period	<u>\$ 17,628</u>	<u>\$ 45,861,243</u>	<u>\$ 45,878,871</u>

See accompanying notes to financial statements.

BASSETT INDUSTRIES ALTERNATIVE ASSET FUND, L.P.**STATEMENT OF CASH FLOWS****Year Ended December 31, 2003****Cash flows from operating activities**

Net income	\$ 5,080,127
Adjustments to reconcile net income to net cash provided by (used in) operating activities:	
Equity in net earnings of investments in investment companies	(5,510,344)
Changes in operating assets and liabilities:	
Cost of investments in investment companies	17,787,166
Accrued expenses	(147,456)

Net cash provided by (used in) operating activities17,209,493**Cash flows from financing activities**

Capital withdrawals, including payment of withdrawals payable	(17,000,000)
---	--------------

Net increase (decrease) in cash and cash equivalents209,493**Cash and cash equivalents, beginning of period**117,268**Cash and cash equivalents, end of period**\$ 326,761*See accompanying notes to financial statements.*

BASSETT INDUSTRIES ALTERNATIVE ASSET FUND, L.P.

CONDENSED SCHEDULE OF INVESTMENTS

December 31, 2003

	<u>Percentage of Partners' Capital</u>	<u>Fair Value</u>	<u>Investment Objective</u>
Investments in Investment Companies			
Styx Partners, L.P.	38.4%	\$ 17,596,163	Direct Lending
HBK Fund, L.P.	21.0	9,626,000	Multi-Strategy
*Securities Sold Short			
Government Bonds			
US Treasury, interest rates 1.25% - 4.38% maturities Dec 2004 - Nov 2008, valued at \$2,630,852,000 The Fund's proportionate share of this investment is \$5,046,287			
Japanese Government Bonds, interest rates 0.80%-2.00%, maturities Mar 2009 - Dec 2012, valued at \$1,615,927,000 The Fund's proportionate share of this investment is \$3,099,540			
Contrarian Capital Trade Claims, L.P.	17.9	8,190,099	Distressed
Merced Partners Limited Partnership	15.1	6,945,731	Multi-Strategy
BBT Partners, L.P.	5.6	2,549,160	Multi-Strategy
Other	1.3	652,396	
	<hr/>	<hr/>	
Total (cost \$32,191,281)	99.3%	\$ 45,559,549	
	<hr/>	<hr/>	

* These investments are disclosed because the Fund's proportionate share of these investments exceeds 5% of the Fund's partners' capital.

See accompanying notes to financial statements.

1. Nature of operations and summary of significant accounting policies

Nature of Operations

Bassett Industries Alternative Asset Fund, L.P. (the "Fund"), a Delaware limited partnership, commenced operations on July 1, 1998. Private Advisors, LLC is the General Partner ("General Partner") of the Fund. Bassett Furniture Industries, Inc and the General Partner are currently the only partners.

The objective of the Fund is to achieve consistent, positive returns, while attempting to reduce risk and volatility, by placing its capital with a variety of investment companies and experienced portfolio managers. Such hedge funds and portfolio managers will employ a variety of trading styles or strategies, including, but not limited to, convertible arbitrage, merger or risk arbitrage, distressed debt, long/short equity, multi-strategy and other market-neutral strategies. The General Partner has discretion to make all investment and trading decisions, including the selection of investment managers. The General Partner will select portfolio managers on the basis of various criteria, including, among other things, the manager's investment performance during various time periods and market cycles, the company's infrastructure, and the manager's reputation, experience, training and investment philosophy. In addition, the General Partner will require that each portfolio manager have a substantial personal investment in the investment program. Refer to the Fund's offering memorandum for more information.

Cash and Cash Equivalents

The fund considers its investment in a short-term money market funds to be a cash equivalent.

Investments in Investment Companies

In accordance with the Limited Partnership Agreement, investments in investment companies are valued by the General Partner at fair value utilizing the net asset valuations provided by the underlying investment companies, unless the General Partner determines some other valuation is more appropriate. Substantially all of the underlying investments of the investment companies are comprised of cash and cash equivalents and readily marketable securities.

Investment Income

Interest is recognized on the accrual basis.

Income Taxes

The Fund does not record a provision for income taxes because the partners report their share of the Fund's income or loss on their income tax returns. The financial statements reflect the Fund's transactions without adjustment, if any, required for income tax purposes.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the General Partner to make estimates and assumptions that affect the amounts disclosed in the financial statements. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

2. Allocation of net profits and losses

In accordance with the Limited Partnership Agreement, profits and losses of the Fund are allocated to partners according to their respective interests in the Fund.

3. Related party transactions

The Fund pays the General Partner, a quarterly management fee equal to 0.25% (1.0% per annum) of the Fund's net asset value at the beginning of each quarter.

4. Investments in investment companies

As of December 31, 2003, the Fund invested in other investment companies, none of which were related parties.

The following table summarizes the Fund's investments in investment companies as of December 31, 2003. Investment companies in which the Fund invested 5% or more of its net assets are individually identified, while smaller investments are aggregated. The management agreements of the investee funds provide for compensation to the managers in the form of fees ranging from 1.0% to 1.5% annually of net assets and performance incentive allocations equal to 20% of net profits earned.

Investment	% of Fund's Net Assets	Fair Value	Redemptions Permitted	Annual Fee Percentages	
				Management	Incentive
Styx Partners, L.P.	38.4%	\$ 17,596,163	Annually	1.00%	20.00%
HBK Fund, L.P.	21.0	9,626,000	Quarterly	1.50	20.00
Contrarian Capital Trade Claims, L.P.	17.9	8,190,099	Annually	1.50	20.00
Merced Partners Limited Partnership	15.1	6,945,731	Annually	1.50	20.00
BBT Partners, L.P.	5.6	2,549,160	Quarterly	1.50	20.00
Other	1.3	652,396			
Total	99.3%	\$ 45,559,549			

The General Partner was unable to obtain the specific fee amounts for the above funds. The applicable fee percentage was substituted for the fee amounts.

5. Financial highlights

Financial highlights for the year ended December 31, 2003 are as follows:

Total return	12.5%
Ratio to average limited partners' capital Expenses	1.0%
Net investment income (loss)	(1.0)%

Financial highlights are calculated for the limited partner taken as a whole.