

HANCOCK JOHN INCOME SECURITIES TRUST /MA
Form N-CSR
February 28, 2007

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

FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number 811- 4186

John Hancock Income Securities Trust
(Exact name of registrant as specified in charter)

601 Congress Street, Boston, Massachusetts 02210
(Address of principal executive offices) (Zip code)

Alfred P. Ouellette
Senior Counsel and Assistant Secretary

601 Congress Street

Boston, Massachusetts 02210
(Name and address of agent for service)

Registrant's telephone number, including area code: 617-663-4324

Date of fiscal year end: December 31

Date of reporting period: December 31, 2006

ITEM 1. REPORT TO SHAREHOLDERS.

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CEO corner

To Our Shareholders,

The future has arrived at John Hancock Funds.

We have always been firm believers in the powerful role the Internet can play in providing fund information to our shareholders and prospective investors. Recently, we launched a redesigned, completely overhauled Web site that is more visually pleasing, easier to navigate and, most importantly, provides more fund information and learning tools without overwhelming the user.

Not long after we embarked on this major project, a study was released by the Investment Company Institute, the mutual fund industry's main trade group, which found that an overwhelming majority of shareholders consider the Internet the "wave of the future" for accessing fund information.

Our new site sports fresher and faster ways to access account information. New innovations allow investors to view funds by risk level, track the performance of the John Hancock funds of their choice or sort funds by Morningstar, Inc.'s star ratings. Investors who own a John Hancock fund through a qualified retirement plan and don't pay sales charges when making a purchase have the option of sorting by a "Load Waived" Morningstar Rating, thereby creating an apples-to-apples comparison with no-load funds that may also be available in their retirement plan.

The new site also has more educational tools and interactive modules to educate and assist investors with their financial goals, from college savings to retirement planning. A new *"I want to"* feature allows investors to check performance, invest more money, update personal information or download prospectuses and forms quickly and easily.

In another of our ongoing efforts to provide our shareholders with top-notch service, we also redesigned our shareholder reports, as you may have noticed with this report. We hope the larger size, more colorful cover and redesigned presentation of the commentary and data tables will draw you in and make them easier to read.

After you've read your shareholder report, we encourage you to visit our new Web site www.jhfunds.com and take a tour. It's easy, fast and fun and allows you to be in control of what you see and do. In short, it's the wave of the future!

Sincerely,

Keith F. Hartstein,
President and Chief Executive Officer

This commentary reflects the CEO's views as of December 31, 2006. They are subject to change at any time.

Your fund at a glance

The Fund seeks a high level of current income consistent with prudent investment risk by investing at least 80% of its assets in a diversified portfolio of income securities.

Over the last twelve months

□ Bonds overcame rising interest rates to post solid gains in 2006 as the economy decelerated in the second half of the year.

□ High-yield corporate bonds were far and away the best performers, while Treasury securities lagged.

□ The Fund outperformed thanks to overweights in high-yield corporate bonds and mortgage-backed securities.

Top 10 issuers

Federal National Mortgage Assn.	27.7%	Bank of America	2.0%
Federal Home Loan Mortgage Corp.	5.8%	U.S. Treasury Bonds/Notes	1.9%
Countrywide Home Loan	3.8%	Crown Castle Int'l Corp.	1.7%
JPMorgan Chase	3.6%	Residential Asset Mortgage	
Goldman Sachs Group	2.5%	Products, Inc.	1.5%

Bear Stearns Cos. Inc. 2.2%

As a percentage of net assets plus value of preferred shares on December 31, 2006.

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Managers' report

John Hancock Income Securities Trust

The U.S. bond market posted positive returns in 2006, overcoming a modest rise in interest rates. The Lehman Brothers U.S. Aggregate Bond Index, a broad measure of bond market performance, posted its seventh consecutive calendar year of positive performance.

The environment for bonds shifted markedly during the year. The first half of 2006 was a challenging period for bonds — economic growth was stronger than expected, inflation spiked higher in the spring and the Federal Reserve raised short-term interest rates for the 17th time in two years. In this environment, bonds declined in value as interest rates rose sharply.

Over the last six months, however, bonds staged a healthy rebound thanks to slowing economic growth, most notably in the slumping housing market, and moderating inflation, which largely reflected a decline in energy prices. The weaker economic environment led the Fed to hold short-term interest rates steady throughout the last half of 2006.

Bond yields finished the year slightly higher than where they started. Despite the significant yield fluctuations during the year, the yield curve remained —inverted— — meaning short-term bond yields were higher than the yields of longer-term bonds — throughout 2006.

SCORECARD

INVESTMENT

Continental Airlines

PERIOD'S PERFORMANCE... AND WHAT'S BEHIND THE NUMBERS

Bonds backed by jets benefited from improving fundamentals and potential consolidation in the airline industry

Ford Motor Credit

Sale of a majority stake in GMAC led investors to boost valuations in the auto finance industry

Sprint

Competitive pressures weighed on telecom bonds in the first half of the year

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Portfolio Managers, MFC Global Investment Management (U.S.), LLC
Barry H. Evans, CFA, Jeffrey N. Given, CFA, and Howard C. Greene, CFA

From a sector perspective, every segment of the bond market gained ground during the year, but high-yield corporate bonds were by far the top performers. Strong balance sheets, a lack of credit defaults and increasing demand for yield led to double-digit gains for high yield bonds. Among investment-grade sectors, mortgage-backed securities posted the best returns, while Treasury bonds lagged.

Over the last six months, however, bonds staged a healthy rebound thanks to slowing economic growth, most notably in the slumping housing market, and moderating inflation, which largely reflected a decline in energy prices.

Fund performance

For the year ended December 31, 2006, John Hancock Income Securities Trust produced a total return of 6.24% at net asset value (NAV) and 15.15% at market value. The Fund's NAV return and its market performance differ because the market share price is subject to the dynamics of secondary market trading, which could cause it to trade at a discount or premium to the Fund's NAV share price at any time. By comparison, the average closed-end intermediate-term bond fund returned 6.58%, according to Morningstar, Inc., and the Lehman Brothers Government/Credit Bond Index returned 3.78% .

The Fund outperformed its benchmark index largely because of overweight positions in mortgage-backed securities and high-yield corporate bonds. However, though we were overweight in high yield bonds relative to the index, we had a slightly lower weighting than our Morningstar peer group average. Consequently, the Fund modestly lagged the average return of its peer group.

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Sector allocation paid off

In 2006, we substantially increased our holdings of mortgage-backed securities, which became the largest sector weighting in the portfolio. This positioning boosted portfolio performance for the year as mortgage-backed bonds outperformed. In addition to the increase in residential mortgage-backed securities, we added to our position in commercial mortgage-backed securities. With high credit ratings, intermediate maturities and attractive yields, these bonds provided a way to add yield in a defensive manner.

Reducing our Treasury bond holdings substantially during the year also added value as these bonds underperformed. By the end of 2006, Treasury securities comprised the smallest sector weighting in the portfolio.

High yield bonds contributed strong results

Another positive factor was our overweight in high-yield corporate bonds, the top performers in the bond market in 2006. Although we trimmed our overall exposure to corporate securities, we sold mostly higher-quality securities while increasing our high yield position. By the end of the year, high yield bonds made up half of the portfolio's corporate bond holdings, up from a third at the beginning of the year.

Much of the increase in our high yield bond position resulted from finding specific securities that we found to be attractively valued. However, greater high yield exposure had the added benefit of helping protect the portfolio against the risk of leveraged buyouts (LBOs), which typically hurt bond-holders. Private equity firms are hesitant to pursue debt-financed acquisitions of companies that already have a significant amount of debt, as most below investment-grade companies do.

SECTOR DISTRIBUTION¹

Government □	
U.S. agency	34%
Mortgage bonds	23%
Financials	13%
Utilities	7%
Consumer discretionary	7%
Telecommunication services	4%
Materials	4%
Industrials	3%
Energy	2%
Government □ U.S.	2%
Health care	1%

Another way we protected against LBO risk was to focus on specific segments of the corporate bond market that are not suited to these types of transactions. We continued to emphasize bonds issued by utilities, banks and finance-related companies, which are generally reluctant to take on additional leverage because they need to protect the quality of their balance sheets as an ongoing requirement of their businesses.

A new maturity structure

The economy reached an inflection point in 2006, peaking in the first half of the year and then gradually slowing over the last

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six months. Consequently, we positioned the portfolio to benefit from a return to a "normal" relationship between short- and long-term bond yields — that is, longer-term bonds offering higher yields than short-term securities. This strategy involved reducing our holdings of long-term and short-term bonds and shifting the proceeds into intermediate-maturity bonds.

□The Fund outperformed its benchmark index, largely because of overweight positions in mortgage-backed securities and high-yield corporate bonds.□

This positioning tends to perform best when short- and long-term bond yields diverge, something that often occurs when economic growth slows and the market begins to price in expectations of one or more interest rate cuts by the Federal Reserve. Although this did not happen in 2006, we expect the inverted yield curve to unwind

at some point in the not-too-distant future. Since 1980, the yield curve has inverted six times and the average length of time for each inversion was seven months. The current inversion has lasted for just over a year.

Outlook

We expect the Federal Reserve to remain on hold for the next three to six months. We think the Fed's next move will be an interest rate cut, but not until the second half of 2007. The timing will depend on how long it takes the weakness in the housing market to filter through to the rest of the economy.

Although yield spreads between Treasury and corporate bonds are near historically narrow levels, we are cautiously optimistic that corporate bonds — especially the high yield segment — will continue to outperform in a relatively stable interest rate environment. However, we also think that individual security selection will become increasingly important.

This commentary reflects the views of the managers through the end of the Fund's period discussed in this report. The managers' statements reflect their own opinions. As such, they are in no way guarantees of future events, and are not intended to be used as investment advice or a recommendation regarding any specific security. They are also subject to change at any time as market and other conditions warrant.

1 As a percentage of the Fund's portfolio on December 31, 2006.

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FINANCIAL STATEMENTS

Fund's investments

Securities owned by the Fund on 12-31-06

This schedule is divided into five main categories: bonds, preferred stocks, tranche loans, U.S. government and agencies securities and short-term investments. Bonds, preferred stocks, tranche loans and U.S. government and agencies securities are further broken down by industry group. Short-term investments, which represent the Fund's cash position, are listed last.

Issuer, description	Interest rate	Maturity date	Credit rating (A)	Par value (000)	Value
Bonds 91.74%					\$157,493,608
(Cost \$156,911,806)					
Advertising 0.28%					479,375
R.H. Donnelley Corp., Sr Disc Note Ser A-1	6.875%	01-15-13	B	\$200	191,750
Sr Disc Note Ser A-2	6.875	01-15-13	B	300	287,625
Airlines 0.55%					948,039
Continental Airlines, Inc., Pass Thru Ctf Ser 1999-1 Class A	6.545	02-02-19	A	372	384,925
Pass Thru Ctf Ser 2000-2 Class B (L)	8.307	10-02-19	BB	406	419,952

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Pass Thru Ctf Ser 2001-1 Class C	7.033	06-15-11	B+	144	143,162
Apparel, Accessories & Luxury Goods 0.13%					223,850
Hanesbrands, Inc., Sr Note (P)(S)	8.735	12-15-14	B□	220	223,850
Auto Parts & Equipment 0.11%					195,000
Avis Budget Car Rental LLC, Sr Note (S)	7.625	05-15-14	BB□	200	195,000
Broadcasting & Cable TV 0.85%					1,463,288
Comcast Corp., Gtd Note	5.900	03-15-16	BBB+	450	451,283
Cox Communications, Inc., Note (S)	5.875	12-01-16	BBB□	495	491,489
Nexstar Finance, Inc., Sr Sub Note	7.000	01-15-14	CCC+	340	319,600
Rogers Cable, Inc., Sr Sec Note (Canada)	6.750	03-15-15	BB+	195	200,916
Casinos & Gaming 2.81%					4,816,267
Chukchansi Economic Development Auth, Sr Note (S)	8.000	11-15-13	BB□	460	477,825
Jacobs Entertainment, Inc., Gtd Sr Note (S)	9.750	06-15-14	B□	500	507,500
Little Traverse Bay Bands of Odawa Indians, Sr Note (S)	10.250	02-15-14	B	495	497,475

See notes to financial statements

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FINANCIAL STATEMENTS

Issuer, description	Interest rate	Maturity date	Credit rating (A)	Par value (000)	Value
Casinos & Gaming (continued)					
Mashantucket West Pequot, Bond (S)	5.912%	09-01-21	BBB□	\$285	\$272,554

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MTR Gaming Group, Inc., Gtd Sr Sub Note Ser B	9.000 06-01-12 B□	105	107,625
Pokagon Gaming Auth, Sr Note (S)	10.375 06-15-14 B	175	191,625
Seminole Tribe of Florida, Bond (S)	6.535 10-01-20 BBB□	650	634,998
Turning Stone Casino Resort Enterprise, Sr Note (S)	9.125 09-15-14 B+	1,540	1,574,650
Waterford Gaming LLC, Sr Note (S)	8.625 09-15-12 BB□	522	552,015
Commodity Chemicals 0.30%			509,375
Lyondell Chemical Co., Gtd Sr Sub Note	10.875 05-01-09 B	500	509,375
Construction & Farm Machinery & Heavy Trucks 0.29%			505,000
Manitowoc Co., Inc. (The), Gtd Sr Note	7.125 11-01-13 BB□	500	505,000
Construction & Engineering 0.20%			340,306
Owens Corning, Inc., Sr Note (S)	6.500 12-01-16 BBB□	335	340,306
Consumer Finance 3.88%			6,666,692
American Express Co., Sub Deb	6.800 09-01-66 A	545	581,154
Capital One Capital III, Gtd Jr Sub Note	7.686 08-15-36 BB+	855	968,338
CIT Group, Inc., Note	5.850 09-15-16 A	460	466,754
Ford Motor Credit Co., Note	7.375 10-28-09 BBB□	1,625	1,628,461
Sr Note	9.875 08-10-11 B	295	315,510
Sr Note	8.000 12-15-16 B	140	138,341
General Motors Acceptance Corp., Note	6.750 12-01-14 BB	550	564,923
Sr Note	6.000 12-15-11 BB+	465	462,977

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HSBC Finance Capital Trust IX, Note (5.911% to 11-30-15 then variable)	5.911	11-30-35	BBB+	800	803,957
Nelnet, Inc., Note	7.400	09-29-36	BBB□	715	736,277
Department Stores 0.41%					710,208
Penney J.C. Co., Inc., Deb	8.125	04-01-27	BB+	215	221,075
Deb	7.650	08-15-16	BBB□	445	489,133

See notes to financial statements

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Issuer, description	Interest rate	Maturity date	Credit rating (A)	Par value (000)	Value
Diversified Banks 3.09%					\$5,301,379
Banco Mercantil del Norte SA, Sub Note (Mexico) (S)	6.862%	10-13-21	Baa2	\$435	439,685
Bank of New York, Cap Security (S)	7.780	12-01-26	A□	650	675,872
Barclays Bank Plc, Perpetual Bond (6.860% to 06-15-32 then variable) (United Kingdom) (S)	6.860	09-29-49	A+	1,655	1,794,866
Chuo Mitsui Trust & Banking Co., Ltd., Perpetual Sub Note (5.506% to 04-15-15 then variable) (Japan) (S)	5.506	12-01-49	Baa1	940	897,831
Lloyds TSB Group Plc, Bond (United Kingdom) (S)	6.267	11-14-49	A	730	729,972
Royal Bank of Scotland Group Plc, Perpetual Bond (7.648% to 09-30-31 then variable) (United Kingdom)	7.648	08-29-49	A	650	763,153
Diversified Chemicals 1.55%					2,668,689

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Mosaic Co. (The), Sr Note (S)	7.625	12-01-16	BB□	290	300,513
Sr Note (S)	7.375	12-01-14	BB□	290	297,613
<hr/>					
NOVA Chemicals Corp. Med Term Note (Canada)	7.400	04-01-09	BB+	2,045	2,070,563
Diversified Commercial & Professional Services 0.46%					784,919
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Hutchison Whampoa International Ltd., Gtd Sr Note (Cayman Islands) (S)	6.500	02-13-13	A□	750	784,919
Diversified Financial Services 0.87%					1,497,202
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SMFG Preferred Capital Ltd., Bond (Cayman Islands) (S)	6.078	01-25-49	BBB	590	583,197
<hr/>					
St. George Funding Co., Perpetual Bond (8.485% to 06-30-17 then variable) (Australia) (S)	8.485	12-31-49	Baa1	870	914,005
Diversified Metals & Mining 0.29%					503,625
<hr/>					
Vedanta Resources Plc, Sr Note (United Kingdom) (S)	6.625	02-22-10	BB+	510	503,625
Electric Utilities 6.82%					11,700,601
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Abu Dhabi National Energy Co., Bond (United Arab Emirates) (S)	6.500	10-27-36	A+	935	964,386
<hr/>					
AES Eastern Energy LP, Pass Thru Ctf Ser 1999-A	9.000	01-02-17	BB+	1,049	1,174,799
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Beaver Valley Funding Corp., Sec Lease Obligation Bond	9.000	06-01-17	BBB□	513	576,094
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BVPS II Funding Corp., Collateralized Lease Bond	8.890	06-01-17	BB+	700	798,791
<hr/>					
FPL Energy National Wind, Sr Sec Note (S)	5.608	03-10-24	BBB□	370	362,858
<hr/>					
FPL Group Capital, Inc., Jr Sec Sub Note	6.350	10-01-66	BBB+	535	542,376

See notes to financial statements

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FINANCIAL STATEMENTS

Issuer, description	Interest rate	Maturity date	Credit rating (A)	Par value (000)	Value
Electric Utilities (continued)					
HQI Transelect Chile SA, Sr Note (Chile)	7.875%	04-15-11	A \square	\$1,230	\$1,305,540
Indiantown Cogeneration LP, 1st Mtg Note Ser A-9	9.260	12-15-10	BB+	378	396,146
IPALCO Enterprises, Inc., Sr Sec Note	8.625	11-14-11	BB \square	325	353,438
Monterrey Power SA de CV, Sr Sec Bond (Mexico) (S)	9.625	11-15-09	BBB	514	568,326
Pepco Holdings, Inc., Note	6.450	08-15-12	BBB	565	585,776
PNPP II Funding Corp., Deb	9.120	05-30-16	BB+	481	542,284
System Energy Resources, Inc., Sec Bond (S)	5.129	01-15-14	BBB	810	790,901
TransAlta Corp., Note (Canada)	5.750	12-15-13	BBB \square	1,000	996,683
TXU Corp., Sec Bond	7.460	01-01-15	BBB	593	601,877
Waterford 3 Funding Corp., Sec Lease Obligation Bond	8.090	01-02-17	BBB \square	1,132	1,140,326
Electrical Components & Equipment					1,234,013
0.72%					
Freescale Semiconductor, Inc., Sr Note (S)	8.875	12-15-14	B	1,000	996,250
NXP BV/NXP Funding LLC, Sr Sec Bond (Netherlands) (S)	7.875	10-15-14	BB+	230	237,763
Electronic Equipment Manufacturers					813,824
0.47%					
Thomas & Betts Corp., Sr Note	7.250	06-01-13	BBB \square	775	813,824

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Gas Utilities 1.40%				2,399,772	
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Energy Transfer Partners LP,					
Gtd Sr Note (G)	5.950	02-01-15	BBB□	1,210	1,216,861
Sr Note	6.625	10-15-36	Baa3	375	386,125
<hr/>					
KN Capital Trust I,					
Gtd Cap Security Ser B	8.560	04-15-27	BB+	240	239,832
<hr/>					
Southern Union Co.,					
Jr Sub Bond	7.200	11-01-66	BB	565	556,954
Health Care Facilities 0.51%				882,313	
<hr/>					
Manor Care, Inc.,					
Gtd Note	6.250	05-01-13	BBB	875	882,313
Health Care Services 0.59%				1,015,974	