HANCOCK JOHN INCOME SECURITIES TRUST /MA
Form N-CSR
March 01, 2006

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 Attorney 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, 2005

ITEM 1. REPORT TO SHAREHOLDERS.

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To Our Shareholders,

The mutual fund industry has seen enormous growth over the last several decades. A good half of all American households are now invested in at least one mutual fund and the industry has grown to more than $8 trillion invested in some 7,000–8,000 mutual funds. With this growth, investors and their financial professionals have had access to an increasing array of investment choices -- and greater challenges as they try to find the best-performing funds to fit their investment objectives.

Morningstar, Inc., a major independent analyst of the mutual fund industry, has provided investors and their advisors with an important evaluation tool since 1985, when it launched its "star" rating. Based on certain measurements, the Morningstar Rating for funds reflects each fund's risk-adjusted return compared to a peer group, designating the results with a certain number of stars, from five stars for the best down to one star. The star ranking system has become the gold standard, with 4- and 5-star funds accounting for the bulk of fund sales.

As good, and important, as this ranking measurement has been, we have long taken issue with part of the process that adjusts performance on broker-sold Class A shares for "loads" -- or up-front commissions. We have argued that this often does not accurately reflect an A share investor's experience, since they increasingly are purchasing A shares in retirement plans and fee-based platforms that waive the up-front fee.

We are pleased to report that Morningstar has acknowledged this trend and has added a new rating for Class A shares on a no-load basis, called the "Load-Waived A Share" rating, that captures the experience of an investor who is not paying a front-end load. This new rating will better assist our plan sponsors, 401(k) plan participants and clients of financial professionals who invest via fee-based platforms or commit to invest more than a certain dollar amount, in evaluating their choice of mutual funds.

Since being implemented in early December 2005, the impact on our funds has been terrific. Under the new load-waived rating, 11 of our 32 open-end retail mutual funds increased their ratings to either a 4- or 5-star rank. In total, 12 of our funds now have 4- or 5-star rankings on their load-waived A shares, as of December 31, 2005.

We commend Morningstar for its move and urge our shareholders to consider this another tool at your disposal as you and your financial professional are evaluating investment choices.

Sincerely,

Keith F. Hartstein,

President and Chief Executive Officer

This commentary reflects the CEO's views as of December 31, 2005. 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

* The bond market produced positive returns despite solid economic growth, rising energy prices, and eight interest rate hikes by the Federal Reserve.

* Long-term Treasury bonds and mortgage-backed securities posted the best results, while corporate bonds lagged.

* The Fund was positioned defensively throughout the year, with higher credit quality and reduced interest rate sensitivity.

The total returns for the Fund include the reinvestment of all distributions. The performance data contained within this material represents past performance, which does not guarantee future results.

The yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

Top 10 issuers

19.1%	Federal National Mortgage Assn.
12.4%	U.S. Treasury Bond/Notes
5.6%	Federal Home Loan Mortgage Corp.
3.1%	Federal Home Loan Bank
2.5%	Countrywide Home Loans/Countrywide Alternative Loan Trust
2.0%	JPMorgan Chase & Co.
0.9%	Washington Mutual, Inc.
0.9%	Global Signal Trust
0.8%	Midland Funding Corp.
0.8%	NOVA Chemicals Corp.

As a percentage of net assets plus value of preferred shares on December 31. 2005.

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BY BARRY H. EVANS, CFA, JEFFREY N. GIVEN, CFA, AND HOWARD C. GREENE, CFA, PORTFOLIO MANAGERS, SOVEREIGN ASSET MANAGEMENT LLC

**MANAGERS
REPORT**

JOHN HANCOCK

Income Securities Trust

Despite a challenging environment for bonds, the U.S. bond market produced positive results in 2005. The Lehman Brothers U.S. Aggregate Index, a broad measure of U.S. bond-market performance, returned 2.43%.

One of the headwinds for the bond market during the year was a series of interest rate increases by the Federal Reserve. The Fed raised short-term interest rates eight times in 2005 (for a total of 13 rate hikes since mid-2004), boosting the federal funds rate from 2.25% to 4.25% -- its highest level since May 2001. Other challenges facing bond investors included a solid U.S. economic expansion, supported by steady job growth, and a sharp rise in energy prices.

Short-term bond yields rose sharply during the year, tracking the Feds rate hikes; the two-year Treasury note yield climbed from 3.1% to 4.4% . However, longer-term bond yields were relatively stable as inflation (excluding energy prices) remained fairly benign. As a result, short- and long-term bond yields were virtually equal by the end of the year.

Returns for the year were equally modest across nearly all sectors of the bond market. Long-term Treasury bonds posted the best results as yields on Treasury securities maturing in 20 years or more declined during the year. Mortgage-backed securities and high-yield corporate bonds also performed well, especially in the second half of the year. Investment-grade corporate bonds lagged after outperforming in the previous two years.

Despite a challenging environment for bonds, the U.S. bond market produced positive results in 2005.

Fund performance

For the year ended December 31, 2005, John Hancock Income Securities Trust produced a total return of 1.36% at net asset value (NAV) and 6.42% at market value. The Funds 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 Funds NAV share price at any time. For comparison, the average closed-end BBB-rated corporate debt fund returned 2.88% at net asset value, according to Lipper Inc., while the Lehman Brothers Government/Credit Bond Index returned 2.37% ..

Lower risk profile

In 2004, we began to position the portfolio more defensively, reducing our risk profile in anticipation of rising interest rates and a peak in the credit-quality cycle. We maintained this defensive positioning throughout 2005, further limiting risk in the portfolio by trimming our exposure to corporate bonds, upgrading the portfolios credit quality and lowering the portfolios interest rate sensitivity.

Unfortunately, this defensive position contributed to the portfolios underperformance of its peer group average and the Lehman index. Higher-quality bonds lagged lower-rated issues, particularly during the last six months, and reduced interest rate sensitivity provided little value as longer-term rates held steady overall. In addition, the portfolio had very limited exposure to emerging-market bonds, which posted double-digit gains in 2005.

Sector allocation

Although corporate bonds remained the largest sector weighting in the portfolio, we reduced our corporate holdings throughout the year. Corporate bonds were the best performers in the bond market in 2003 and 2004, and consequently these bonds had become less attractive relative to other fixed-income segments. Many of the corporate bonds we sold were lower-rated bonds, reflecting our efforts to upgrade the portfolio's overall credit quality.

"Bonds issued by financial companies, such as banks and brokerage firms, also performed well in 2005."

One trend that influenced some of our selling decisions in the corporate sector was a shift toward re-leveraging balance sheets. After several years of belt-tightening and healthy profits, corporate America now has more cash on its books than ever before. As a result, corporations are being pressured to use this cash to boost shareholder value -- by paying out more dividends, buying back

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Sector distribution[1]
Government U.S. agency -- 28%
Financials -- 28%
Government U.S. -- 12%
Utilities -- 8%
Industrials -- 6%
Consumer discretionary -- 4%
Telecommunication services -- 3%
Consumer staples -- 3%
Materials -- 2%
Information technology -- 2%
Health care -- 2%
Energy -- 1%

shares, or taking on more leverage. These actions benefit stockholders at the expense of bondholders, so we have been avoiding companies that are weakening their financial position to appease stock owners.

As we lowered our exposure to corporate bonds, we increased our positions in Treasury and government agency bonds, improving the portfolio's credit quality. We also added more commercial mortgage-backed securities to the portfolio. These securities provided yields comparable to BBB-rated corporate bonds with considerably less credit risk.

Winners and losers

The best individual performer in the portfolio over the past year was XM Satellite Radio, Inc. The popularity of satellite radio is soaring, and XM is the market leader with more than six million subscribers. The company continued to increase its market share and free cash flow.

Bonds issued by financial companies, such as banks and brokerage firms, also performed well in 2005. Brisk merger and acquisition activity, a resurgent IPO market and a favorable yield curve all contributed to the positive results for finance-oriented bonds. One of the portfolio's better performers was a security issued by Humpuss Funding Corp. which is backed by a liquid natural gas (LNG) tanker based in Asia. Rising LNG prices boosted the value of these bonds.

The weakest performers in the portfolio were bonds issued by General Motors Acceptance Corp. (GMAC) and Ford Motor Credit Co., the financing arms of automakers General Motors and Ford. Declining auto sales and a challenging competitive environment resulted in earnings shortfalls for both companies and credit-rating downgrades to below investment grade, which in turn led to sharp declines in the value of their bonds.

"We intend to maintain the portfolio's defensive position going into 2006, with an emphasis on higher-quality bonds and a lower risk profile."

After reducing our GMAC holdings, our combined position in the two automakers is just over 1% of the portfolio. We intend to hold on to these bonds because they are shorter-term securities -- the Ford Motor Credit bonds mature in 2009 and the GMAC securities mature in 2011 -- and we are confident in their creditworthiness.

Outlook

We expect the U.S. economy to slow from a growth rate of 3.5% –4% in 2005 to 2.5% –3% growth in 2006. With the exception of energy prices, inflation has remained generally under control, and the Fed (under new chairman Ben Bernanke) should be nearly finished with its series of interest rate hikes. Given this environment, we expect relatively stable interest rates going forward, allowing bondholders to "clip coupons" (that is, returns come entirely from interest payments). We intend to maintain the portfolio's defensive position going into 2006, with an emphasis on higher-quality bonds and a lower risk profile.

This commentary reflects the views of the portfolio 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, 2005.

F I N A N C I A L   S TAT E M E N T S

FUNDS INVESTMENTS

Securities owned by the Fund on December 31, 2005

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

Issuer, description	Interest rate	Maturity date	Credit rating (A)	Par value (000)	Value
Bonds 81.04%					**$139,093,590**
(Cost $139,617,857)					
Agricultural Products 0.54%					**920,270**
Corn Products International, Inc.,					
Sr Note	8.450%	08-15-09	BBB	$835	920,270
Airlines 0.97%					**1,672,749**
Continental Airlines, Inc.,					
Pass Thru Ctf Ser 1999-1Class A	6.545	02-02-19	A	625	624,576
Pass Thru Ctf Ser 2000-2 Class A-1	7.707	04-02-21	BBB	437	441,328
Pass Thru Ctf Ser 2000-2 Class B (L)	8.307	10-02-19	BB	421	371,976
Pass Thru Ctf Ser 2001-1 Class C	7.033	06-15-11	B+	257	234,814
Jet Equipment Trust,					
Equip Trust Ctf Ser 1995-B2 (B)(H)(S)	10.910	08-15-14	D	550	55
Apparel Retail 0.33%					**572,323**
Gap, Inc. (The),					
Note (P)	9.550	12-15-08	BBB	515	572,323
Asset Management & Custody Banks 0.61%					**1,055,114**
Rabobank Capital Fund II,					
Perpetual Bond (5.260% to 12-31-13					
then variable) (S)	5.260	12-29-49	AA	1,065	1,055,114
Auto Parts & Equipment 0.41%					**696,781**
ERAC USA Finance Co.,					
Bond (S)	5.900	11-15-15	A	685	696,781
Broadcasting & Cable TV 1.61%					**2,756,018**

AT&T Broadband Corp., Gtd Note	8.375	03-15-13	BBB	1,020	1,180,627
British Sky Broadcasting Group Plc, Gtd Sr Note (United Kingdom)	8.200	07-15-09	BBB-	945	1,032,836
XM Satellite Radio, Inc., Sr Sec Note, Step Coupon (Zero to 12-31-05, then 14.00%) (O)	Zero	12-31-09	CCC+	509	542,555

Issuer, description	Interest rate	Maturity date	Credit rating (A)	Par value (000)	Value
Building Products 1.20%					**$2,069,137**
Pulte Homes Inc., Sr Note	6.250%	02-15-13	BBB-	$1,000	1,018,755
Toll Brothers, Inc., Gtd Sr Note	6.875	11-15-12	BBB-	1,000	1,050,382
Casinos & Gaming 0.94%					**1,617,893**
Chukchansi Economic Development Auth., Sr Note (S)	8.000	11-15-13	BB-	460	472,075
Majestic Star LLC Cap II Sr Sec Note (S)	9.750	01-15-11	B-	250	251,875
Mashantucket West Pequot, Bond (S)	5.912	09-01-21	BBB-	285	284,763
Waterford Gaming LLC, Sr Note (S)	8.625	09-15-12	B+	572	609,180
Commodity Chemicals 1.07%					**1,829,923**
Lyondell Chemical Co., Gtd Sr Sub Note	10.875	05-01-09	B	500	519,375
RPM International, Inc., Sr Note	6.250	12-15-13	BBB	1,300	1,310,548

Communications Equipment 0.65%					**1,119,854**
Motorola, Inc., Deb	6.500	11-15-28	BBB+	1,020	1,119,854
Construction Materials 0.23%					**396,825**
Votorantim Overseas IV, Gtd Note (Cayman Islands) (S)	7.750	06-24-20	BBB-	390	396,825
Consumer Finance 1.71%					**2,932,754**
Ford Motor Credit Co., Note	7.375	10-28-09	BBB-	1,625	1,441,190
General Motors Acceptance Corp., Note	7.250	03-02-11	BBB-	745	684,758
HSBC Finance Capital Trust IX, Note (5.911% to 11-30-15 then variable)	5.911	11-30-35	BBB+	800	806,806
Diversified Banks 2.94%					**5,040,959**
Bank of New York, Cap Security (S)	7.780	12-01-26	A-	650	689,156
Barclays Bank Plc, Perpetual Bond (6.86% to 6-15-32 then variable) (United Kingdom) (S)	6.860	09-29-49	A+	1,655	1,843,316
Chuo Mitsui Trust & Banking Co., Perpetual Note (5.506% to 04-15-15 then variable) (Japan) (S)	5.506	12-01-49	Baa2	940	910,871

See notes to
financial statements.

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F I N A N C I A L   S T A T E M E N T S

Issuer, description	Interest rate	Maturity date	Credit rating (A)	Par value (000)	Value
Diversified Banks (continued)					
Mizuho Financial Group Cayman Ltd., Gtd Note (Cayman Islands)	8.375%	12-29-49	A2	$750	$812,625
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	784,991
Diversified Chemicals 1.22%					**2,091,013**
NOVA Chemicals Corp.,					
Med Term Note (Canada)	7.400	04-01-09	BB+	2,045	2,091,013
Diversified Commercial Services 1.14%					**1,965,088**
Hutchison Whampoa International Ltd.,					
Gtd Sr Note (Cayman Islands) (S)	6.500	02-13-13	A	750	794,201
Noble Group Ltd.,					
Sr Note (Bermuda) (S)	6.625	03-17-15	BB+	1,000	920,887
Sotheby's Holdings, Inc.,					
Note	6.875	02-01-09	BB	250	250,000
Diversified Financial Services 1.39%					**2,386,828**
Beaver Valley Funding Corp.,					
Sec Lease Obligation Bond	9.000	06-01-17	BB+	513	588,447
Glencore Funding LLC,					
Gtd Note (S)	6.000	04-15-14	BBB	905	851,191
St. George Funding Co.,					
Perpetual Bond (8.485% to 06-30-17					
then variable) (Australia) (S)	8.485	12-31-49	Baa1	870	947,190
Electric Utilities 7.33%					**12,581,882**
AES Eastern Energy L.P.,					
Pass Thru Ctf Ser 1999-A	9.000	01-02-17	BB+	1,085	1,226,092
BVPS II Funding Corp.,					
Collateralized Lease Bond	8.890	06-01-17	BB+	700	826,070
Empresa Electrica Guacolda S.A.,					
Sr Sec Note (Chile) (S)	8.625	04-30-13	BBB	810	907,573
FPL Energy National Wind,					
Sr Sec Note (S)	5.608	03-10-24	BBB	390	389,521
HQI Transelect Chile S.A.,					
Sr Note (Chile)	7.875	04-15-11	A	1,230	1,361,146
Indiantown Cogeneration, L.P.,					
1st Mtg Note Ser A-9	9.260	12-15-10	BB+	448	483,225
IPALCO Enterprises, Inc.,					

Sr Sec Note	8.625	11-14-11	BB–	325	354,250
Kansas Gas & Electric Co., Bond	5.647	03-29-21	BB–	440	435,481

Issuer, description	Interest rate	Maturity date	Credit rating (A)	Par value (000)	Value
Electric Utilities (continued)					
Midland Funding Corp. II, Deb Ser B	13.250%	07-23-06	BB–	$2,019	$2,091,370
Monterrey Power S.A. de C.V., Sr Sec Bond (Mexico) (S)	9.625	11-15-09	BBB	514	585,041
PNPP II Funding Corp., Deb	9.120	05-30-16	BB+	491	573,395
System Energy Resources, Inc., Sec Bond (S)	5.129	01-15-14	BBB	449	433,596
TransAlta Corp., Note (Canada)	5.750	12-15-13	BBB–	1,000	1,014,851
TXU Corp., Sec Bond	7.460	01-01-15	BBB	638	678,237
Waterford 3 Funding Corp., Sec Lease Obligation Bond	8.090	01-02-17	BBB–	1,149	1,222,034
Electrical Components & Equipment 1.63%					**2,801,796**
AMETEK, Inc., Sr Note	7.200	07-15-08	BBB	1,500	1,562,727
Jabil Circuit, Inc., Sr Note	5.875	07-15-10	BB+	1,220	1,239,069
Electronic Equipment Manufacturers 0.48%					**824,663**
Thomas & Betts Corp., Sr Note	7.250	06-01-13	BBB–	775	824,663

Food Retail 1.88%					**3,219,094**
Ahold Finance USA, Inc.,					
Gtd Pass Thru Ctf Ser 2001A-1	7.820	01-02-20	BB	1,360	1,455,667
Delhaize America, Inc.,					
Gtd Note	9.000	04-15-31	BB+	1,500	1,763,427
Gas Utilities 1.10%					**1,891,443**
Energy Transfer Partners,					
Gtd Sr Note (G)	5.950	02-01-15	BBB	500	498,243
Sr Note (G)(S)	5.650	08-01-12	BBB	865	855,085
NorAm Energy Corp.,					
Deb	6.500	02-01-08	BBB	525	538,115
Health Care Facilities 1.11%					**1,904,624**
HCA, Inc.,					
Note	8.750	09-01-10	BB+	900	995,397
Manor Care, Inc.,					
Gtd Note	6.250	05-01-13	BBB	875	909,227

See notes to
financial statements.

Issuer, description	**Interest rate**	**Maturity date**	**Credit rating (A)**	**Par value (000)**	**Va**
Hotels, Resorts & Cruise Lines 0.63%					**$1**
Hyatt Equities LLC,					
Note (S)	6.875%	06-15-07	BBB	$1,060	1,(
Industrial Conglomerates 0.29%					**49**
Vedanta Resources Plc,					
Sr Note (United Kingdom) (S)	6.625	02-22-10	BB+	510	49
Industrial Machinery 1.65%					**2,**
Kennametal, Inc.,					
Sr Note	7.200	06-15-12	BBB	1,405	1,5
Manitowoc Co., Inc., (The),					
Sr Note	7.125	11-01-13	B+	500	51

Trinity Industries Leasing Co., Pass Thru Ctf (S)	7.755	02-15-09	Ba1	780	80
Insurance Brokers 0.11%					**19**
Willis Group North America, Gtd Note	5.625	07-15-15	BBB−	195	19
Integrated Oil & Gas 1.20%					**2,**
Pemex Project Funding Master Trust, Gtd Note	9.125	10-13-10	BBB	615	70
Petro-Canada, Deb (Canada)	9.250	10-15-21	BBB	1,000	1,
Integrated Telecommunication Services 2.70%					**4,**
AT&T Corp., Sr Note (P)	9.750	11-15-31	A	510	64
Bellsouth Corp., Deb	6.300	12-15-15	A	1,079	1,
Qwest Capital Funding, Inc., Gtd Note (L)	7.000	08-03-09	B	1,000	1,
Sprint Capital Corp., Gtd Sr Note	6.900	05-01-19	A−	1,000	1,
Telefonos de Mexico, S.A. de C.V., Note (Mexico)	5.500	01-27-15	BBB	765	75
IT Consulting & Other Services 0.24%					**40**
NCR Corp., Note	7.125	06-15-09	BBB−	390	40
Leisure Facilities 0.22%					**38**
AMC Entertainment, Inc., Sr Sub Note	9.500	02-01-11	CCC+	390	38

See notes to
financial statements.

FINANCIAL STATEMENTS

	Interest	Maturity	Credit	Par value

Issuer, description	rate	date	rating (A)	(000)	Val
Life & Health Insurance 0.64%					**$1,**
Phoenix Cos., Inc., (The), Bond	6.675%	02-16-08	BBB	$510	514
Provident Financing Trust I, Gtd Cap Security (L)	7.405	03-15-38	B+	600	577
Metal & Glass Containers 0.30%					**516**
Owens-Brockway Glass Container, Inc., Gtd Sr Note	8.250	05-15-13	B	500	516
Multi-Line Insurance 0.94%					**1,6**
Assurant, Inc., Sr Note	6.750	02-15-34	BBB+	510	554
Massachusetts Mutual Life Insurance Co., Surplus Note (S)	7.625	11-15-23	AA	485	600
Phoenix Life Insurance, Surplus Note (S)	7.150	12-15-34	BBB+	440	459
Multi-Media 0.97%					**1,6**
News America Holdings, Inc., Gtd Sr Deb	7.750	01-20-24	BBB	1,020	1,14
Time Warner, Inc., Deb	9.125	01-15-13	BBB+	429	507
Multi-Utilities & Unregulated Power 1.50%					**2,5**
CalEnergy Co., Inc., Sr Bond	8.480	09-15-28	BBB□	550	697
Salton Sea Funding Corp., Sr Sec Note Ser C	7.840	05-30-10	BB+	1,807	1,88
Office Services & Supplies 0.59%					**1,0**
Steelcase, Inc., Sr Note	6.375	11-15-06	BBB□	1,020	1,02
Oil & Gas Drilling 0.78%					**1,3**
Alberta Energy Co. Ltd., Note (Canada)	8.125	09-15-30	A□	725	953
Delek & Avner-Yam Tethys, Sr Sec Note (Israel) (S)	5.326	08-01-13	BBB□	388	379

Oil & Gas Refining, Marketing & Transportation 0.58%					**999**
Enterprise Products Operations, L.P.,					
Gtd Sr Note Ser B	5.600	10-15-14	BB+	1,000	999
Paper Packaging 1.17%					**2,0**
MDP Acquisitions Plc,					
Sr Note (Ireland)	9.625	10-01-12	B□	750	750
Stone Container Corp.,					
Sr Note	9.750	02-01-11	CCC+	285	287
Sr Note	8.375	07-01-12	CCC+	1,000	967

See notes to
financial statements.

Issuer, description	Interest rate	Maturity date	Credit rating (A)	Par value (000)	Value
Paper Products 0.22%					**$369,737**
Plum Creek Timber Co., Inc.,					
Gtd Note	5.875%	11-15-15	BBB□	$365	369,737
Pharmaceuticals 1.88%					**3,223,352**
Medco Health Solutions, Inc.,					
Sr Note	7.250	08-15-13	BBB	1,550	1,702,700
Wyeth,					
Note	5.500	03-15-13	A	1,500	1,520,652
Property & Casualty Insurance 0.93%					**1,594,017**
Markel Corp.,					
Sr Note	7.350	08-15-34	BBB□	535	575,667
Ohio Casualty Corp.,					
Note	7.300	06-15-14	BB	750	806,114
URC Holdings Corp.,					
Sr Note (S)	7.875	06-30-06	AA□	210	212,236
Real Estate Investment Trusts 2.67%					**4,574,235**
Chelsea Property Group,					

Note	6.000	01-15-13	BBB+	1,075	1,111,481
Healthcare Realty Trust, Inc., Sr Note	8.125	05-01-11	BBB–	175	193,831
Health Care REIT, Inc., Sr Note	6.200	06-01-16	BBB–	360	360,150
HRPT Properties Trust, Sr Note	5.750	11-01-15	BBB	780	777,306
iStar Financial, Inc., Sr Note	7.000	03-15-08	BBB–	820	846,631
ProLogis, Note	5.500	03-01-13	BBB+	1,020	1,029,211
Ventas Realty, L.P./Capital Corp., Sr Note	6.625	10-15-14	BB	250	255,625
Real Estate Management & Development 0.50%					**865,115**
Post Apartment Homes, Sr Note	5.125	10-12-11	BBB	870	865,115
Regional Banks 2.60%					**4,469,930**
Colonial Capital II, Gtd Cap Security Ser A	8.920	01-15-27	BB	1,085	1,159,520
Crestar Capital Trust I, Gtd Cap Security	8.160	12-15-26	A–	910	967,655
First Chicago NDB Institutional Capital, Gtd Cap Bond Ser A (S)	7.950	12-01-26	A1	500	529,079

See notes to
financial statements.

FINANCIAL STATEMENTS

Issuer, description	Interest rate	Maturity date	Credit rating (A)	Par value (000)	Value
Regional Banks (continued)					
Greater Bay Bancorp, Sr Note Ser D	5.125%	04-15-10	BBB–	$565	$560,808

NB Capital Trust IV,					
Gtd Cap Security	8.250	04-15-27	A	1,170	1,252,868
Soft Drinks 0.62%					**1,060,000**
Panamerican Beverages, Inc.,					
Sr Note (Panama)	7.250	07-01-09	BBB	1,000	1,060,000
Specialized Finance 2.05%					**3,518,435**
Ameriprise Financial, Inc.,					
Sr Note	5.350	11-15-10	A□	480	483,289
Astoria Depositor Corp.,					
Pass Thru Ctf Ser B (G) (S)	8.144	05-01-21	BB	750	778,073
Bosphorous Financial Services,					
Sec Floating Rate Note (P) (S)	6.140	02-15-12	Baa3	500	502,565
ESI Tractebel Acquisition Corp.,					
Gtd Sec Bond Ser B	7.990	12-30-11	BB	988	1,036,953
Humpuss Funding Corp.,					
Gtd Note (S)	7.720	12-15-09	B2	177	174,367
Kinder Morgan Finance Co.,					
Gtd Note (S)	6.400	01-05-36	BAA2	530	543,188
Telecommunications Equipment 1.14%					**1,964,652**
Corning, Inc.,					
Med Term Note	8.300	04-04-25	Ba2	1,150	1,195,510
Note	6.050	06-15-15	BBB□	775	769,142
Thrifts & Mortgage Finance 20.16%					**34,595,238**
Banc of America Commercial Mortgage, Inc.,					
Mtg Pass Thru Ctf Ser 2005-6 Class A4	5.182	09-10-47	AAA	940	944,363
Bear Stearns Alt-A Trust,					
Collateralized Mtg Obligation Ser 2005-3					
Class B2 (P)	5.385	04-25-35	AA+	459	453,785
Bear Stearns Commercial Mortgage					
Securities, Inc.,					
Mtg Pass Thru Ctf Ser 2005-T20 Class A4A	5.156	10-12-42	AAA	455	457,182
Chaseflex Trust,					
Pass Thru Ctf Ser 2005-2 Class 4A1	5.000	05-25-20	AAA	1,205	1,191,869

Citi/Deutsche Bank Commercial					
Mortgage Securities,					
Mtg Pass Thru Ctf Ser 2005-CD1 Class A4	5.225	07-15-44	AAA	620	626,462
Mtg Pass Thru Ctf Ser 2005-CD1 Class C	5.225	07-15-44	AA	295	294,295
Citigroup Mortgage Loan Trust, Inc.,					
Mtg Pass Thru Ctf Ser 2005-5					
Class 2A3 (M)	5.000	08-25-35	AAA	756	749,607

See notes to
financial statements.

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F I N A N C I A L S T A T E M E N T S

Issuer, description	Interest rate	Maturity date	Credit rating (A)	Par value (000)	Value
Thrifts & Mortgage Finance (continued)					
ContiMortgage Home Equity Loan Trust,					
Pass Thru Ctf Ser 1995-2 Class A-5	8.100%	08-15-25	AAA	$149	$154,794
Countrywide Alternative Loan Trust,					
Mtg Asset Backed Pass Thru Ctf					
Ser 2004-24CB Class 1A1	6.000	11-25-34	AAA	945	947,659
Mtg Asset Backed Pass Thru Ctf					
Ser 2005-6 Class 2A1	5.500	04-25-35	Aaa	704	697,133
Mtg Asset Backed Pass Thru Ctf					
Ser 2005-J1 Class 3A1	6.500	08-25-32	AAA	569	579,323
Countrywide Home Loans Servicing, L.P.,					
Mtg Asset Backed Pass Thru Ctf					
Ser 2005-21 Class A1	5.500	10-25-35	Aaa	4,364	4,310,362
DLJ Mortgage Acceptance Corp.,					
Commercial Mortgage Pass Thru Ctf					
Ser 19	8.350	03-13-28	A	657	657,860
First Horizon Alternative Mortgage Securities,					
Mtg Pass Thru Ctf Ser 2004-AA5 Class B1 (P)	5.259	12-25-34	AA	319	315,336
Global Signal Trust,					
Sub Bond Ser 2004-1A Class D (S)	5.098	01-15-34	BBB	2,000	1,962,263
Sub Bond Ser 2004-2A Class D (S)	5.093	12-15-14	Baa2	405	390,726
GMAC Commercial Mortgage Securities, Inc.,					

Mtg Pass Thru Ctf Ser 2002-C1 Class A1	5.785	11-15-39	AAA	1,949	1,981,175
Greenwich Capital Funding Corp.,					
Mtg Pass Thru Ctf Ser 2005-GG5 Class A2	5.117	04-10-37	AAA	1,260	1,263,059
GSR Mortgage Loan Trust,					
Mtg Pass Thru Ctf Ser 2004-9					
Class B1 (G) (P)	4.443	08-25-34	AA	594	583,710
Indymac Index Mortgage Loan Trust,					
Asset Backed Ctf Ser 2004-AR13 Class B1	5.296	01-25-35	AA	483	479,243
Asset Backed Ctf Ser 2005-AR5 Class B1 (P)	5.442	05-25-35	AA	523	520,411
JP Morgan Alternative Loan Trust,					
Mtg Pass Thru Ctf Ser 2005-S1 Class 1A4	6.000	12-25-35	AAA	5,174	5,200,681
JP Morgan Chase Commercial Mortgage					
Security Corp.,					
Mtg Pass Thru Ctf Ser 2005-LDP4 Class B	5.129	10-15-42	Aa2	2,035	1,996,051
Merrill Lynch Mortgage Trust,					
Commercial Mortgage Pass Thru Ctf					
Ser 2005-CKI1 Class A6	5.245	11-12-37	AAA	855	863,650
Morgan Stanley Capital I,					
Mtg Pass Thru Ctf Ser 2005-HQ7 Class A4	5.205	11-14-42	AAA	840	847,053
Mtg Pass Thru Ctf Ser 2005-IQ10 Class A4A	5.230	09-15-42	AAA	1,225	1,229,353
Provident Funding Mortgage Loan Trust,					
Mtg Pass Thru Ctf Ser 2005-1 Class B1 (P)	4.372	05-25-35	AAA	323	313,634

See notes to
financial statements.

Issuer, description	Interest rate	Maturity date	Credit rating (A)	Par value (000)	Value
Thrifts & Mortgage Finance (continued)					
SBA CMBS Trust,					
Sub Bond Ser 2005-1A Class D (S)	6.219%	11-15-35	Baa2	$200	$202,203
Sub Bond Ser 2005-1A Class E (S)	6.706	11-15-35	Baa3	200	202,172
Sovereign Capital Trust I,					

Gtd Cap Security	9.000	04-01-27	BB	1,000	1,072,789
Washington Mutual, Inc.,					
Mtg Ln Pass Thru Ctf Ser 2005-AR4					
Class B1 (P)	4.680	04-25-35	AA	1,514	1,462,862
Mtg Pass Thru Ctf Ser 2005-6 Class 1CB	6.500	08-25-35	AAA	881	896,128
Wells Fargo Mortgage Backed Securities Trust,					
Mtg Pass Thru Ctf Ser 2004-7 Class 2A2 (M)	5.000	07-25-19	AAA	759	748,045
Utilities Other 0.40%					**682,908**
Atlas Pipeline Partners L.P.,					
Gtd Sr Note	8.125	12-15-15	B+	150	151,313
Magellan Midstream Partners L.P.,					
Note	6.450	06-01-14	BBB	500	531,595
Wireless Telecommunication Service 2.87%					**4,918,532**
America Movil S.A. de C.V.,					
Sr Note (Mexico)	5.750	01-15-15	BBB	1,275	1,279,335
AT&T Wireless Services, Inc.,					
Sr Note	8.750	03-01-31	A	1,525	2,020,347
Crown Castle Towers LLC,					
Sub Bond Ser 2005-1A Class D	5.612	06-15-35	Baa2	685	667,191
Mobile Telesystems Finance S.A.,					
Gtd Sr Note (Luxembourg) (S)	9.750	01-30-08	BB□	400	424,000
Nextel Communications, Inc.,					
Sr Note Ser D	7.375	08-01-15	A□	500	527,659

Issuer, description	Credit rating (A)	Shares	Value
Preferred stocks 7.52%			**$12,898,473**
(Cost $13,299,837)			
Agricultural Products 0.61%			**1,045,313**
Ocean Spray Cranberries, Inc., 6.25%, Ser A (S)	BB+	12,500	1,045,313
Broadcasting & Cable TV 0.59%			**1,006,000**
Viacom, Inc., 7.25%	A□	40,000	1,006,000
Diversified Banks 2.22%			**3,813,000**
Bank One Capital Trust VI, 7.20%	A□	55,000	1,404,700

Fleet Capital Trust VII, 7.20%	A	55,000	1,387,100
USB Capital IV, 7.35%	A	40,000	1,021,200

Issuer, description	Credit rating (A)	Shares	Value
Diversified Financial Service 1.16%			**$1,990,800**
ABN AMRO Capital Funding Trust VII, 6.08%	A	40,000	976,000
Citigroup Capital VII, 7.125%	A	40,000	1,014,800
Integrated Telecommunication Service 0.58%			**1,002,800**
Telephone & Data Systems, Inc., 7.60%, Ser A	A	40,000	1,002,800
Multi-Utilities & Unregulated Power 1.01%			**1,730,360**
Dominion CNG Capital Trust I, 7.80%	BBB	40,000	1,020,800
PSEG Funding Trust II, 8.75%	BB+	27,000	709,560
Real Estate Investment Trusts 1.35%			**2,310,200**
Apartment Investment & Management Co., 8.00%, Ser T	B+	55,000	1,375,000
Public Storage, Inc., 6.50%, Depositary Shares, Ser W	BBB+	40,000	935,200

Issuer, description	Interest rate	Maturity date	Credit rating (A)	Par (00
U.S. government and agencies securities 61.04%				
(Cost $104,562,650)				
Government U.S. 18.85%				
United States Treasury,				
Bond (L)	10.625%	08-15-15	AAA	$7,
Bond (L)	9.125	05-15-18	AAA	495
Bond (L)	8.875	08-15-17	AAA	1,2
Bond (L)	6.875	08-15-25	AAA	8,5
Bond (L)	5.375	02-15-31	AAA	3,8

Note (L)	4.500	11-15-15	AAA	760
Note (L)	4.250	11-15-13	AAA	3,6
Government U.S. Agency 42.19%				
Federal Home Loan Bank,				
Bond	4.600	04-11-08	AAA	2,5
Bond	4.500	04-11-08	AAA	3,0
Bond	4.430	04-07-08	AAA	2,5
Federal Home Loan Mortgage Corp.,				
20 Yr Pass Thru Ctf	11.250	01-01-16	AAA	29
30 Yr Pass Thru Ctf	6.000	08-01-34	AAA	2,3
30 Yr Pass Thru Ctf	5.500	04-01-33	AAA	1,9
30 Yr Pass Thru Ctf (P)	5.174	11-01-35	AAA	2,3
CMO REMIC 2978	5.500	01-15-31	AAA	2,6
Note	4.900	11-03-08	AAA	5,2
Federal National Mortgage Assn.,				
15 Yr Pass Thru Ctf	7.000	09-01-10	AAA	33
15 Yr Pass Thru Ctf	7.000	09-01-12	AAA	6
15 Yr Pass Thru Ctf	7.000	04-01-17	AAA	54

See notes to
financial statements.

Issuer, description	Interest rate	Maturity date	Credit rating (A)	Par value (000)	Value
Government U.S. Agency (continued)					
Federal National Mortgage Assn., (continued)					
30 Yr Pass Thru Ctf	6.000%	05-01-35	AAA	$4,729	$4,774,062
30 Yr Pass Thru Ctf	6.000	08-01-35	AAA	3,996	4,034,342
30 Yr Pass Thru Ctf	6.000	10-01-35	AAA	14,448	14,585,264
30 Yr Pass Thru Ctf	6.000	10-01-35	AAA	3,069	3,098,131
30 Yr Pass Thru Ctf	5.500	05-01-34	AAA	1,049	1,039,284
30 Yr Pass Thru Ctf	5.500	11-01-34	AAA	2,354	2,333,804
30 Yr Pass Thru Ctf	5.500	04-01-35	AAA	2,377	2,356,073
30 Yr Pass Thru Ctf	5.500	05-01-35	AAA	2,562	2,544,119
30 Yr Pass Thru Ctf	5.500	11-01-35	AAA	2,299	2,277,958
30 Yr Pass Thru Ctf (P)	5.314	11-01-35	AAA	3,923	3,851,041
CMO REMIC 2003-17-QT	5.000	08-25-27	AAA	470	465,729
Note	6.000	05-30-25	AAA	1,720	1,685,474
Note	5.000	11-14-08	AAA	1,535	1,534,358

Note (L)	5.000	04-19-10	AAA	2,530	2,524,700
Note (L)	4.450	04-11-08	AAA	2,550	2,532,647
Government National Mortgage Assn.,					
30 Yr Pass Thru Ctf	10.000	11-15-20	AAA	4	5,107
30 Yr Pass Thru Ctf	9.500	01-15-21	AAA	4	4,949
30 Yr Pass Thru Ctf	9.500	02-15-25	AAA	12	14,409

Issuer, description, maturity date	Interest rate	Credit rating (A)	Par value (000)	Value
Short-term investments 1.06%				**$1,814,000**
(Cost $1,813,675)				
Government U.S. Agency 1.05%				**1,800,000**
Federal Home Loan Bank,				
Disc Note 1-3-06	Zero	AAA	$1,800	1,800,000
Joint Repurchase Agreement 0.01%				**14,000**
Investment in a joint repurchase agreement transaction with Morgan Stanley -- Dated 12-30-05 due 1-3-06 (Secured by U.S. Treasury Inflation Indexed Note 3.375% due 1-15-12)	3.500%		14	14,000
Total investments 150.66%				**$258,580,047**
Other assets and liabilities, net 1.21%				**$2,083,524**
Fund preferred shares and accrued dividends (51.87%)				**($89,027,194)**
Total net assets 100.00%				**$171,636,377**

See notes to
financial statements.

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FINANCIAL STATEMENTS

Notes to Schedule of Investments

(A) Credit ratings are unaudited and are rated by Moody's Investors Service where Standard & Poor's ratings are not available, unless indicated otherwise.

(B) This security is fair valued in good faith under procedures established by the Board of Trustees.

(G) Security rated internally by John Hancock Advisers, LLC.

(H) Non-income-producing issuer filed for protection under the Federal Bankruptcy Code or is in default of interest payment.

(L) All or a portion of this security is on loan as of December 31, 2005.

(M) These securities having an aggregate value of $1,497,652, or 0.87% of the Funds net assets, have been purchased as a forward commitments--that is, the Fund has agreed on trade date to take delivery of and to make payment for these securities on a delayed basis subsequent to the date of this schedule. The purchase price and interest rate of these securities are fixed at trade date, although the Fund does not earn any interest on these until settlement date. The Fund has segregated assets with a current value at least equal to the amount of the forward commitments. Accordingly, the market value of $1,529,361 of Federal National Mortgage Association, 6.000%, 10-1-35 has been segregated to cover the forward commitments.

(O) Cash interest will be paid on this obligation at the stated rate beginning on the stated date.

(P) Represents rate in effect on December 31, 2005.

(S) These securities are exempt from registration under Rule 144A of the Securities Act of 1933. Such securities may be resold, normally to qualified institutional buyers, in transactions exempt from registration. Rule 144A securities amounted to $24,678,745 or 14.38% of the Funds net assets as of December 31, 2005.

Parenthetical disclosure of a foreign country in the security description represents country of a foreign issuer; however, security is U.S. dollar-denominated.

The percentage shown for each investment category is the total value of that category as a percentage of the net assets of the Fund.

See notes to
financial statements.

F I N A N C I A L S T A T E M E N T S

ASSETS AND LIABILITIES

December 31, 2005

This Statement of Assets and Liabilities is the Funds balance sheet. It shows the value of what the Fund owns, is due and owes. Youll also find the net asset value for each common share.

Assets	
Investments at value (cost $259,294,019)	
including $40,157,711 of securities loaned	$258,580,047
Cash segregated for futures contacts	300,300
Receivable for investments sold	342,005
Receivable for shares sold	249,067
Dividends and interest receivable	3,172,551
Receivable for futures variation margin	79,409
Other assets	15,854
Total assets	**262,739,233**

Liabilities	
Due to custodian	29,023

Payable for investments purchased	1,490,936
Payable to affiliates	
Management fees	343,815
Other	6,245
Other payable and accrued expenses	205,643
Total liabilities	**2,075,662**
Auction Preferred Shares (APS) Series A, including accrued dividends, unlimited number of shares of beneficial interest authorized with no par value, 1,780 shares issued, liquidation preference of $25,000 per share	**44,513,597**
APS Series B, including accrued dividends, unlimited number of shares of beneficial interest authorized with no par value, 1,780 shares issued, liquidation preference of $25,000 per share	**44,513,597**
Net assets	
Common shares capital paid-in	177,367,356
Accumulated net realized loss on investments and financial futures contracts	(4,884,515)
Net unrealized depreciation of investments and financial futures contracts	(966,252)
Accumulated net investment income	119,788
Net assets applicable to common shares	**$171,636,377**
Net asset value per common share	
Based on 11,215,223 common shares outstanding -- the Fund has an unlimited number of shares authorized with no par value	$15.30

See notes to
financial statements.

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F I N A N C I A L S TAT E M E N T S

OPERATIONS

For the year ended
December 31, 2005

This Statement of Operations summarizes the Fund's investment income earned and expenses incurred

in operating the Fund. It also shows net gains (losses) for the period stated.

Investment income	
Interest	$14,294,326
Dividends	1,030,291
Securities lending	126,970
Total investment income	**15,451,587**
Expenses	
Investment management fees	1,390,468
APS auction fees	228,525
Transfer agent fees	107,343
Custodian fees	83,320
Accounting and legal services fees	61,661
Printing fees	50,235
Professional fees	47,282
Registration and filing fees	24,180
Miscellaneous	22,781
Trustees fees	11,101
Security lending fees	5,914
Compliance fees	5,400
Interest	893
Total expenses	**2,039,103**
Net investment income	**13,412,484**
Realized and unrealized gain (loss)	
Net realized loss on	
Investments	(874,504)
Financial futures contracts	(546,518)
Change in net unrealized appreciation (depreciation) of	
Investments	(7,494,849)
Financial futures contracts	15,160
Net realized and unrealized loss	**(8,900,711)**
Distributions to APS Series A	(1,420,459)
Distributions to APS Series B	(1,438,665)
Increase in net assets from operations	**$1,652,649**

See notes to financial statements.

CHANGES IN NET ASSETS

These Statements of Changes in Net Assets show how the value of the Fund's net assets has changed during the last two periods. The difference reflects earnings less expenses, any investment gains and losses, distributions, if any, paid to shareholders and the net of Fund share transactions.

	Year ended 12-31-04	**Year ended 12-31-05**
Increase (decrease) in net assets		
From operations		
Net investment income	$13,479,487	$13,412,484
Net realized loss	(1,090,604)	(1,421,022)
Change in net unrealized appreciation (depreciation)	(1,578,388)	(7,479,689)
Distributions to APS Series A and B	(1,337,920)	(2,859,124)
Increase in net assets resulting from operations	**9,472,575**	**1,652,649**
Distributions to common shareholders		
From net investment income	(13,140,127)	(11,475,867)
From Fund share transactions	**1,322,600**	**1,074,345**
Net assets		
Beginning of period	182,730,202	180,385,250
End of period[1]	**$180,385,250**	**$171,636,377**

[1] Includes accumulated net investment income of $64,352 and $119,788, respectively.

See notes to financial statements.

F I N A N C I A L   H I G H L I G H T S

FINANCIAL HIGHLIGHTS

COMMON SHARES

The Financial Highlights show how the Fund's net asset value for a share has changed since the end of the previous period.

Period ended	12-31-01[1,2]	12-31-02[1]	12-31-03	12-31-04	12-31-05
Per share operating performance					
Net asset value, beginning of period	**$15.89**	**$16.06**	**$16.31**	**$16.53**	**$16.19**
Net investment income[3]	1.00	0.89	0.93	1.22	1.20
Net realized and unrealized gain (loss) on investments	0.19	0.28	0.63	(0.25)	(0.81)
Distributions to APS Series A and B[4]	--	--	(0.02)	(0.12)	(0.25)
Total from investment operations	**1.19**	**1.17**	**1.54**	**0.85**	**0.14**
Less distributions to common shareholders					
From net investment income	(1.02)	(0.92)	(0.96)	(1.19)	(1.03)
From net realized gain	--	--	(0.26)	--	--
	(1.02)	**(0.92)**	**(1.22)**	**(1.19)**	**(1.03)**
Capital charges					
Offering costs and underwriting discount related to APS	--	--	(0.10)	--	--
Net asset value, end of period	**$16.06**	**$16.31**	**$16.53**	**$16.19**	**$15.30**
Per share market value, end of period	**$14.65**	**$14.66**	**$15.39**	**$15.68**	**$13.68**
Total return at market value[5] (%)	**8.69**	**6.42**	**13.49**	**9.95**	**(6.42)**
Ratios and supplemental data					
Net assets applicable to common shares, end of period (in millions)	$175	$179	$183	$180	$172
Ratio of expenses to average net assets (%)	0.80	0.84	0.87[6]	1.14[6]	1.16[6]
Ratio of net investment income to average net assets (%)	6.17	5.56	5.58[7]	7.44[7]	7.62[7]
Portfolio turnover (%)	299	371	273	135	148
Senior securities					
Total APS Series A outstanding (in millions)	--	--	$45	$45	$45
Total APS Series B outstanding (in millions)			$45	$45	$45

Involuntary liquidation preference					
APS Series A per unit (in thousands)	--	--	$25	$25	$25
Involuntary liquidation preference					
APS Series B per unit (in thousands)	--	--	$25	$25	$25
Average market value					
per unit (in thousands)	--	--	$25	$25	$25
Asset coverage per unit[8]	--	--	$75,402	$75,049	$72,470

See notes to
financial statements.

F I N A N C I A L   H I G H L I G H T S

Notes to Financial Highlights

[1] Audited by previous auditor.

[2] As required, effective 1-1-01, the Fund has adopted the provisions of the AICPA Audit and Accounting Guide for Investment Companies, as revised, relating to the amortization of premiums and accretion of discounts on debt securities. The effect of this change on per share amounts for the year ended 12-31-01, was to decrease net investment income per share by $0.02, increase net realized and unrealized gain per share by $0.02 and, had the Fund not made these changes to amortization and accretion, the annualized ratio of net investment income to average net assets would have been 6.30% . Per share ratios and supplemental data for periods prior to 1-1-01, have not been restated to reflect this change in presentation.

[3] Based on the average of the shares outstanding.

[4] APS Series A and B were issued on 11-4-03.

[5] Assumes dividend reinvestment.

[6] Ratios calculated on the basis of expenses relative to the average net assets of common shares. Without the exclusion of preferred shares, the ratios of expenses would have been 0.81%, 0.76% and 0.77% for the years ended 12-31-03, 12-31-04 and 12-31-05, respectively.

[7] Ratios calculated on the basis of net investment income relative to the average net assets of common shares. Without the exclusion of preferred shares, the ratios of net investment income would have been 5.19%, 4.99% and 5.06% for the years ended 12-31-03, 12-31-04 and 12-31-05, respectively.

[8] Calculated by subtracting the Fund's total liabilities from the Fund's total assets and dividing that amount by the number of APS outstanding, as of the applicable 1940 Act Evaluation Date, which may differ from the financial reporting date.

See notes to
financial statements.

NOTES TO
STATEMENTS

Note A
Accounting policies

John Hancock Income Securities Trust (the Fund) is a closed-end diversified investment management company registered under the Investment Company Act of 1940.

Significant accounting policies of the Fund are as follows:

Valuation of investments

Securities in the Funds portfolio are valued on the basis of market quotations, valuations provided by independent pricing services or, if quotations are not readily available, or the value has been materially affected by events occurring after the closing of a foreign market, at fair value as determined in good faith in accordance with procedures approved by the Trustees. Short-term debt investments which have a remaining maturity of 60 days or less may be valued at amortized cost, which approximates market value. The Fund determines the net asset value of the common shares each business day.

Joint repurchase agreement

Pursuant to an exemptive order issued by the Securities and Exchange Commission, the Fund, along with other registered investment companies having a management contract with John Hancock Advisers, LLC (the Adviser), a wholly owned subsidiary of John Hancock Financial Services, Inc., may participate in a joint repurchase agreement transaction. Aggregate cash balances are invested in one or more large repurchase agreements, whose underlying securities are obligations of the U.S. government and/or its agencies. The Funds custodian bank receives delivery of the underlying securities for the joint account on the Funds behalf. The Adviser is responsible for ensuring that the agreement is fully collateralized at all times.

Foreign currency translation

All assets or liabilities initially expressed in terms of foreign currencies are translated into U.S. dollars based on London currency exchange quotations as of 4:00 P.M., London time, on the date of any determination of the net asset value of the Fund. Transactions affecting statement of operations accounts and net realized gain (loss) on investments are translated at the rates prevailing at the dates of the transactions.

The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments.

Reported net realized foreign currency exchange gains or losses arise from sales of foreign currency, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest and foreign

withholding taxes recorded on the Funds books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign currency exchange gains and losses arise from changes in the value of assets and liabilities, other than investments in securities, resulting from changes in the exchange rates.

Investment transactions

Investment transactions are recorded as of the date of purchase, sale or maturity. Net realized gains and losses on sales of investments are determined on the identified cost basis. Some securities may be purchased on a when-issued or forward commitment basis, which means that the securities will be delivered to the Fund at a future date, usually beyond customary settlement date.

Discount and premium on securities

The Fund accretes discount and amortizes premium from par value on securities from either the date of issue or the date of purchase over the life of the security.

Expenses

The majority of the expenses are directly identifiable to an individual fund. Expenses that are not readily identifi-able to a specific fund will be allocated in such a manner as deemed equitable, taking into consideration, among other things, the nature and type of expense and the relative sizes of the funds.

Securities lending

The Fund may lend securities to certain qualified brokers who pay the Fund negotiated lender fees. The loans are collateralized at all times with cash or securities with a market value at least equal to the market value of the securities on loan. As with other extensions of credit, the Fund may bear the risk of delay of the loaned securities in recovery or even loss of rights in the collateral, should the borrower of the securities fail financially. At December 31, 2005, the Fund loaned securities having a market value of $40,157,711 collateralized by securities in the amount of $41,685,884. Securities lending expenses are paid by the Fund to the Adviser.

Financial futures contracts

The Fund may buy and sell financial futures contracts. Buying futures tends to increase the Fund's exposure to the underlying instrument. Selling futures tends to decrease the Fund's exposure to the underlying instrument or hedge other Fund's instruments. At the time the Fund enters into financial futures contracts, it is required to deposit with its custodian a specified amount of cash or U.S. government securities, known as "initial margin," equal to a certain percentage of the value of the financial futures contract being traded. Each day, the futures contract is valued at the official settlement price of the board of trade or U.S. commodities exchange on which it trades. Subsequent payments to and from the broker, known as "variation margin," are made on a daily basis as the market price of the financial futures contract fluctuates. Daily variation margin adjustments arising from this "mark to market" are recorded by the Fund as unrealized gains or losses.

When the contracts are closed, the Fund recognizes a gain or loss. Risks of entering into financial futures contracts include the possibility that there may be an illiquid market and/or that a change in the value of the contracts may not correlate with changes in the value of the underlying securities. In addition, the Fund could be prevented from opening or realizing the benefits of closing out financial futures positions because of position limits or limits on daily price fluctuation imposed by an exchange.

For federal income tax purposes, the amount, character and timing of the Fund's gains and/or losses can be affected as a result of financial futures contracts.

On December 31, 2005, the Fund had deposited $300,300 in a segregated account to cover margin requirements on open financial futures contracts.

The Fund had the following financial futures contracts open on December 31, 2005:

OPEN CONTRACTS	NUMBER OF CONTRACTS	POSITION	EXPIRATION	DEPRECIATION
U.S. 10-Year Treasury Note	462	Short	March 06	$252,280
				$252,280

Federal income taxes

The Fund qualifies as a "regulated investment company" by complying with the applicable provisions of the Internal Revenue Code and will not be subject to federal income tax on taxable income that is distributed to shareholders. Therefore, no federal income tax provision is required. For federal income tax purposes, the Fund has $4,566,948 of a capital loss carryforward available, to the extent provided by regulations, to offset future net realized capital gains. To the extent that such carry-forward is used by the Fund, no capital gain distributions will be made. The loss carry-forward expires as follows: December 31, 2012 --$2,123,466 and December 31, 2013 --$2,443,482 .

Dividends, interest and distributions

Dividend income on investment securities is recorded on the ex-dividend date or, in the case of some foreign securities, on the date thereafter when the Fund identifies the dividend. Interest income on investment securities is recorded on the accrual basis. The Fund may place a security on non-accrual status and reduce related investment income by ceasing current accruals and/or writing off interest receivables when the collection of income has become doubtful. Foreign income may be subject to foreign withholding taxes, which are accrued as applicable.

The Fund records distributions to shareholders from net investment income and net realized gains, if any, on the ex-dividend date. During the year ended December 31, 2004, the tax character of distributions paid was as follows: ordinary income $14,748,047. During the year ended December 31, 2005, the tax character of distributions paid was as follows: ordinary income $14,334,991.

As of December 31, 2005, the components of distributable earnings on a tax basis included $158,524 of undistributed ordinary income.

Such distributions and distributable earnings, on a tax basis, are determined in conformity with income tax regulations, which may differ from accounting principles generally accepted in the United States of America. Distributions in excess of tax basis earnings and profits, if any, are reported in the Fund’s financial statements as a return of capital.

Use of estimates

The preparation of these financial statements, in accordance with accounting principles generally accepted in the United States of America, incorporates estimates made by management in determining the reported amount of assets, liabilities, revenues and expenses of the Fund. Actual results could differ from these estimates.

Note B
Management fee and transactions with affiliates and others

The Fund has an investment management contract with the Adviser. Under the investment management contract, the Fund pays a quarterly management fee to the Adviser, equivalent on an annual basis, to the sum of (a) 0.650% of the first $150,000,000 of the Fund’s average weekly net asset value and the value attributable to the Auction Preferred Shares (collectively, “managed assets”), (b) 0.375% of the next $50,000,000,

(c) 0.350% of the next $100,000,000 and (d) 0.300% of the Fund’s average daily managed assets in excess of $300,000,000.

Effective December 31, 2005, the investment management teams of the Adviser were reorganized into Sovereign Asset Management LLC (“Sovereign”), a wholly owned subsidiary of John Hancock Life Insurance Company (“JHLICo”). The Adviser remains the principal advisor on the Fund and Sovereign acts as subadviser under the supervision of the Adviser. The restructuring did not have an impact on the Fund, which continues to be managed using the same investment philosophy and process. The Fund is not responsible for payment of the subadvisory fees.

The Fund has an agreement with the Adviser to perform necessary tax, accounting and legal services for the Fund. The compensation for the year amounted to $61,661. The Fund also reimbursed JHLICo for certain compliance costs, included in the Fund’s Statement of Operations.

Mr. James R. Boyle is Chairman of the Adviser, as well as affiliated Trustee of the Fund, and is compensated by the Adviser and/or its affiliates. The compensation of unaffiliated Trustees is borne by the Fund. The unaffiliated Trustees may elect to defer, for tax purposes, their receipt of this compensation under the John Hancock Group of Funds Deferred Compensation Plan. The Fund makes investments into other John Hancock funds, as applicable, to cover its liability for the deferred compensation. Investments to cover the Fund□s deferred compensation liability are recorded on the Fund□s books as an other asset. The deferred compensation liability and the related other asset are always equal and are marked to market on a periodic basis to reflect any income earned by the investments, as well as any unrealized gains or losses. The Deferred Compensation Plan investments had no impact on the operations of the Fund.

The Fund is listed for trading on the New York Stock Exchange (□NYSE□) and has filed with the NYSE its chief executive officer certification regarding compliance with the NYSE□s listing standards. The Fund also files with the Securities and Exchange Commission the certification of its chief executive officer and chief financial officer required by Section 302 of the Sarbanes-Oxley Act.

Note C
Fund share transactions

This listing illustrates the number of Fund common shares distributions reinvested, offering costs and underwriting discount charged to capital paid-in, reclassification of capital accounts and the number of common shares outstanding at the beginning and end of the last two periods, along with the corresponding dollar value.**NOTE C**

	Year ended 12-31-04		Year ended 12-31-05	
	Shares	**Amount**	**Shares**	**Amount**
Beginning of period	11,056,746	$175,501,784	11,141,310	$176,262,151
Distributions reinvested	84,564	1,302,088	73,913	1,074,345
Offering costs and underwriting discount related to Auction Preferred Shares	--	20,512	--	--
Reclassification of capital accounts	--	(562,233)	--	30,860
End of period	**11,141,310**	**$176,262,151**	**11,215,223**	**$177,367,356**

Auction preferred shares

The Fund issued a total of 3,560 Auction Preferred Shares: 1,780 shares of Series A Auction Preferred Shares and 1,780 shares of Series B Auction Preferred Shares (collectively, the □Preferred Shares□ or □APS□) on November 4, 2003, in a public offering. The total offering costs of $188,388 and the total underwriting discount of $890,000 has been charged to capital paid-in of common shares during the years ended December 31, 2003 and December 31,2004.

Dividends on the APS, which accrue daily, are cumulative at a rate that was established at the offering of the APS and have been reset every 7 days thereafter by an auction. Dividend rates on APS Series A ranged from 2.10% to 4.45% and Series B from 2.24% to 4.45% during the year ended December 31, 2005. Accrued dividends on APS are included in the value of APS on the Fund□s Statement of Assets and Liabilities.

The APS are redeemable at the option of the Fund, at a redemption price equal to $25,000 per share, plus accumulated and unpaid dividends on any dividend payment date. The APS are also subject to mandatory redemption at a redemption price equal to $25,000 per share, plus accumulated and unpaid dividends, if the Fund is in default on its asset coverage requirements with respect to the APS as defined in the Fund□s by-laws. If the dividends on the APS shall remain unpaid in an amount equal to two full years□ dividends, the holders of the APS, as a class, have the right to elect a majority of the Board of Trustees. In general, the holders of the APS and the common shareholders have equal voting rights of one vote per share, except that the holders of the APS, as a class, vote to elect two members of the Board of Trustees, and separate class votes are required on certain matters that affect the respective interests of the APS and common shareholders.

Note D
Investment transactions

Purchases and proceeds from sales or maturities of securities, other than short-term securities and obligations of the U.S. government, during the year ended December 31, 2005, aggregated $275,773,359 and $281,951,406, respectively. Purchases and proceeds from sales or maturities of obligations of U.S. government aggregated $107,706,549 and $101,291,666, respectively, during the year ended December 31, 2005.

The cost of investments owned on December 31, 2005, including short-term investments, for federal income tax purposes was $260,479,694. Gross unrealized appreciation and depreciation of investments aggregated $2,529,399 and $4,429,046, respectively, resulting in net unrealized depreciation of $1,899,647. The difference between book basis and tax basis net unrealized depreciation of investments is attributable primarily to the tax deferral of losses on certain sales of securities and amortization of premiums on debt securities.

Note E
Reclassification of accounts

During the year ended December 31, 2005, the Fund reclassified amounts to reflect an increase in accumulated net realized loss on investments of $1,008,803, an increase in accumulated net investment income of $977,943 and an increase in capital paid-in of $30,860. This represents the amounts necessary to report these balances on a tax basis, excluding certain temporary differences, as of December 31, 2005. Additional adjustments may be needed in subsequent reporting periods. These reclassifications, which have no impact on the net asset value of the Fund, are primarily attributable to certain differences in the computation of distributable income and capital gains under federal tax rules versus

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accounting principles generally accepted in the United States of America, book and tax differences in accounting for deferred compensation and amortization of premiums on debt securities. The calculation of net investment income per share in the Fund's Financial Highlights excludes these adjustments.

AUDITORS' REPORT

Report of Independent Registered Public Accounting Firm

To the Board of Trustees and Shareholders of John Hancock Income Securities Trust,

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 John Hancock Income Securities Trust Fund (the "Fund") at December 31, 2005, the results of its operations, the changes in its net assets and the financial highlights for the periods indicated, 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, 2005 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion. The financial highlights for each of the periods ended on or before December 31, 2002, were audited by other independent auditors, whose report dated February 7, 2003, expressed an unqualified opinion thereon.

PricewaterhouseCoopers LLP
Boston, Massachusetts
February 15, 2006

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TAX INFORMATION

Unaudited

For federal income tax purposes, the following information is furnished with respect to the distributions of the Fund, if any, paid during its taxable year ended December 31, 2005.

With respect to the ordinary dividends paid by the Fund for the fiscal year ended December 31, 2005, 2.59% of the dividends qualify for the corporate dividends-received deduction.

The Fund hereby designates the maximum amount allowable of its net taxable income as qualified dividend income as provided in the Jobs and Growth Tax Relief Reconciliation Act of 2003. This amount will be reflected on Form 1099-DIV for the calendar year 2005.

Shareholders were mailed a 2005 U.S. Treasury Department Form 1099-DIV in January 2006. This will reflect the total of all distributions that are taxable for calendar year 2005.

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Investment objective and policy

The Fund is a closed-end diversified management investment company, common shares of which were initially offered to the public on February 14, 1973, and are publicly traded on the New York Stock Exchange. The Fund's investment objective is to generate a high level of current income consistent with prudent investment risk. The Fund invests in a diversified portfolio of freely marketable debt securities and may invest an amount not exceeding 20% of its assets in income-producing preferred and common stock. Under normal circumstances, the Fund will invest at least 80% of net assets in income securities. Income securities will consist of the following: (i) marketable corporate debt securities, (ii) governmental obligations and (iii) cash and commercial paper. "Net assets" is defined as net assets plus borrowings for investment purposes. The Fund will notify shareholders at least 60 days prior to any change in this 80% investment policy.

It is contemplated that at least 75% of the value of the Fund's total assets will be represented by debt securities, which have at the time of purchase a rating within the four highest grades as determined by Moody's Investors Service, Inc., or Standard & Poor's Corporation. The Fund intends to engage in short-term trading and may invest in repurchase agreements. The Fund may issue a single class of senior securities not to exceed $33^1/_3$% of its net assets at market value and may borrow from banks as a temporary measure for emergency purposes in amounts not to exceed 5% of the total assets at cost. The Fund may lend portfolio securities not to exceed $33^1/_3$

% of total assets.

By-laws

In November 2002, the Board of Trustees adopted several amendments to the Fund's by-laws, including provisions relating to the calling of a special meeting and requiring advance notice of shareholder proposals or nominees for Trustee. The advance notice provisions in the by-laws require shareholders to notify the Fund in writing of any proposal which they intend to present at an annual meeting of shareholders, including any nominations for Trustee, between 90 and 120 days prior to the first anniversary of the mailing date of the notice from the prior year's annual meeting of shareholders. The notification must be in the form prescribed by the by-laws. The advance notice provisions provide the Fund and its Trustees with the opportunity to thoughtfully consider and address the matters proposed before the Fund prepares and mails its proxy statement to shareholders. Other amendments set forth the procedures, which must be followed in order for a shareholder to call a special meeting of shareholders. Please contact the Secretary of the Fund for additional information about the advance notice requirements or the other amendments to the by-laws.

On August 21, 2003, shareholders approved the amendment of the Fund's by-laws effective August 26, 2003, to provide for the issuance of preferred shares. Effective March 9, 2004, the Trustees approved additional changes to conform with the Fund's maximum dividend rate on the preferred shares with the rate used by other John Hancock funds.

On September 14, 2004, the Trustees approved an amendment to the Fund's by-laws increasing the maximum applicable dividend rate ceiling on the preferred shares to conform with the modern calculation methodology used by the industry and other John Hancock funds.

Financial futures contracts and options

The Fund may buy and sell financial futures contracts and options on futures contracts to hedge against the effects of fluctuations in interest rates and other market conditions. The Fund's ability to hedge successfully

will depend on the Adviser's ability to predict accurately the future direction of interest rate changes and other market factors. There is no assurance that a liquid market for futures and options will always exist. In addition, the Fund could be prevented from opening, or realizing the benefits of closing out a futures or options position because of position limits or limits on daily price fluctuations imposed by an exchange.

The Fund will not engage in transactions in futures contracts and options on futures for speculation, but only for hedging or other permissible risk management purposes. All of the Fund's futures contracts and options on futures will be traded on a U.S. commodity exchange or board of trade. The Fund will not engage in a transaction in futures or options on futures if, immediately thereafter, the sum of initial margin deposits on existing positions and premiums paid for options on futures would exceed 5% of the Fund's total assets.

Dividends and distributions

The Fund pays quarterly dividends from net investment income and intends to distribute any available net realized capital gains annually. All distributions are paid in cash unless the shareholder elects to participate in the Dividend Reinvestment Plan.

During the year ended December 31, 2005, dividends from net investment income totaling $1.0275 per share were paid to common shareholders. The dates of payments and the amounts per share are as follows:

PAYMENT DATE	INCOME DIVIDEND

March 31, 2005	$0.2800
June 30, 2005	0.2600
September 30, 2005	0.2450
December 30, 2005	0.2425

Dividend reinvestment plan

The Fund offers its common shareholders a Dividend Reinvestment Plan (the Plan), which offers the opportunity to earn compounded yields. Any holder of common shares of record of the Fund may elect to participate in the Plan and receive the Funds common shares in lieu of all or a portion of the cash dividends. The Plan is available to all common shareholders without charge. Mellon Investor Services (the Plan Agent) will act as agent for participating shareholders.

Shareholders may join the Plan by notifying the Plan Agent by telephone, in writing or by visiting the Plan Agents Web site at www.melloninvestor.com showing an election to reinvest all or a portion of dividend payments. If received in proper form by the Plan Agent prior to the record date for a dividend, the election will be effective with respect to all dividends paid after such record date. Shareholders whose shares are held in the name of a broker or nominee should contact the broker or nominee to determine whether and how they may participate in the Plan.

The Board of Trustees of the Fund will declare dividends from net investment income payable in cash or, in the case of shareholders participating in the Plan, partially or entirely in the Funds common shares. The number of shares to be issued for the benefit of each shareholder will be determined by dividing the amount of the cash dividend, otherwise payable to such shareholder on shares included under the Plan, by the per share net asset value of the common shares on the date for payment of the dividend, unless the net asset value per share on the payment date is less than 95% of the market price per share on that date, in which event the number of shares to be issued to a shareholder will be determined by dividing the amount of the cash dividend payable to such shareholder, by 95% of the market price per share of the common shares on the payment date. The market price of the common shares on a particular date shall be the mean between the highest and lowest sales price on the

New York Stock Exchange on that date. Net asset value will be determined in accordance with the established procedures of the Fund. However, if as of such payment date the market price of the common shares is lower than such net asset value per share, the number of shares to be issued will be determined on the basis of such market price. Fractional shares, carried out to four decimal places, will be credited to the shareholders account. Such fractional shares will be entitled to future dividends.

The shares issued to participating shareholders, including fractional shares, will be held by the Plan Agent in the name of the participant. A confirmation will be sent to each shareholder promptly, normally within five to seven days, after the payment date of the dividend. The confirmation will show the total number of shares held by such shareholder before and after the dividend, the amount of the most recent cash dividend that the shareholder has elected to reinvest and the number of shares acquired with such dividend.

Participation in the Plan may be terminated at any time by contacting the Plan Agent by telephone, in writing or by visiting the Plan Agents Web site, and such termination will be effective immediately. However, notice of termination must be received prior to the record date of any distribution to be effective for that distribution. Upon termination, certificates will be issued representing the number of full shares of common shares held by the Plan Agent. A shareholder will receive a cash payment for any fractional share held.

The reinvestment of dividends will not relieve participants of any federal, state or local income tax, which may be due with respect to such dividend. Dividends reinvested in common shares will be treated on your federal income tax return as though you had received a dividend in cash in an amount equal to the fair market value of the shares received, as determined by the prices for common shares of the Fund on the New York Stock Exchange as of the dividend payment date. Distributions from the Funds long-term capital gains will be processed as noted above for those electing to reinvest in common shares and will be taxable to you as long-term capital gains. The confirmation referred to above will contain all the information you will require for determining the cost basis of shares acquired and should be retained for that purpose. At year end, each account will be supplied with detailed information necessary to determine total tax liability for the calendar year. All correspondence or additional information concerning the Plan should be directed to the Plan Agent, Mellon Bank, N.A., c/o Mellon Investor Services, P.O. Box 3338, South Hackensack, New Jersey 07606-1938 (Telephone: 1-800-852-0218).

Shareholder communication and assistance

If you have any questions concerning the Fund, we will be pleased to assist you. If you hold shares in your own name and not with a brokerage firm, please address all notices, correspondence, questions or other communications regarding the Fund to the transfer agent at:

Mellon Investor Services
Newport Office Center VII
480 Washington Boulevard
Jersey City, NJ 07310
Telephone: 1-800-852-0218

If your shares are held with a brokerage firm, you should contact that firm, bank or other nominee for assistance.

Shareholder meeting

On March 2, 2005, the Annual Meeting of the Fund was held to elect ten Trustees and to ratify the actions of the Trustees in selecting independent auditors for the Fund.

Proxies covering 9,743,702 shares of beneficial interest were voted at the meeting. The common shareholders elected the following Trustees to serve until their respective successors are duly elected and qualified, with the votes tabulated as follows:

	FOR	WITHHELD AUTHORITY
James F. Carlin	9,651,626	88,516
Richard P. Chapman, Jr.	9,645,751	94,391
William J. Cosgrove	9,639,538	100,604
William H. Cunningham	9,638,442	101,700
Richard R. Dion	9,648,175	91,967
Charles L. Ladner	9,651,175	88,967
Stephan R. Pruchansky	9,650,732	89,410
James A. Shepherdson *	9,651,651	88,491

Mr. William J. Cosgrove retired as of March 31, 2005.

*Mr. James A. Shepherdson resigned effective July 15, 2005.

The preferred shareholders elected Dr. John A. Moore and Patti McGill Peterson to serve as the Fund's Trustees until their successors are duly elected and qualified, with the votes for each Trustee tabulated as follows: 3,548 FOR, 0 AGAINST, 12 ABSTAINING.

The common and preferred shareholders ratified the Trustees’ selection of PricewaterhouseCoopers LLP as the Fund’s independent auditor for the fiscal year ending December 31, 2005, with votes tabulated as follows: 9,639,963 FOR, 36,850 AGAINST and 66,889 ABSTAINING.

Board Consideration of and Continuation of Investment Advisory Agreement: John Hancock Income Securities Trust

Section 15(c) of the Investment Company Act of 1940 (the “1940 Act”) requires the Board of Trustees (the “Board”) of John Hancock Income Securities Trust (the “Fund”), including a majority of the Trustees who have no direct or indirect interest in the investment advisory agreement and are not “interested persons” of the Fund, as defined in the 1940 Act (the “Independent Trustees”), annually to review and consider the continuation of the investment advisory agreement (the “Advisory Agreement”) with John Hancock Advisers, LLC (the “Adviser”) for the Fund.

At meetings held on May 19–20 and June 6–7, 2005, the Board, including the Independent Trustees, considered the factors and reached the conclusions described below relating to the selection of the Adviser and the continuation of the Advisory Agreement. During such meetings, the Board’s Contracts/Operations Committee and the Independent Trustees also met in executive sessions with their independent legal counsel. In evaluating the Advisory Agreement, the Board, including the Contracts/Operations Committee and the Independent Trustees, reviewed a broad range of information requested for this purpose by the Independent Trustees, including but not limited to the following: (i) the investment performance of the Fund and a broader universe of relevant funds (the “Universe”) selected by Lipper Inc. (“Lipper”), an independent provider of investment company data, for a range of periods, (ii) advisory and other fees incurred by, and the expense ratios of, the Fund and a peer group of comparable funds selected by Lipper (the “Peer Group”), (iii) the advisory fees of comparable portfolios of other clients of the Adviser, (iv) the Adviser’s financial results and condition, including its and certain of its affiliates’ profitability from services performed for the Fund, (v) breakpoints in the Fund’s and the Peer Group’s fees and a study undertaken at the direction of the Independent Trustees as to the allocation of the benefits of economies of scale between the Fund and the Adviser, (vi) the Adviser’s record of compliance with applicable laws and regulations, with the Fund’s investment policies and restrictions, and with the Fund’s Code of Ethics and the structure and responsibilities of the Adviser’s compliance department, (vii) the background and experience of senior management and investment professionals, and (viii) the nature, cost and character of advisory and non-investment management services provided by the Adviser and its affiliates.

Nature, extent and quality of services

The Board considered the ability of the Adviser, based on its resources, reputation and other attributes, to attract and retain qualified investment professionals, including research, advisory and supervisory personnel. The Board further considered the compliance programs and compliance records of the Adviser. In addition, the Board took into account the administrative services provided to the Fund by the Adviser and its affiliates.

Based on the above factors, together with those referenced below, the Board concluded that, within the context of its full deliberations, the nature, extent and quality of the investment advisory services provided to the Fund by the Adviser were sufficient to support renewal of the Advisory Agreement.

Fund performance

The Board considered the performance results for the Fund over various time periods. The Board also considered these results in comparison to the performance of the Universe, as well as the Fund’s benchmark indices. Lipper determined the Universe for the Fund. The Board reviewed with a representative of Lipper the methodology used by Lipper to select the funds in the Universe and the Peer Group.

The Board noted that the performance of the Fund was below the median and average performance of its Universe for the time periods under review. The Board also noted that the Fund consistently performed higher than one of its benchmark indices, the Lehman Brothers Government/Corporate Bond Index, for the time periods under review, but performed lower than its other benchmark index, the Lipper Closed-End Investment Grade Funds Index, during the more recent periods under review. The Adviser discussed with the Board factors contributing to the Fund’s performance results. The Adviser noted that, in its view, the Fund’s Universe was over-inclusive. The Adviser provided additional analysis, which demonstrated that the Fund’s performance was consistent with other similarly leveraged closed-end funds. The Board indicated its intent to continue to monitor the Fund’s performance trends.

Investment advisory fee rates and expenses

The Board reviewed and considered the contractual investment advisory fee rate payable by the Fund to the Adviser for investment advisory services (the “Advisory Agreement Rate”). The Board received and considered information comparing the Advisory Agreement Rate with the advisory fees for the Peer Group. The Board noted that the Advisory Agreement Rate was lower than the median rate of the Peer Group, and reasonable in relation to the services provided.

The Board received and considered information regarding the Fund’s total operating expense ratio and its various components, including contractual advisory fees, actual advisory fees, non-management fees, transfer agent fees and custodian fees, including and excluding investment-related expenses. The Board also considered comparisons of these expenses to the Peer Group and the Universe. The Board noted that the total operating expense ratio of the Fund was slightly higher than the Peer Group’s and Universe’s median total operating expense ratio due, in part, to the Fund’s transfer agency expense. The Board noted that, historically, the Fund’s total operating expense ratio has been consistently below the Universe’s median total operating expense ratio.

The Adviser also discussed the Lipper data and rankings, and other relevant information, for the Fund. Based on the above-referenced considerations and other factors, the Board concluded that the Fund’s overall expense results and performance supported the re-approval of the Advisory Agreement.

Profitability

The Board received and considered a detailed profitability analysis of the Adviser based on the Advisory Agreement, as well as on other relationships between the Fund and the Adviser and its affiliates. The Board concluded that, in light of the costs of providing investment management and other services to the Fund, the profits and other ancillary benefits reported by the Adviser were not unreasonable.

Economies of scale

The Board received and considered general information regarding economies of scale with respect to the management of the Fund, including the Fund’s ability to appropriately benefit from economies of scale under the Fund’s fee structure. The Board recognized the inherent limitations of any analysis of economies of scale, stemming largely from the Board’s understanding that most of the Adviser’s costs are not specific to individual Funds, but rather are incurred across a variety of products and services.

The Board observed that the Advisory Agreement offers breakpoints. However, the Board considered the limited relevance of economies of scale in the context of a closed-end fund that, unlike

an open-end fund, does not continuously offer its shares, and concluded that the fees were fair and equitable based on relevant factors, including the Fund’s total expenses ranking relative to its Peer Group.

Information about services to other clients

The Board also received information about the nature, extent and quality of services and fee rates offered by the Adviser to its other clients, including other registered investment companies, institutional investors and separate accounts. The Board concluded that the Advisory Agreement Rate was not unreasonable, taking into account fee rates offered to others by the Adviser and giving effect to differences in services covered by such fee rates.

Other benefits to the Adviser

The Board received information regarding potential fall-out or ancillary bene-fits received by the Adviser and its affiliates as a result of the Advisers relationship with the Fund. Such benefits could include, among others, benefits directly attributable to the relationship of the Adviser with the Fund and benefits potentially derived from an increase in the business of the Adviser as a result of its relationship with the Fund (such as the ability to market to shareholders other finan-cial products offered by the Adviser and its affiliates).

The Board also considered the effectiveness of the Advisers and the Funds policies and procedures for complying with the requirements of the federal securities laws, including those relating to best execution of portfolio transactions and brokerage allocation.

Other factors and broader review

As discussed above, the Board reviewed detailed materials received from the Adviser as part of the annual re-approval process under Section 15(c) of the 1940 Act. The Board also regularly reviews and assesses the quality of the services that the Fund receives throughout the year. In this regard, the Board reviews reports of the Adviser at least quarterly, which include, among other things, a detailed portfolio review, detailed fund performance reports and compliance reports. In addition, the Board meets with portfolio managers and senior investment officers at various times throughout the year.

After considering the above-described factors and based on its deliberations and its evaluation of the information described above, the Board concluded that approval of the continuation of the Advisory Agreement for the Fund was in the best interest of the Fund and its shareholders. Accordingly, the Board unanimously approved the continuation of the Advisory Agreement.

At a meeting held on December 6, 2005, the Board reviewed a Sub-Advisory Agreement among the Fund, the Adviser and Sovereign Asset Management, LLC, an affili-ate of the Adviser (the Sub-Adviser). At that meeting, the Adviser proposed, and the Board accepted, a reorganization of the Advisers operations and the transfer to the Sub-Adviser of all of the Advisers investment personnel. As a result of this restructuring, the Adviser remains the principal adviser to the Fund and the Sub-Adviser acts as sub-adviser under the supervision of the Adviser. In evaluating the Sub-Adviser Agreement, the Board relied upon the review that it conducted at its May and June 2005 meetings, its familiarity with the operations and personnel transferred to Sovereign and representations by the Adviser that the reorganization would not result in a change in the quality of services provided under the Sub-Advisory Agreement or the personnel responsible for the day-to-day management of the Fund. The Board also reviewed an analysis of the fee paid by the Adviser to the Sub-Adviser under the

Sub-Advisory Agreement relative to sub-advisory fees paid by the Adviser and its affiliates to third party sub-advisers and fees paid by a peer group of unaffiliated investment companies. After considering the above-described factors and based on its deliberations and its evaluation of the information described above, the Board concluded that approval of the Sub-Advisory Agreement was the in the best interest of the Fund and its shareholders. Accordingly, the Board unanimously approved the Sub-Advisory Agreement, which became effective on December 31, 2005.

Information about the portfolio managers

Management Biographies and Fund ownership

Below is an alphabetical list of the portfolio managers who share joint responsibility for the day-to-day investment management of the Fund. It provides a brief summary of their business careers over the past five years and their range of beneficial share ownership in the Fund as of December 31, 2005.

Barry H. Evans, CFA
Senior Vice President, Sovereign Asset Management LLC since 2005
Senior Vice President, John Hancock Advisers LLC (1986-2005)
Began business career in 1986
Joined fund team in 2002
Fund ownership None

Jeffrey N. Given, CFA
Second Vice President, Sovereign Asset Management LLC since 2005
Second Vice President, John Hancock Advisers LLC (1993-2005)
Began business career in 1993
Joined fund team in 1999
Fund ownership $1-$10,000

Howard C. Greene, CFA
Senior Vice President, Sovereign Asset Management LLC since 2005
Senior Vice President, John Hancock Advisers LLC (2002-2005)
Vice President at Sun Life Financial Services Company of Canada (1987-2002)
Began business career in 1979
Joined fund team in 2005
Fund ownership None

Other Accounts the Portfolio Managers are Managing

The table below indicates for each portfolio manager information about the accounts over which the portfolio manager has day-to-day investment responsibility. All information on the number of accounts and total assets in the table is as of December 31, 2005. For purposes of the table, Other Pooled Investment Vehicles may include investment partnerships and group trusts, and Other Accounts may include separate accounts for institutions or individuals, insurance company general or separate accounts, pension funds and other similar institutional accounts.

PORTFOLIO MANAGER	OTHER ACCOUNTS MANAGED BY THE PORTFOLIO MANAGERS
Barry H. Evans, CFA	Other Investment Companies: 12 funds with assets of approximately $5.5 billion. Other Pooled Investment Vehicles: 1 account with assets of approximately $41.7 million. Other Accounts: 1,060 accounts with assets of approximately $5.4 billion.
Jeffrey N. Given, CFA	Other Investment Companies: 3 funds with assets of approximately $820 million. Other Pooled Investment Vehicles: None Other Accounts: 1 account with assets of

approximately $1.5 million.

Howard C. Greene, CFA	Other Investment Companies: 2 funds with assets of approximately $1.2 billion. Other Pooled Investment Vehicles: none Other Accounts: 28 accounts with assets of approximately $6.4 billion.

Neither the Adviser nor Sub-Adviser receive a fee based upon the investment performance of any of the accounts included under Other Accounts Managed by the Portfolio Managers in the table above, except that, with respect to Mr. Evans, the Sub-Adviser receives a performance-based fee with respect to one (1) Other Account with total assets of approximately $404 million.

When a portfolio manager is responsible for the management of more than one account, the potential arises for the portfolio manager to favor one account over another. For the reasons outlined below, the Fund does not believe that any material conflicts are likely to arise out of a portfolio managers responsibility for the management of the Fund as well as one or more other accounts. The Adviser and the Sub-Adviser have adopted procedures, overseen by the Chief Compliance Officer, that are intended to monitor compliance with the policies referred to in the following paragraphs.

* The Sub-Adviser has policies that require a portfolio manager to allocate investment opportunities in an equitable manner and generally to allocate such investments proportionately among all accounts with similar investment objectives.

* When a portfolio manager intends to trade the same security for more than one account, the policies of the Sub-Adviser generally require that such trades for the individual accounts are aggregated so each account receives the same price. Where not possible or may not result in the best possible price, the Sub-Adviser will place the order in a manner intended to result in as favorable a price as possible for such client.

* The investment performance on specific accounts is not a factor in determining the portfolio managers compensation. See Compensation of Portfolio Managers below. Neither the Adviser nor the Sub-Adviser receives a performance-based fee with respect to other accounts managed by the Funds portfolio managers.

* The Sub-Adviser imposes certain trading restrictions and reporting requirements for accounts in which a portfolio manager or certain family members have a personal interest in order to confirm that such accounts are not favored over other accounts.

* The Sub-Adviser seeks to avoid portfolio manager assignments with potentially conflicting situations. However, where a portfolio manager is responsible for accounts with differing investment objectives and policies, it is possible that the portfolio manager will conclude that it is in the best interest of one account to sell a portfolio security while another account continues to hold or increase the holding in such security.

Compensation of Portfolio Managers

The Sub-Adviser has adopted a system of compensation for portfolio managers and others involved in the investment process that is applied consistently among investment professionals. At the Sub-Adviser, the structure of compensation of investment professionals is currently comprised of the following basic components: fixed base salary, and an annual investment bonus plan, as well as customary benefits that are offered generally to all full-time employees of the Sub-Adviser. A limited number of senior portfolio managers, who serve as officers of both the Sub-Adviser and its parent company, may also receive options or restricted stock grants of common shares of Manulife Financial.

Only investment professionals are eligible to participate in the Investment Bonus Plan on an annual basis. While the amount of any bonus is discretionary, the following factors are generally used in determining bonuses: 1) The investment performance of all accounts managed by the investment professional over one and three- year periods are considered. The pre-tax performance of each account is measured relative to an appropriate peer group benchmark. 2) The profitability of the Sub-Adviser and its parent company are also considered in determining bonus awards, with greater emphasis placed upon the profitability of the Adviser. 3) The more intangible contributions of an investment professional to the Sub-Adviser's business, including the investment professional's support of sales activities, new fund/strategy idea generation, professional growth and development, and management, where applicable, are evaluating in determining the amount of any bonus award.

While the profitability of the Sub-Adviser and the investment performance of the accounts that the investment professionals maintain are factors in determining an investment professional's overall compensation, the investment professional's compensation is not linked directly to the net asset value of any fund.

TRUSTEES

& OFFICERS

This chart provides information about the Trustees and Officers who oversee your John Hancock fund. Officers elected by the Trustees manage the day-to-day operations of the Fund and execute policies formulated by the Trustees.

Independent Trustees

Name, age ***Position(s) held with Fund*** **Principal occupation(s) and other directorships during past 5 years**	**Trustee of Fund since[1]**	**Number of John Hancock funds overseen by Trustee**
Ronald R. Dion, Born: 1946 *Independent Chairman (since 2005);* Chairman and Chief Executive Officer, R.M. Bradley & Co., Inc.; Director, The New England Council and Massachusetts Roundtable; Trustee, North Shore Medical Center; Director, Boston Stock Exchange; Director, BJ's Wholesale Club, Inc. and a corporator of the Eastern Bank; Trustee, Emmanuel College; Director, Boston Municipal Research Bureau; Member of the Advisory Board, Carroll Graduate School of Management at Boston College.	2005	53
James F. Carlin, Born: 1940 Director and Treasurer, Alpha Analytical Inc. (analytical laboratory) (since 1985); Part Owner and Treasurer, Lawrence Carlin Insurance Agency, Inc. (since 1995); Part Owner and Vice President, Mone Lawrence Carlin Insurance Agency, Inc. (since 1996); Director and Treasurer, Rizzo Associates (engineering) (until 2000); Chairman and CEO, Carlin Consolidated, Inc. (management/investments) (since 1987); Director and Partner, Proctor Carlin & Co., Inc. (until 1999); Trustee, Massachusetts Health and Education Tax Exempt Trust (since 1993); Director of the following: Uno Restaurant Corp. (until 2001), Arbella Mutual (insurance) (until 2000), HealthPlan Services, Inc. (until 1999), Flagship Healthcare, Inc. (until 1999), Carlin Insurance Agency, Inc. (until 1999); Chairman, Massachusetts	2005	53

Board of Higher Education (until 1999).		
Richard P. Chapman, Jr.,[2] Born: 1935 President and Chief Executive Officer, Brookline Bancorp Inc. (lending) (since 1972); Director, Lumber Insurance Co. (insurance) (until 2000); Chairman and Director, Northeast Retirement Services, Inc. (retirement administration) (since 1998).	1975	53
William H. Cunningham, Born: 1944 Former Chancellor, University of Texas System and former President of the University of Texas, Austin, Texas; Chairman and CEO, IBT Technologies (until 2001); Director of the following: Hire.com (until 2004), STC Broadcasting, Inc. and Sunrise Television Corp. (until 2001), Symtx, Inc. (electronic manufacturing) (since 2001), Adorno/Rogers Technology, Inc. (until 2004), Pinnacle Foods Corporation (until 2003), rateGenius (until 2003), Jefferson-Pilot Corporation (diversified life insurance company), New Century Equity Holdings (formerly	2005	143

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Independent Trustees (continued)

Name, age ***Position(s) held with Fund*** **Principal occupation(s) and other directorships during past 5 years**	**Trustee of Fund since[1]**	**Number of John Hancock funds overseen by Trustee**
William H. Cunningham, Born: 1944 (continued) Billing Concepts) (until 2001), eCertain (until 2001), ClassMap.com (until 2001), Agile Ventures (until 2001), AskRed.com (until 2001), Southwest Airlines, Introgen and Viasystems, Group, Inc. (electronic manufacturer) (until 2003); Advisory Director, Interactive Bridge, Inc. (college fundraising) (until 2001); Advisory Director, Q Investments (until 2003); Advisory Director, JP Morgan Chase Bank (formerly Texas Commerce Bank Austin), LIN Television (since 2002), WilTel Communications (until 2003) and Hayes Lemmerz International, Inc. (diversified automotive parts supply company) (since 2003).	2005	143
Charles L. Ladner,[2] Born: 1938 Chairman and Trustee, Dunwoody Village, Inc. (retirement services) (until 2003); Senior Vice President and Chief Financial Officer, UGI Corporation (public utility holding company) (retired 1998); Vice President and Director for AmeriGas, Inc. (retired 1998); Director of AmeriGas Partners, L.P. (until 1997) (gas distribution); Director, EnergyNorth, Inc. (until 1995); Director, Parks and History Association (since 2001).	2004	143
John A. Moore,[2] Born: 1939 President and Chief Executive Officer, Institute for Evaluating Health Risks, (nonprofit institution) (until 2001); Chief Scientist, Sciences International (health	1996	53

research) (until 2003); Principal, Hollyhouse (consulting) (since 2000); Director, CIIT (nonprofit research) (since 2002).		
Patti McGill Peterson,[2] Born: 1943 Executive Director, Council for International Exchange of Scholars and Vice President, Institute of International Education (since 1998); Senior Fellow, Cornell Institute of Public Affairs, Cornell University (until 1998); Former President of Wells College and St. Lawrence University; Director, Niagara Mohawk Power Corporation (until 2003); Director, Ford Foundation, International Fellowships Program (since 2002); Director, Lois Roth Endowment (since 2002); Director, Council for International Educational Exchange (since 2003).	1996	53
Steven R. Pruchansky, Born: 1944 Chairman and Chief Executive Officer, Greenscapes of Southwest Florida, Inc. (since 2000); Director and President, Greenscapes of Southwest Florida, Inc. (until 2000); Managing Director, JonJames, LLC (real estate) (since 2001); Director, First Signature Bank & Trust Company (until 1991); Director, Mast Realty Trust (until 1994); President, Maxwell Building Corp. (until 1991).	2005	53

Non-Independent Trustee[3]

Name, age ***Position(s) held with Fund*** **Principal occupation(s) and other directorships during past 5 years**	**Trustee of Fund since**[1]	**Number of John Hancock funds overseen by Trustee**
James R. Boyle, Born: 1959 President, John Hancock Annuities; Executive Vice President, John Hancock Life Insurance Company (since June, 2004); Chairman and Director, John Hancock Advisers, LLC (the "Adviser"); John Hancock Funds, LLC ("John Hancock Funds") and The Berkeley Financial Group, LLC ("The Berkeley Group") (holding company) (since 2005); President, U.S. Annuities; Senior Vice President, The Manufacturers Life Insurance Company (U.S.A.) (prior to 2004).	2005	237

Principal officers who are not Trustees

Name, age ***Position(s) held with Fund*** **Principal occupation(s) and directorships during past 5 years**	**Officer of Fund since**
Keith F. Hartstein, Born: 1956 *President and Chief Executive Officer* Senior Vice President, Manulife Financial Corporation (since 2004); Director, President and Chief Executive Officer, the Adviser and The Berkeley Group; Director, President and Chief Executive Officer, John Hancock Funds; Director,	2005

President and Chief Executive Officer, Sovereign Asset Management LLC
(Sovereign); Director, John Hancock Signature Services, Inc.; President, John
Hancock Trust; Chairman and President, NM Capital Management, Inc. (NM
Capital) (since 2005); Chairman, Investment Company Institute Sales Force
Marketing Committee (since 2003); Executive Vice President, John Hancock
Funds (until 2005).

William H. King, Born: 1952 — 1988

Vice President and Treasurer

Vice President and Assistant Treasurer, the Adviser; Vice President and Treasurer of each of the John Hancock funds advised by the Adviser; Assistant Treasurer of each of the John Hancock funds (until 2001).

Francis V. Knox, Jr., Born: 1947 — 2005

Vice President and Chief Compliance Officer

Vice President and Chief Compliance Officer for John Hancock Investment Company, John Hancock Life Insurance Company (U.S.A.), John Hancock Life Insurance Company and John Hancock Funds (since 2005); Vice President and Assistant Treasurer, Fidelity Group of Funds (until 2004); Vice President and Ethics & Compliance Officer, Fidelity Investments (until 2001).

John G. Vrysen, Born: 1955 — 2005

Executive Vice President and Chief Financial Officer; Director, the Adviser, The Berkeley Group and John Hancock Funds.

Executive Vice President and Chief Financial Officer, the Adviser, Sovereign, The Berkeley Group and John Hancock Funds (since 2005); Vice President and General Manager, Fixed Annuities, U.S. Wealth Management (until 2005); Vice President, Operations, Manulife Wood Logan (July 2000 thru September 2004).

Notes to Trustees and Officers pages

The business address for all Trustees and Officers is 601 Congress Street, Boston, Massachusetts 02210-2805.

The Statement of Additional Information of the Fund includes additional information about members of the Board of Trustees of the Fund and is available, without charge, upon request, by calling 1-800-225-5291.

[1] Each Trustee serves until resignation, retirement age or until his or her successor is elected.

[2] Member of Audit Committee.

[3] Non-independent Trustees hold positions with the Funds investment adviser, underwriter and certain other affiliates.

For more information

The Fund's proxy voting policies, procedures and records are available without charge, upon request:

By phone
1-800-225-5291

On the Fund's Web site
www.jhfunds.com/proxy

On the SEC's Web site
www.sec.gov

Investment adviser
John Hancock Advisers, LLC
601 Congress Street
Boston, MA 02210-2805

Subadviser
Sovereign Asset Management
LLC
101 Huntington Avenue
Boston, MA 02199

Custodian
The Bank of New York
One Wall Street
New York, NY 10286

Transfer agent and registrar
Mellon Investor Services
Newport Office Center VII
480 Washington Boulevard
New York, NY 10286

Transfer agent for APS
Deutsche Bank Trust
Company Americas
280 Park Avenue
New York, NY 10017

Legal counsel
Wilmer Cutler Pickering
Hale and Dorr LLP
60 State Street
Boston, MA 02109-1803

Independent registered public accounting firm
PricewaterhouseCoopers LLP
125 High Street
Boston, MA 02110

Stock symbol
Listed New York Stock
Exchange:
JHS

For shareholder assistance
refer to page 34

How to contact us

Internet	www.jhfunds.com	
Mail	**Regular mail:** Mellon Investor Services Newport Office Center VII 480 Washington Boulevard Jersey City, NJ 07310	
Phone	Customer service representatives	**1-800-852-0218**
	Portfolio commentary	**1-800-344-7054**
	24-hour automated information	**1-800-843-0090**

TDD line	**1-800-231-5469**

A listing of month-end portfolio holdings is available on our Web site, www.jhfunds.com. A more detailed portfolio holdings summary is available on a quarterly basis 60 days after the fiscal quarter on our Web site or upon request by calling 1-800-225-5291, or on the Securities and Exchange Commissions Web site, www.sec.gov.

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1-800-852-0218
1-800-843-0090 EASI-Line
1-800-231-5469 (TDD)

www.jhfunds. com

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ITEM 2. CODE OF ETHICS.

As of the end of the period, December 31, 2005, the registrant has adopted a code of ethics, as defined in Item 2 of Form N-CSR, that applies to its Chief Executive Officer, Chief Financial Officer and Treasurer (respectively, the principal executive officer, the principal financial officer and the principal accounting officer, the Senior Financial Officers). A copy of the code of ethics is filed as an exhibit to this Form N-CSR.

The code of ethics was amended effective May 1, 2005 to address new Rule 204A-1 under the Investment Advisers Act of 1940 and to make other related changes.

The most significant amendments were:

(a) Broadening of the General Principles of the code to cover compliance with all federal securities laws.

(b) Eliminating the interim requirements (since the first quarter of 2004) for access persons to preclear their personal trades of John Hancock mutual funds. This was replaced by post-trade reporting and a 30 day hold requirement for all employees.

(c) A new requirement for heightened preclearance with investment supervisors by any access person trading in a personal position worth $100,000 or more.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Charles L. Ladner is the audit committee financial expert and is independent, pursuant to general instructions on Form N-CSR Item 3.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

(a) Audit Fees

The aggregate fees billed for professional services rendered by the principal accountant(s) for the audit of the registrant’s annual financial statements or services that are normally provided by the accountant(s) in connection with statutory and regulatory filings or engagements amounted to $32,500 for the fiscal year ended December 31, 2004 and $34,535 for the fiscal year ended December 31, 2005. These fees were billed to the registrant and were approved by the registrant’s audit committee.

(b) Audit-Related Services

There were no audit-related fees during the fiscal year ended December 31, 2004 and fiscal year ended December 31, 2005 billed to the registrant or to the registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the registrant ("control affiliates").

(c) Tax Fees

The aggregate fees billed for professional services rendered by the principal accountant(s) for the tax compliance, tax advice and tax planning (“tax fees”) amounted to $4,200 for the fiscal year ended December 31, 2004 and $4,400 for the fiscal year ended December 31, 2005. The nature of the services comprising the tax fees was the review of the registrant’s income tax returns and tax distribution requirements. These fees were billed to the registrant and were approved by the registrant’s audit committee. There were no tax fees billed to the control affiliates.

(d) All Other Fees

The all other fees billed to the registrant for products and services provided by the principal accountant were $3,100 for the fiscal year ended December 31, 2004 and $3,100 for the fiscal year ended December 31, 2005. There were no other fees during the fiscal year ended December 31, 2004 and December 31, 2005 billed to control affiliates for products and services provided by the principal accountant. The nature of the services comprising the all other fees was related to the principal accountant’s report on the registrant’s Eligible Asset Coverage. These fees were approved by the registrant’s audit committee.

(e)(1) See attachment "Approval of Audit, Audit-related, Tax and Other Services", with the audit committee pre-approval policies and procedures.

(e)(2) There were no fees that were approved by the audit committee pursuant to the de minimis exception for the fiscal years ended December 31, 2004 and December 31, 2005 on behalf of the registrant or on behalf of the control affiliates that relate directly to the operations and financial reporting of the registrant.

(f) According to the registrant’s principal accountant, for the fiscal year ended December 31, 2005, the percentage of hours spent on the audit of the registrant's financial statements for the most recent fiscal year that were attributed to work performed by persons who were not full-time, permanent employees of principal accountant was less than 50%.

(g) The aggregate non-audit fees billed by the registrant's accountant(s) for services rendered to the registrant and rendered to the registrant's control affiliates for each of the last two fiscal years of the registrant were $120,662 for the fiscal year ended December 31, 2004, and $29,500 for the fiscal year ended December 31, 2005.

(h) The audit committee of the registrant has considered the non-audit services provided by the registrant’s principal accountant(s) to the control affiliates and has determined that the services that were not pre-approved are compatible with maintaining the principal accountant(s)' independence.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

The registrant has a separately-designated standing audit committee comprised of independent trustees. The members of the audit committee are as follows:

Dr. John A. Moore - Chairman
Richard P. Chapman, Jr.
Charles L. Ladner
Patti McGill Peterson

ITEM 6. SCHEDULE OF INVESTMENTS.

Not applicable.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

See attached Exhibit Proxy Voting Policies and Procedures.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

(a) Management Biographies and Fund ownership

Below is an alphabetical list of the portfolio managers who share joint responsibility for the day-to-day investment management of the Fund. It provides a brief summary of their business careers over the past five years and their range of beneficial share ownership in the Fund as of December 31, 2005.

Barry H. Evans, CFA
Senior Vice President, Sovereign Asset Management LLC since 2005
Senior Vice President, John Hancock Advisers LLC (1986-2005)
Began business career in 1986
Joined fund team in 2002
Fund ownership - None

Jeffrey N. Given, CFA
Second Vice President, Sovereign Asset Management LLC since 2005
Second Vice President, John Hancock Advisers LLC (1993-2005)
Began business career in 1993
Joined fund team in 1999
Fund ownership - $1-$10,000

Howard C. Greene, CFA
Senior Vice President, Sovereign Asset Management LLC since 2005
Senior Vice President, John Hancock Advisers LLC (2002-2005)
Vice President at Sun Life Financial Services Company of Canada (1987-2002)
Began business career in 1979
Joined fund team in 2005
Fund ownership - None

(b) Other Accounts the Portfolio Managers are Managing

The table below indicates for each portfolio manager information about the accounts over which the portfolio manager has day-to-day investment responsibility. All information on the number of accounts and total assets in the table is as of December 31, 2005. For purposes of the table, Other Pooled Investment Vehicles may include investment partnerships and group trusts, and Other Accounts may include separate accounts for institutions or individuals, insurance company general or separate accounts, pension funds and other similar institutional accounts.

PORTFOLIO MANAGER	OTHER ACCOUNTS MANAGED BY THE PORTFOLIO MANAGERS
Barry H. Evans, CFA	Other Investment Companies: 12 funds with assets of approximately $5.5 billion. Other Pooled Investment Vehicles: 1 account with assets of approximately $41.7 million. Other Accounts: 1,060 accounts with assets of approximately $5.4 billion.
Jeffrey N. Given, CFA	Other Investment Companies: 3 funds with assets of approximately $820 million. Other Pooled Investment Vehicles: None Other Accounts: 1 account with assets of approximately $1.5 million.
Howard C. Greene, CFA	Other Investment Companies: 2 funds with assets of approximately $1.2 billion. Other Pooled Investment Vehicles: none Other Accounts: 28 accounts with assets of approximately $6.4 billion.

(c) Neither the Adviser nor Sub-Adviser receive a fee based upon the investment performance of any of the accounts included under “Other Accounts Managed by the Portfolio Managers” in the table above, except that, with respect to Mr. Evans, the Sub-Adviser receives a performance-based fee with respect to one (1) Other Account with total assets of approximately $404 million.

When a portfolio manager is responsible for the management of more than one account, the potential arises for the portfolio manager to favor one account over another. For the reasons outlined below, the Fund does not believe that any material conflicts are likely to arise out of a portfolio manager’s responsibility for the management of the Fund as well as one or more other accounts. The Adviser and the Sub-Adviser have adopted procedures, overseen by the Chief Compliance Officer, that are intended to monitor compliance with the policies referred to in the following paragraphs.

* The Sub-Adviser has policies that require a portfolio manager to allocate investment opportunities in an equitable manner and generally to allocate such investments proportionately among all accounts with similar investment objectives.

* When a portfolio manager intends to trade the same security for more than one account, the policies of the Sub-Adviser generally require that such trades for the individual accounts are aggregated so each account receives the same price. Where not possible or may not result in the best possible price, the Sub-Adviser will place the order in a manner intended to result in as favorable a price as possible for such client.

* The investment performance on specific accounts is not a factor in determining the portfolio manager’s compensation. See “Compensation of Portfolio Managers” below. Neither the Adviser nor the Sub-Adviser receives a performance-based fee with respect to other accounts managed by the Fund’s portfolio managers.

* The Sub-Adviser imposes certain trading restrictions and reporting requirements for accounts in which a portfolio manager or certain family members have a personal interest in order to confirm that such accounts are not favored over other accounts.

* The Sub-Adviser seeks to avoid portfolio manager assignments with potentially conflicting situations. However, where a portfolio manager is responsible for accounts with differing investment objectives and policies, it is possible that the portfolio manager will conclude that it is in the best interest of one account to sell a portfolio security while another account continues to hold or increase the holding in such security.

(d) Compensation of Portfolio Managers

The Sub-Adviser has adopted a system of compensation for portfolio managers and others involved in the investment process that is applied consistently among investment professionals. At the Sub-Adviser, the structure of compensation of investment professionals is currently comprised of the following basic components: fixed base salary, and an annual investment bonus plan, as well as customary benefits that are offered generally to all full-time employees of the Sub-Adviser. A limited number of senior portfolio managers, who serve as officers of both the Sub-Adviser and its parent company, may also receive options or restricted stock grants of common shares of Manulife Financial.

Only investment professionals are eligible to participate in the Investment Bonus Plan on an annual basis. While the amount of any bonus is discretionary, the following factors are generally used in determining bonuses: 1) The investment performance of all accounts managed by the investment professional over one and three- year periods are considered. The pre-tax performance of each account is measured relative to an appropriate peer group benchmark.

2) The profitability of the Sub-Adviser and its parent company are also considered in determining bonus awards, with greater emphasis placed upon the profitability of the Adviser.

3) The more intangible contributions of an investment professional to the Sub-Adviser’s business, including the investment professional’s support of sales activities, new fund/strategy idea generation, professional growth and development, and management, where applicable, are evaluating in determining the amount of any bonus award.

While the profitability of the Sub-Adviser and the investment performance of the accounts that the investment professionals maintain are factors in determining an investment professional’s overall compensation, the investment professional’s compensation is not linked directly to the net asset value of any fund.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Not applicable.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There were no material changes to previously disclosed John Hancock Funds - Administration Committee Charter and John Hancock Funds - Governance Committee Charter.

ITEM 11. CONTROLS AND PROCEDURES.

(a) Based upon their evaluation of the registrant's disclosure controls and procedures as conducted within 90 days of the filing date of this Form N-CSR, the registrant's principal executive officer and principal financial officer have concluded that those disclosure controls and procedures provide reasonable assurance that the material information required to be disclosed by the registrant on this report is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

(b) There were no changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal half-year (the registrant's second fiscal half-year in the case of an annual report) that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 12. EXHIBITS.

(a)(1) Code of Ethics for Senior Financial Officers is attached.

(a)(2) Separate certifications for the registrant's principal executive officer and principal financial officer, as required by Section 302 of the Sarbanes-Oxley Act of 2002 and Rule 30a-2(a) under the Investment Company Act of 1940, are attached.

(b) Separate certifications for the registrant's principal executive officer and principal financial officer, as required by 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and Rule 30a-2(b) under the Investment Company Act of 1940, are attached. The certifications furnished pursuant to this paragraph are not deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section. Such certifications are not deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that the Registrant specifically incorporates them by reference.

(c)(1) Proxy Voting Policies and Procedures are attached.

(c)(2) Approval of Audit, Audit-related, Tax and Other Services is attached.

(c)(3) Contact person at the registrant.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

John Hancock Income Securities Trust

By: /s/ Keith F. Hartstein

Keith F. Hartstein
President and Chief Executive Officer

Date: February 27, 2006

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, 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/ Keith F. Hartstein

Keith F. Hartstein
President and Chief Executive Officer

Date: February 27, 2006

By: /s/ John G. Vrysen

John G. Vrysen
Executive Vice President and Chief Financial Officer

Date: February 27, 2006
