

HANCOCK JOHN INCOME SECURITIES TRUST /MA
Form N-30D
February 24, 2003

John Hancock
Income
Securities Trust

ANNUAL
REPORT

12.31.02

[A 2" x 1" John Hancock (Signature)/John Hancock Funds logo in lower,
center middle of page. A tag line below reads "JOHN HANCOCK FUNDS."]

[A photo of Maureen R. Ford, Vice Chairman and Chief Executive Officer,
in upper left-hand corner.]

WELCOME

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Dear Fellow Shareholders,

Investors were probably never happier to close out a year than they were in 2002, since it was the third consecutive year that the stock market declined -- something that hadn't occurred in 60 years. Driving the fall were fears of war, a weak economy, disappointing profits, rising oil prices and a string of corporate scandals. All market sectors and investment styles suffered. As a result, the broad Standard & Poor's 500 Index fell by 22.09% for the year, while the Dow Jones Industrial Average lost 15.05% and the technology laden Nasdaq Composite Index lost 31.53%.

Despite a fourth-quarter rally, only 3.8% of U.S. stock mutual funds made money last year, and the average U.S. stock fund lost 22.42%, according to Lipper, Inc. Bond Funds provided the only bright spot, producing mostly positive results, with the average long-term bond fund rising 7.9%. It was the third year in which bonds outperformed stocks and gained ground, confirming yet again the importance of having a

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portfolio well-diversified among stocks, bonds and cash.

In fact, the disparity between stock and bond results over the last three years means that many investors' portfolios may have shifted substantially in their mix between stocks and bonds. We recommend working with your investment professional to rebalance your assets according to your long-term goals.

After three down years, no one can predict when the bear market cycle will turn. Currently, uncertainties abound, as the good news seen in signs of improving economic and corporate data, and efforts by Washington to stimulate the economy, are offset by the possibility of war and other geopolitical risks.

While all these factors are beyond our control, investors can take charge of how they maneuver through the inevitable bull and bear market cycles. We've said it before, but it bears repeating: the key is to keep a long-term perspective and work with your investment professional to develop and maintain a properly diversified portfolio. We believe this offers the best protection in the tough times and the best means to reach your long-term goals.

Sincerely,

/S/ MAUREEN R. FORD

Maureen R. Ford,
Chairman and Chief Executive Officer

YOUR FUND
AT A GLANCE

The Fund seeks a high level of current income consistent with prudent investment risk by investing in a diversified portfolio of debt securities.

Over the last twelve months

- * Bonds gained ground for the third straight year as the U.S. economy weakened and interest rates declined.
- * Treasury and government bonds were the best performers, followed by corporate and mortgage-backed securities.
- * The Fund added mortgage-backed securities and lower-quality corporate bonds, which offered the best relative values and attractive yields.

[Bar chart with heading "John Hancock Income Securities Trust." Under the heading is a note that reads "Fund performance for the year ended December 31, 2002." The chart is scaled in increments of 2% with 0% at the bottom and 8% at the top. The first bar represents the 8.00% total return for John Hancock Income Securities Trust. A note below the chart reads "The total return for the Fund is at net asset value with all

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distributions reinvested."]

Top 10 issuers

20.3%	Federal National Mortgage Assn.
12.8%	United States Treasury
4.7%	Federal Home Loan Mortgage Corp.
2.9%	Government National Mortgage Assn.
1.6%	Financing Corp.
1.2%	CIT Group, Inc.
1.1%	Ford Motor Credit Co.
1.1%	NiSource Finance Corp.
1.1%	Household Finance Corp.
0.9%	Midland Funding Corp. II

As a percentage of net assets on December 31, 2002.

BY BARRY H. EVANS, CFA, JEFFREY N. GIVEN, CFA, AND DAWN M. BAILLIE,
PORTFOLIO MANAGERS

John Hancock
Income Securities Trust

MANAGERS' REPORT

With the recent retirement of James Ho, the Fund's day-to-day management has been assumed by other members of the team, including John Hancock's chief fixed-income officer Barry Evans, and Jeff Given and Dawn Baillie, both of whom have been with John Hancock for more than 10 years managing fixed-income investments.

In 2002, U.S. bonds gained ground for the third consecutive year as interest rates declined sharply. Bonds advanced as a blossoming economic recovery sputtered during the summer and hit another rough patch in the fourth quarter, prompting the Federal Reserve to cut interest rates for the 12th time in the past two years. Demand for bonds also got a boost from the faltering stock market, where depressed earnings and fraudulent financial reporting weakened investor confidence and chased many into the relative safety of bonds.

"In 2002, U.S. bonds
gained ground for the
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High-quality bonds benefited the most from the flight to safety. In particular, Treasury bonds were the best performers as yields fell to their lowest levels in more than 40 years. Corporate bonds struggled early in the year as corporate scandals and poor earnings led to some concerns about creditworthiness, but they outperformed during the last half of the year. Mortgage-backed securities trailed the rest of the bond market thanks to a huge wave of mortgage refinancing.

FUND PERFORMANCE

For the year ended December 31, 2002, John Hancock Income Securities Trust produced a total return of 8.00% at net asset value. The average closed-end BBB-rated corporate debt fund returned 7.53%, according to

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Lipper, Inc., while the Lehman Brothers Government/Credit Bond Index returned 11.04%.

[Photos of Barry Evans, Jeffrey Given and Dawn Baillie flush right next to first paragraph.]

PORTFOLIO THEMES

In the first half of the year, the Fund was positioned for an economic recovery that failed to materialize. More than half of the portfolio was invested in corporate bonds, with an emphasis on companies that would benefit the most from a rebounding economy, such as utilities, telecommunications and media. However, these sectors wrestled with overcapacity, competitive pressures, declining earnings and lingering fallout from the high-profile scandals at Enron, WorldCom and Adelphia.

"We were also able to add to the portfolio's yield by investing in preferred stocks."

In the summer and fall, we began to lower the portfolio's overall credit quality in anticipation of a recovery in the credit cycle. This strategy also allowed us to capture higher yields in a declining interest-rate environment and make some favorable relative-value trades -- selling bonds that had performed well in the first half of the year and buying securities that had underperformed. Accordingly, we reduced the Fund's holdings of Treasury bonds and higher-quality corporate bonds, and replaced them with lower-rated corporate bonds and mortgage-backed securities.

FINDING VALUE AMONG CORPORATE BONDS

As part of our trade down in the credit quality of the Fund's corporate bonds, we boosted the percentage of below-investment-grade securities (rated BB or lower) to 15% of the portfolio, up from around 10% at the beginning of the year. These "high-yield" bonds were the performance leaders in the bond market during the last few months of the year.

We found some of the best values in beaten-down sectors that were already prominently featured in the portfolio, such as utilities and telecom. Examples include Calpine and Mirant, two energy-trading companies, and some of the more liquid lower-rated telecom bonds, like Telus and Citizens Communications.

[Table at top left-hand side of page entitled "Top five sectors." The first listing is U.S. government agencies 30%, the second is U.S. government 13%, the third Utilities 8%, the fourth Finance 7%, and the fifth Media 5%.]

We also added to our cyclical and financial holdings. Cyclical bonds underperformed as the economy lost momentum at mid-year, so we snapped up the bonds of paper company Abitibi-Consolidated, nickel producer Inco, and petrochemical company Nova Chemicals, as well as TFM, a Mexican railroad company. Among financial companies, we added CIT Group, a diversified financial services firm that was spun off by Tyco in July, and Capital One, a bank with a sizable credit-card business.

[Pie chart in middle of page with heading "Portfolio diversification As a percentage of net assets on 12-31-02." The chart is divided into four sections (from top to left): Corporate bonds 53%, U.S. government & agency bonds 42%, Preferred stocks 4% and Short-term investments & other 1%.]

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SHIFTING INTO MORTGAGES

The other main shift occurred within the highest-quality portion of the portfolio. We took profits in some of the Fund's top-rated securities -- including Treasury bonds, asset-backed securities, and high-grade corporate bonds -- and invested the proceeds in mortgage-backed securities.

Mortgage-backed securities became attractive in late summer after struggling for much of the year. Mortgage bonds tend to perform best when interest rates are stable, but interest-rate volatility was high in 2002. In addition, the general decline in rates sparked a mortgage refinancing boom that also weighed on mortgage-backed securities.

[Table at top of page entitled "SCORECARD." The header for the left column is "INVESTMENT" and the header for the right column is "RECENT PERFORMANCE...AND WHAT'S BEHIND THE NUMBERS." The first listing is NiSource followed by an up arrow with the phrase "Indiana utility reduced leverage by issuing equity." The second listing is Household Finance followed by an up arrow with the phrase "Sub-prime lender acquired by HSBC." The third listing is Calpine followed by a down arrow with the phrase "Energy generator hurt by high debt and excess capacity."]

We also traded into mortgage-backed securities carrying current interest rates, which are historically low. Emphasizing lower-coupon mortgages enabled the Fund to maintain its income stream and avoid any adverse impact from the heavy refinancing activity that occurred in the fall.

"We expect interest rates to rise slightly but remain in a fairly narrow range during the first half of 2003."

ADDING YIELD WITH PREFERRED STOCKS

We were also able to add to the portfolio's yield by investing in preferred stocks. In recent months, the preferred shares of many companies offered dividend yields that were two to three percentage points higher than prevailing corporate bond yields. Although the Fund's position in preferred stocks is small, it has boosted the Fund's income level. We focused on the preferred stocks of utilities and financial companies.

OUTLOOK

We expect interest rates to rise slightly but remain in a fairly narrow range during the first half of 2003. Although economic conditions are likely to improve, we think growth will be moderate and that inflation will remain low, keeping the Fed out of the picture. With corporate scandals fading and a potential U.S.-Iraq war already factored into the market, the flight-to-quality demand for Treasury bonds is likely to run dry. Our strategy emphasizing mortgage-backed securities and higher-yielding corporate bonds would fare well in a stable rate environment.

This commentary reflects the views of the portfolio managers through the end of the Fund's period discussed in this report. Of course, the managers' views are subject to change as market and other conditions warrant.

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FUND'S
INVESTMENTS

Securities owned
by the Fund on
December 31, 2002

This schedule is divided into three main categories: publicly traded bonds, preferred stocks and short-term investments. Publicly traded bonds are further broken down by industry group. Short-term investments, which represent the Fund's cash position, are listed last.

ISSUER, DESCRIPTION, MATURITY DATE	INTEREST RATE	CREDIT RATING*	PAR V (000s OMI
PUBLICLY TRADED BONDS 95.08%			
(Cost \$164,622,713)			
Aerospace 0.69%			
Jet Equipment Trust, Equipment Trust Ctf Ser 95B2 08-15-14 (R)	10.910%	CC	
Raytheon Co., Note 03-01-10	8.300	BBB-	1
Automobile / Trucks 0.62%			
ERAC USA Finance Co., Note 06-15-08 (R)	7.350	BBB+	
Note 12-15-09 (R)	7.950	BBB+	
Hertz Corp., Sr Note 06-01-12	7.625	BBB	
Banks 3.10%			
Bank of New York, Cap Security 12-01-26 (R)	7.780	A-	
Barclays Bank Plc, Perpetual Bond (6.86% to 6-15-32 then variable) (United Kingdom) 06-15-49 (R)	6.860	A+	
Capital One Bank, Note 07-30-04	6.500	BBB-	1
Sr Note 02-01-06	6.875	BBB-	
Royal Bank of Scotland Group Plc, Bond (United Kingdom) 03-31-49	8.817	A-	
Perpetual Bond (7.648% to 09-30-31 then variable) (United Kingdom) 08-31-49	7.648	A-	
UBS Preferred Funding Trust I, Perpetual Bond (8.622% to 10-01-10 then variable) 10-01-49	8.622	AA-	1
Zions Financial Corp., Gtd Note (6.95% to 05-15-06 then variable) 05-15-11	6.950	BBB-	
Building 0.19%			
Toll Brothers, Inc., Note 11-15-12 (R)	6.875	BBB-	
Business Services -- Misc. 0.48%			
Cendant Corp., Note 08-15-06	6.875	BBB	

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Chemicals 0.31%		
Equistar Chemicals L.P./Equistar Funding Corp., Note 02-15-04	8.500	BB
Lyondell Chemical Co., Sr Sec Note 12-15-08	9.500	BB
Computers 0.23%		
NCR Corp., Note 06-15-09 (R)	7.125	BBB-
Electronics 0.38%		
UCAR Finance, Inc., Gtd Sr Note 02-15-12	10.250	B
Energy 0.74%		
CalEnergy Co., Inc., Sr Bond 09-15-28	8.480	BBB-
Sr Note 10-15-07	7.630	BBB-
P&L Coal Holdings Corp., Sr Sub Note Ser B 05-15-08	9.625	B+
Finance 7.19%		
CIT Group, Inc., Med Term Note 12-08-03	5.570	A
Sr Note 04-02-07	7.375	A
Conseco Finance Securitizations Corp., Pass Thru Ctf Ser 2002-A Class A-3 04-15-32	5.330	AAA
Ford Motor Credit Co., Note 02-01-06	6.875	BBB
Note 10-28-09	7.375	BBB
General Motors Acceptance Corp., Note 08-28-07	6.125	BBB
Note 08-28-12	6.875	BBB
Household Finance Corp., Note 07-15-06	7.200	A-
Note 05-15-11	6.750	A-
Note 11-27-12	6.375	A-
ING Capital Funding Trust III, Perpetual Bond (8.439% to 12-31-10 then variable) 12-31-49	8.439	A-
MBNA America Bank N.A., Sub Note 11-15-12	7.125	BBB
MDP Acquisitions Plc, Sr Note (Ireland) 10-01-12 (R)	9.625	B
Morgan Stanley & Co., Inc., Traded Custody Receipts 06-15-12 (R)	6.799	Baa1
Newcourt Credit Group, Inc., Note Ser B (Canada) 02-16-05	6.875	A
PDVSA Finance Ltd., Note (Cayman Islands) 11-16-12	8.500	BB
Sears Roebuck Acceptance Corp., Note 04-15-12	6.700	A-
Yanacochoa Receivables Master Trust, Pass Thru Ctf Ser 1997-A 06-15-04 (R)	8.400	BBB-
Food 0.52%		
ConAgra Foods, Inc., Sub Note 09-15-04	7.400	BBB
Corn Products International, Inc., Sr Note 08-15-09	8.450	BBB-
Government -- U.S. 12.75%		

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United States Treasury,			
Bond 08-15-17	8.875	AAA	1
Bond 05-15-18	9.125	AAA	
Bond 08-15-25	6.875	AAA	4
Bond 02-15-31	5.375	AAA	9
Note 08-15-09	6.000	AAA	2
Note 11-15-12	4.000	AAA	1
Government -- U.S. Agencies 29.54%			
Federal Home Loan Mortgage Corp.,			
20 Yr Pass Thru Ctf 01-01-16	11.250	AAA	
30 Yr Pass Thru Ctf 08-01-32+	6.500	AAA	2
30 Yr Pass Thru Ctf 09-01-32	6.500	AAA	
CMO REMIC 2479-TB 11-15-11	5.000	AAA	
CMO REMIC 2479-PM 07-15-21	5.000	AAA	1
CMO REMIC 2496-PE 07-15-31	5.500	AAA	
CMO REMIC 2469-PB 12-15-25	6.000	AAA	1
CMO REMIC 2367-PJ 03-15-27	6.000	AAA	
CMO REMIC 2469-PD 12-15-30	6.000	AAA	
Federal National Mortgage Assn.,			
15 Yr Pass Thru Ctf 02-01-08	7.500	AAA	
15 Yr Pass Thru Ctf 09-01-10	7.000	AAA	
15 Yr Pass Thru Ctf 09-01-12	7.000	AAA	
15 Yr Pass Thru Ctf 12-01-14	5.500	AAA	
15 Yr Pass Thru Ctf 01-01-16+	5.500	AAA	6
15 Yr Pass Thru Ctf 04-01-17	7.000	AAA	
15 Yr Pass Thru Ctf 01-01-18+	5.000	AAA	1
30 Yr Pass Thru Ctf 10-01-23	7.000	AAA	
30 Yr Pass Thru Ctf 01-01-30+	6.000	AAA	12
30 Yr Pass Thru Ctf 02-01-32	7.000	AAA	
30 Yr Pass Thru Ctf 04-01-32	7.000	AAA	1
30 Yr Pass Thru Ctf 05-01-32	7.000	AAA	2
30 Yr Pass Thru Ctf 06-01-32	6.500	AAA	1
30 Yr Pass Thru Ctf 07-01-32	6.500	AAA	1
30 Yr Pass Thru Ctf 07-01-32	6.500	AAA	
30 Yr Pass Thru Ctf 11-01-32	6.500	AAA	1
30 Yr Pass Thru Ctf 01-01-33+	5.500	AAA	
30 Yr Pass Thru Ctf 02-01-33+	5.500	AAA	
CMO REMIC 2002-55-QB 08-25-12	5.500	AAA	1
CMO REMIC 2002-73-PE 10-25-31	5.500	AAA	1
Pass Thru Ctf Ser 1997-M8 Class A-1 01-25-22	6.940	AAA	
Financing Corp.,			
Bond 02-08-18	9.400	AAA	2
Government National Mortgage Assn.,			
30 Yr Pass Thru Ctf 01-15-32+	6.000	AAA	1
30 Yr Pass Thru Ctf 09-15-28 to 12-15-31	6.500	AAA	2
30 Yr Pass Thru Ctf 07-15-31 to 03-15-32	7.000	AAA	1
30 Yr Pass Thru Ctf 04-15-21	9.000	AAA	
30 Yr Pass Thru Ctf 11-15-19 to 02-15-25	9.500	AAA	
30 Yr Pass Thru Ctf 11-15-20	10.000	AAA	
Insurance 1.41%			
Equitable Life Assurance Society USA,			
Surplus Note 12-01-05 (R)	6.950	A+	
Massachusetts Mutual Life Insurance Co.,			
Surplus Note 11-15-23 (R)	7.625	AA	
MONY Group, Inc. (The),			
Sr Note 12-15-05	7.450	BBB+	
Sun Canada Financial Co.,			
Sub Note 12-15-07 (R)	6.625	AA-	
URC Holdings Corp.,			
Sr Note 06-30-06 (R)	7.875	AA	

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Leisure 1.61%		
Argosy Gaming Co., Sr Sub Note 09-01-11	9.000	B+
Harrah's Operating Co., Inc., Sr Sub Note 12-15-05	7.875	BB+
HMH Properties, Inc., Sr Note Ser A 08-01-05	7.875	BB-
Hyatt Equities LLC, Note 06-15-07 (R)	6.875	BBB
Waterford Gaming LLC Sr Note 03-15-10 (R)	9.500	B+
Wynn Las Vegas LLC, 2nd Mtg Note 11-01-10	12.000	CCC+
Machinery 0.24%		
Kennametal, Inc., Sr Note 06-15-12	7.200	BBB
Media 5.38%		
AOL Time Warner, Inc., Deb 04-15-31	7.625	BBB+
AT&T Broadband Corp., Gtd Note 03-15-13	8.375	BBB
British Sky Broadcasting Group Plc, Sr Note (United Kingdom) 07-15-09	8.200	BB+
Clear Channel Communications, Inc., Note 06-15-05	7.875	BBB-
Continental Cablevision, Inc., Sr Note 05-15-06	8.300	BBB
Cox Communications, Inc., Note 08-15-04	7.500	BBB
CSC Holdings, Inc., Sr Sub Deb 05-15-16	10.500	B+
EchoStar DBS Corp., Sr Note 02-01-09	9.375	B+
Garden State Newspapers, Inc., Sr Sub Note 07-01-11	8.625	B+
Grupo Televisa SA, Note (Mexico) 09-13-11	8.000	BBB-
Sr Note (Mexico) 03-11-32	8.500	BBB-
Lenfest Communications, Inc., Sr Note 11-01-05	8.375	BBB
News America Holdings, Inc., Gtd Sr Deb 02-15-05	8.500	BBB-
Gtd Sr Deb 08-10-18	8.250	BBB-
Rogers Cablesystems Ltd., Gtd Note (Canada) 12-01-07	10.000	BBB-
Sr Note Ser B (Canada) 03-15-05	10.000	BBB-
TCI Communications, Inc., Sr Deb 02-01-12	9.800	BBB
Sr Deb 02-15-26	7.875	BBB
Time Warner, Inc., Deb 01-15-13	9.125	BBB+
USA Interactive, Note 01-15-13 (R)	7.000	BBB-
Medical 0.87%		
Columbia/HCA Healthcare Corp., Note 07-01-07	7.000	BBB-
HCA - The Healthcare Co., Note 06-01-06	7.125	BBB-

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Note 09-01-10	8.750	BBB-	
Quest Diagnostics, Inc.,			
Sr Note 07-12-06	6.750	BBB-	
Triad Hospitals, Inc.,			
Sr Note 05-01-09	8.750	B-	
Metal 0.85%			
Great Central Mines Ltd.,			
Sr Note (Australia) 04-01-08	8.875	BBB-	
Inco Ltd.,			
Bond (Canada) 09-15-32	7.200	BBB-	
Newmont Mining Corp.,			
Note 05-15-11	8.625	BBB	
Mortgage Banking 2.95%			
Commercial Mortgage Acceptance Corp.,			
Commercial Mtg Pass Thru Ctf Ser 1999-C1			
Class A-1 06-15-31	6.790	Aaa	
ContiMortgage Home Equity Loan Trust,			
Home Equity Pass Thru Ctf Ser 1995-2			
Class A-5 08-15-25	8.100	AAA	
Credit Suisse First Boston Mortgage Securities Corp.,			
Commercial Mtg Pass Thru Ctf Ser 1998-C1			
Class A-1A 05-17-40	6.260	AAA	
Deutsche Mortgage & Asset Receiving Corp.,			
Commercial Mtg Pass Thru Ctf Ser 1998-C1			
Class C 06-15-31	6.861	A2	
First Union National Bank-Chase Manhattan Bank			
Commercial Mortgage Trust,			
Commercial Mtg Pass Thru Ctf Ser 1999-C2			
Class A-1 06-15-31	6.360	Aaa	
GMAC Commercial Mortgage Securities, Inc.,			
Mtg Pass Thru Ctf Ser 1998-C1 Class A-1 05-15-30	6.853	Aaa	1
LB Commercial Mortgage Trust,			
Commercial Mtg Pass Thru Ctf Ser 1999-C1			
Class A-1 06-15-31	6.410	Aaa	
UCFC Home Equity Loan Trust,			
Home Equity Pass Thru Ctf Ser 1996-D1 Class A6			
02-15-25	7.180	AAA	
Oil & Gas 4.41%			
Alberta Energy Co. Ltd.,			
Note (Canada) 09-15-30	8.125	A-	
Note (Canada) 11-01-31	7.375	A-	
Colonial Pipeline Co.,			
Sr Note 04-15-32 (R)	7.630	A	
Forest Oil Corp.,			
Sr Note 06-15-08	8.000	BB	
Louis Dreyfus Natural Gas Corp.,			
Sr Note 12-01-07	6.875	BBB+	
Nova Chemicals Corp.,			
Sr Note (Canada) 05-15-06	7.000	BB+	1
Occidental Petroleum Corp.,			
Sr Deb 09-15-09	10.125	BBB	1
Pemex Project Funding Master Trust,			
Gtd Note 10-13-10	9.125	BBB-	1
Tosco Corp.,			
Note 02-15-30	8.125	A-	
Valero Energy Corp.,			
Note 06-15-05	8.375	BBB	
Note 03-15-06	7.375	BBB	
XTO Energy, Inc.,			

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Sr Note 04-15-12	7.500	BB	
Paper & Paper Products 2.22%			
Abitibi-Consolidated, Inc., Bond (Canada) 08-01-05	8.300	BBB-	1
Corporacion Durango S.A. de C.V., Sr Note (Mexico) 07-15-09 # (R)	13.750	CC	1
Stone Container Corp., Sr Note 02-01-11	9.750	B	
Sr Note 07-01-12	8.375	B	1
Weyerhaeuser Co., Note 03-15-12	6.750	BBB	1
Real Estate Investment Trusts 0.80%			
American Health Properties, Inc., Note 01-15-07	7.500	BBB+	
Cabot Industrial Properties, L.P., Note 05-01-04	7.125	BBB	
Camden Property Trust, Note 04-15-04	7.000	BBB	
Healthcare Realty Trust, Inc., Sr Note 05-01-11	8.125	BBB-	
Real Estate Operations 0.57%			
Socgen Real Estate Co. LLC, Perpetual Bond Ser A (7.64% to 09-30-07 then variable) 12-31-49 (R)	7.640	A	
Retail 0.90%			
Delhaize America, Inc., Gtd Note 04-15-06	7.375	BB+	
Gap, Inc. (The), Note 12-15-08	10.550	BB+	
Staples, Inc., Note 10-01-12 (R)	7.375	BBB-	
Telecommunications 5.52%			
Citizens Communications Co., Note 05-15-06	8.500	BBB	
Sr Note 08-15-04	6.375	BBB	
Deutsche Telekom International Finance B.V., Bond (Coupon rate Step-up/down on rating) (Netherlands) 06-15-05	7.750	A-	
Bond (Coupon rate Step-up/down on rating) (Netherlands) 06-15-10	8.000	BBB+	1
France Telecom SA, Note (France) 03-01-11	7.750	BBB-	1
PanAmSat Corp., Sr Note 02-01-12	8.500	B-	
PTC International Finance B.V., Gtd Sr Sub Disc Note (Netherlands) 07-01-07	10.750	B+	
PTC International Finance II SA, Gtd Sr Sub Note (Luxembourg) 12-01-09	11.250	B+	
Qwest Corp., Note 03-15-12 (R)	8.875	B-	
Sprint Capital Corp., Note 11-15-03	5.700	BBB-	1
Note 01-30-06	7.125	Baa3	
Telefonos de Mexico S.A. de C.V., Sr Note (Mexico) 01-26-06	8.250	BBB-	
Telus Corp., Note (Canada) 06-01-11	8.000	BBB	

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Verizon New York, Inc., Deb Ser B 04-01-32	7.375	A+	
VoiceStream Wireless Corp., Sr Note 09-15-09	11.500	Baa2	
Transportation 1.45%			
Burlington Northern Santa Fe Corp., Deb 08-15-30	7.950	BBB+	
Continental Airlines, Inc., Pass Thru Ctf Ser 1999-1A 02-02-19	6.545	AA-	
Humpuss Funding Corp., Note 12-15-09 (R)	7.720	B3	
Northwest Airlines 1996-1 Pass Through Trusts, Pass Thru Ctf Ser 1996-1C 01-02-05	10.150	BB-	
Pass Thru Ctf Ser 1996-1D 01-02-15	8.970	BB	
NWA Trust, Sr Note Ser A 12-21-12	9.250	AA-	
TFM S.A. de C.V., Gtd Sr Disc Note (Mexico) 06-15-09	11.750	BB-	
Utilities 8.36%			
AES Eastern Energy L.P., Pass Thru Ctf Ser 1999-A 01-02-17	9.000	BB+	
Beaver Valley Funding Corp., Sec Lease Oblig Bond 06-01-17	9.000	BBB-	
BVPS II Funding Corp., Collateralized Lease Bond 06-01-17	8.890	BBB-	
Calpine Canada Energy Finance ULC, Sr Note (Canada) 05-01-08#	8.500	B+	
Cleveland Electric Illuminating Co., 1st Mtg Ser B 05-15-05	9.500	BBB	1
CMS Energy Corp., Sr Note Ser B 01-15-04	6.750	B+	
Commonwealth Edison Co., 1st Mtg 02-15-23	8.375	A-	
EIP Funding-PNM, Sec Fac Bond 10-01-12	10.250	BBB-	1
GG1B Funding Corp., Deb 01-15-11	7.430	BBB-	
HQI Transelect Chile SA, Sr Note (Chile) 04-15-11	7.875	A-	
Hydro-Quebec, Gtd Bond Ser HY (Canada) 01-15-22	8.400	A+	
Indiana Michigan Power Co., 1st Mtg Note 12-15-22	8.500	BBB+	
Kinder Morgan, Inc., Bond 09-01-12 (R)	6.500	BBB	
Long Island Lighting Co., Deb 03-15-23	8.200	A-	
MidAmerican Energy Holdings, Sr Note 10-01-12 (R)	5.875	BBB-	
Midland Funding Corp. II, Deb Ser A 07-23-05	11.750	BB-	1
Deb Ser B 07-23-06	13.250	BB-	
Monterrey Power S.A. de C.V., Sr Sec Bond (Mexico) 11-15-09 (R)	9.625	BBB-	
Niagara Mohawk Power Corp., Sec Fac Bond 01-01-18	8.770	A	
NiSource Finance Corp., Note 11-15-03	7.500	BBB	1
Note 11-15-10	7.875	BBB	
Pinnacle Partners,			

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Sr Note 08-15-04 (R) Pinnacle West Capital Corp.,	8.830	BB+
Sr Note 04-01-06 PNPP II Funding Corp.,	6.400	BBB-
Deb 05-30-16 PSEG Energy Holdings, Inc.,	9.120	BBB-
Sr Note 02-15-08 Tiers-MIR-2001-14,	8.625	BBB-
Coll Trust 06-15-04 (R) Waterford 3 Funding Corp.,	7.200	BB
Sec Lease Obligation Bond 01-02-17	8.090	BBB-
Waste Disposal Service & Equipment 0.80%		
Allied Waste North America, Inc., Sr Sub Note Ser B 08-01-09	10.000	B+
Republic Services, Inc., Sr Note 08-15-11	6.750	BBB

ISSUER, DESCRIPTION

PREFERRED STOCKS 4.54%
(Cost \$8,153,904)

Abbey National Plc, 7.375% (United Kingdom) 41
California Federal Preferred Capital Corp., 9.125%, Ser A 37
CSC Holdings, Inc., 11.125%, Ser M 14
CSC Holdings, Inc., 11.750%, Ser H 4
Dominion Resources, Inc., 9.500% 20
DTE Energy Co., 8.750% 10
KeySpan Corp., 8.750% 20
Morgan Stanley Capital Trust II, 7.250% 32
TECO Energy, Inc., 9.500% 31
Viacom, Inc., 7.250% 20

ISSUER, DESCRIPTION,
MATURITY DATE

INTEREST PAR V
RATE (000S OMI

SHORT-TERM INVESTMENTS 11.81%
(Cost \$21,101,000)

Joint Repurchase Agreement 11.81%
Investment in a joint repurchase agreement transaction with
UBS Warburg, Inc. -- Dated 12-31-02, due 01-02-03
(Secured by U.S. Treasury Bond 8.500% due 02-15-20,
U.S. Treasury Notes 4.625% due 02-28-02 and 5.375%
due 06-30-03, U.S. Treasury Inflation Indexed Notes 3.500%
due 01-15-11 and 3.000% due 07-15-12)

1.150% \$21

TOTAL INVESTMENTS 111.43%

OTHER ASSETS AND LIABILITIES, NET (11.43%)

TOTAL NET ASSETS 100.00%

Notes to Schedule of Investments

(R) These securities are exempt from registration under rule 144A of the Securities Act of 1933. Such securities may be resold, normally to

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qualified institutional buyers, in transactions exempt from registration. Rule 144A securities amounted to \$11,837,556 or 6.63% of the Fund's net assets as of December 31, 2002.

+ All or a portion of these securities, having an aggregate value of \$25,032,370 or 1.40% of the Fund's net assets, have been purchased as forward commitments; that is the Fund has agreed on a trade date to take delivery of and make payment for such securities on a delayed basis subsequent to the date of this schedule. The purchase price and interest rate of such securities are fixed at trade date, although the Fund does not earn any interest on such securities until settlement date. The Fund has instructed its Custodian Bank to segregate assets with a current value at least equal to the amount of the forward commitments. Accordingly, the market value of \$25,938,681 of United States Treasury Bonds 5.375% thru 9.125% due 8-15-17 thru 2-15-31, United States Treasury Notes 6.000% due 8-15-09 and 4.000% due 11-15-12, Federal National Mortgage Assn. 5.500% thru 7.000% due 8-25-12 thru 11-01-32 has been segregated to cover the forward commitments.

Par value of foreign bond is expressed in local currency, as shown parenthetically in security description.

* Credit ratings are unaudited and rated by Standard & Poor's where available, or Moody's Investors Service or John Hancock Advisers, LLC where Standard & Poor's ratings are not available.

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.

ASSETS AND LIABILITIES

December 31, 2002

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

ASSETS

Investments at value (cost \$193,877,617, including \$27,373,949 of securities loaned)	\$199,005,733
Cash	37,836
Receivable for investments sold	2,190,011

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Dividends and interest receivable	2,558,099
Other assets	12,966
 Total assets	 203,804,645
 LIABILITIES	
Payable for investments purchased	24,845,406
Payable to affiliates	286,206
Other payables and accrued expenses	84,801
 Total liabilities	 25,216,413
 NET ASSETS	
Capital paid-in	175,212,973
Accumulated net realized loss on investments	(1,845,891)
Net unrealized appreciation of investments	5,128,116
Accumulated net investment income	93,034
 Net assets	 \$178,588,232
 NET ASSET VALUE PER SHARE	
Based on 10,952,182 common shares outstanding	\$16.31

See notes to
financial statements.

OPERATIONS

For the year ended
December 31, 2002

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 (including securities lending income of \$35,414 and net of foreign withholding taxes of \$1,425)	\$11,118,713
Dividends	75,336
 Total investment income	 11,194,049

EXPENSES

Investment management fee	1,068,302
Transfer agent fee	115,791
Custodian fee	88,804
Accounting and legal services fee	52,579
Printing	50,564
Auditing fee	35,000
New York Stock Exchange fee	34,451
Trustees' fee	10,811

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Interest expense	7,478
Miscellaneous	5,939
Legal fee	2,500
Total expenses	1,472,219
Net investment income	9,721,830
REALIZED AND UNREALIZED GAIN	
Net realized gain on investments	886,746
Change in net unrealized appreciation (depreciation) of investments	2,151,819
Net realized and unrealized gain	3,038,565
Increase in net assets from operations	\$12,760,395
See notes to financial statements.	

CHANGES IN NET ASSETS

This Statement of Changes in Net Assets shows how the value of the Fund's net assets has changed since the end of the previous period. The difference reflects earnings less expenses, any investment gains and losses, distributions paid to shareholders, if any, and any increase due to reinvestment of distributions.

	YEAR ENDED 12-31-01	YEAR ENDED 12-31-02
INCREASE (DECREASE) IN NET ASSETS		
From operations		
Net investment income	\$10,811,979	\$9,721,830
Net realized gain	4,385,391	886,746
Change in net unrealized appreciation (depreciation)	(2,125,785)	2,151,819
Increase in net assets resulting from operations	13,071,585	12,760,395

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Distributions to shareholders		
From net investment income	(11,092,817)	(9,996,235)
From Fund share transactions	1,162,518	795,011
NET ASSETS		
Beginning of period	171,887,775	175,029,061
End of period 1	\$175,029,061	\$178,588,232

1 Includes accumulated (distributions in excess of) net investment income of (\$10,149) and \$93,034, respectively.

See notes to financial statements.

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	12-31-98	12-31-99	12-31-00	12-31-01
PER SHARE OPERATING PERFORMANCE				
Net asset value, beginning of period	\$16.55	\$16.64	\$15.37	\$15.88
Net investment income 2	1.14	1.10	1.07	1.00
Net realized and unrealized gain (loss) on investments	0.09	(1.27)	0.52	0.10
Total from investment operations	1.23	(0.17)	1.59	1.10
Less distributions				
From net investment income	(1.14)	(1.10)	(1.07)	(1.00)
Net asset value, end of period	\$16.64	\$15.37	\$15.89	\$16.00
Per share market value, end of period	\$15.88	\$12.69	\$14.44	\$14.60
Total return at market value 3 (%)	1.75	(13.42)	23.06	8.60
RATIOS AND SUPPLEMENTAL DATA				
Net assets, end of period (in millions)	\$177	\$165	\$172	\$177
Ratio of expenses to average net assets (%)	0.81	0.80	0.84	0.80
Ratio of net investment income to average net assets (%)	6.79	6.88	6.89	6.10
Portfolio turnover (%)	240	184	248	290

1 As required, effective January 1, 2001, 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 December 31, 2001 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

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changes to amortization and accretion, the ratio of net investment income to average net assets would have been 6.30%. The effect of this change on per share amounts for the year ended December 31, 2002 was to decrease net investment income per share by \$0.03, increase net realized and unrealized gain per share by \$0.03, and, had the Fund not made these changes to amortization and accretion, the ratio of net investment income to average net assets would have been 5.78%. Per share ratios and supplemental data for periods prior to January 1, 2001 have not been restated to reflect this change in presentation.

2 Based on average shares outstanding.

3 Assumes dividend reinvestment.

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 Fund's portfolio are valued on the basis of market quotations, valuations provided by independent pricing services or at fair value as determined in good faith in accordance with procedures approved by the Trustees. Short-term debt investments maturing within 60 days are valued at amortized cost, which approximates market value.

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 The Berkeley Financial Group, LLC, 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 Fund's custodian bank receives delivery of the underlying securities for the joint account on the Fund's behalf. The Adviser is responsible for ensuring that the agreement is fully collateralized at all times.

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 delivery" basis, which means that the securities will be delivered to the Fund at a future date,

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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 identifiable 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. These fees are included in interest income. 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. On December 31, 2002, the Fund loaned securities having a market value of \$27,373,949 collateralized by securities in the amount of \$28,051,444.

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 \$1,647,579 of a capital loss carryforward available, to the extent provided by regulations, to offset future net realized capital gains. To the extent that such carryforward is used by the Fund, no capital gain distributions will be made. The entire amount of the loss carryforward expires December 31, 2008.

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. 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 on the ex-dividend date. During the year ended December 31, 2002, the tax character of distributions paid was as follows: ordinary income \$9,996,235. As of December 31, 2002, the components of distributable earnings on a tax basis included \$103,105 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

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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) 0.65% of the first \$150,000,000 of the Fund's average weekly net asset value, (b) 0.375% of the next \$50,000,000, (c) 0.35% of the next \$100,000,000 and (d) 0.30% of the Fund's average weekly net asset value in excess of \$300,000,000.

In the event normal operating expenses of the Fund, exclusive of taxes, interest, brokerage commissions and extraordinary expenses, exceed 1.5% of the first \$30,000,000 of the Fund's average weekly net asset value and 1.0% of the Fund's average weekly net asset value in excess of \$30,000,000, the fee payable to the Adviser will be reduced to the extent of such excess, and the Adviser will make additional arrangements necessary to eliminate any remaining excess expenses. There were no management fee reductions during the year ended December 31, 2002.

The Fund has an agreement with the Adviser to perform necessary tax, accounting and legal services for the Fund. The compensation for the year was at an annual rate of approximately 0.03% of the average net assets of the Fund.

Ms. Maureen R. Ford and Mr. John M. DeCiccio are directors and/or officers of the Adviser and/or its affiliates, as well as Trustees of the Fund. 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 investment as well as any unrealized gains or losses. The Deferred Compensation Plan investments had no impact on the operations of the Fund.

NOTE C

Fund share transactions

This listing illustrates the number of Fund shares reinvested, the reclassification of capital accounts and the number of shares outstanding at the beginning and end of the last two periods, along with the corresponding dollar value. The Fund has an 30 million shares authorized with no par value.

	YEAR ENDED 12-31-01		YEAR ENDED 12-31-02	
	SHARES	AMOUNT	SHARES	AMOUNT
Beginning of period	10,819,590	\$173,576,723	10,898,374	\$174,131,001
Distributions reinvested	78,784	1,162,518	53,808	795,011
Reclassification of				

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capital accounts	--	(608,240)	--	286,961
End of period	10,898,374	\$174,131,001	10,952,182	\$175,212,973

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, 2002, aggregated \$403,222,655 and \$387,421,771, respectively. Purchases and proceeds from sales or maturities of obligations of U.S. government aggregated \$231,299,547 and \$233,725,342, respectively, during the year ended December 31, 2002.

The cost of investments owned on December 31, 2002, including short-term investments, for federal income tax purposes was \$194,379,269. Gross unrealized appreciation and depreciation of investments aggregated \$7,899,988 and \$3,273,524, respectively, resulting in net unrealized appreciation of \$4,626,464. The difference between book basis and tax basis net unrealized appreciation of investments is attributable primarily to the tax deferral of losses on wash sales and amortization of premiums and accretion of discounts on debt securities.

NOTE E

Reclassification of accounts

During the year ended December 31, 2002, the Fund reclassified amounts to reflect an increase in accumulated net realized loss on investments of \$664,549, an increase in accumulated net investment income of \$377,588 and an increase in capital paid-in of \$286,961. This represents the amount necessary to report these balances on a tax basis, excluding certain temporary differences, as of December 31, 2002. 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 accounting principles generally accepted in the United States of America, book and tax differences in accounting for deferred compensation. The calculation of net investment income per share in the financial highlights excludes these adjustments.

NOTE F

Change in accounting principle

Effective January 1, 2001, the Fund 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 cumulative effect of this accounting change had no impact on the total net assets of the Fund, but resulted in a \$834,274 reduction in the cost of investments and a corresponding increase in net unrealized appreciation of investments, based on securities held as of December 31, 2000.

The effect of this change for the year ended December 31, 2001 was to decrease net investment income by \$228,613, decrease unrealized appreciation of investments by \$243,611 and increase net realized gain on investments by \$472,224. The effect of this change for the year ended December 31, 2002 was to decrease net investment income by \$377,606, decrease unrealized appreciation of investments by \$287,323 and increase net realized gain on investments by \$664,929.

The statement of changes in net assets and the financial highlights for

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prior periods have not been restated to reflect this change in presentation.

NOTE G

Change in Independent Auditor

Based on the recommendation of the Audit Committee of the Fund, the Board of Trustees has determined not to retain Ernst & Young LLP as the Fund's independent auditor and voted to appoint PricewaterhouseCoopers LLP for the fiscal year ended December 31, 2003. During the two most recent fiscal years, Ernst & Young LLP 's audit reports contained no adverse opinion or disclaimer of opinion; nor were their reports qualified as to uncertainty, audit scope, or accounting principles. Further, there were no disagreements between the Fund and Ernst & Young LLP on accounting principles, financial statements disclosure or audit scope, which if not resolved to the satisfaction of Ernst & Young LLP, would have caused them to make reference to the disagreement in their report.

AUDITORS' REPORT

Report of
Ernst & Young
LLP, Independent
Auditors

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

We have audited the accompanying statement of assets and liabilities of John Hancock Income Securities Trust (the "Fund"), including the schedule of investments, as of December 31, 2002, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2002, by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of John Hancock Income Securities Trust at December 31, 2002, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the

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period then ended, in conformity with accounting principles generally accepted in the United States of America.

/S/ERNST & YOUNG LLP

Boston, Massachusetts
February 7, 2003

TAX INFORMATION

Unaudited

For federal income tax purposes, the following information is furnished with respect to the distributions of the Fund paid during its taxable year ended December 31, 2002.

With respect to the ordinary dividends paid by the Fund for the fiscal year ended December 31, 2002, 0.75% of the dividends qualify for the corporate dividends-received deduction.

Shareholders will be mailed a 2002 U.S. Treasury Department Form 1099-DIV in January 2003. This will reflect the total of all distributions that are taxable for calendar year 2002.

INVESTMENT OBJECTIVE AND POLICY

The Fund is a closed-end diversified investment management company, shares of which were initially offered to the public on February 14, 1973, and are publicly traded on the New York Stock Exchange. Its 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.

FINANCIAL FUTURES CONTRACTS AND OPTIONS

The Fund may buy and sell financial futures contracts and options on

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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 an 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 fiscal year ended December 31, 2002, the Fund paid to shareholders dividends from net investment income totaling \$ 0.9150 per share. The dates of payment and the amounts per share are as follows:

DIVIDEND REINVESTMENT PLAN

The Fund offers shareholders a Dividend Reinvestment Plan (the "Plan"), which offers the opportunity to earn compounded yields. Any shareholder of record of the Fund may elect to participate in the Plan and receive the Fund's common shares in lieu of all or a portion of the cash dividends. The Plan is available to all 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 Agent's 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 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 Fund's 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

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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 shareholder's 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 Agent's 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 shares of the Fund on the New York Stock Exchange as of the dividend payment date. Distributions from the Fund's 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
85 Challenger Road
Overpeck Centre
Ridgefield Park, NJ 07660

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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 7, 2002, the Annual Meeting of the Fund was held to elect eleven Trustees and to ratify the actions of the Trustees in selecting independent auditors for the Fund. The 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
Dennis S. Aronowitz	9,495,981	133,327
Richard P. Chapman, Jr.	9,500,587	128,721
William J. Cosgrove	9,497,641	131,667
John M. DeCiccio	9,491,533	137,775
Richard A. Farrell	9,507,640	121,668
Maureen R. Ford	9,504,409	124,899
Gail D. Fosler	9,501,226	128,082
William F. Glavin	9,442,832	186,476
Dr. John A. Moore	9,491,496	137,812
Patti McGill Peterson	9,490,842	138,466
John W. Pratt	9,501,229	128,079

The shareholders also ratified the Trustees' selection of Ernst & Young, LLP as the Fund's independent auditors for the fiscal year ending December 31, 2002, with the votes tabulated as follows: 9,451,207 FOR, 60,154 AGAINST and 117,947 ABSTAINING.

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
PRINCIPAL OCCUPATION(S) AND OTHER
DIRECTORSHIPS DURING PAST 5 YEARS

Dennis S. Aronowitz, Born: 1931
Professor of Law, Emeritus, Boston University School of Law
(as of 1996); Director, Brookline Bancorp.

Richard P. Chapman, Jr., Born: 1935
President and Chief Executive Officer, Brookline Bancorp.
(lending) (since 1972); Chairman and Director, Lumber
Insurance Co. (insurance) (until 2000); Chairman and

TRUST
OF FU
SINCE

1988

1975

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Director, Northeast Retirement Services, Inc. (retirement administration) (since 1998).

William J. Cosgrove, Born: 1933 1991
 Vice President, Senior Banker and Senior Credit Officer, Citibank, N.A. (retired 1991); Executive Vice President, Citadel Group Representatives, Inc.; Director, Hudson City Bancorp; Trustee, Scholarship Fund for Inner City Children (since 1986).

Richard A. Farrell 2, Born: 1932 1996
 President, Farrell, Healer & Co., Inc. (venture capital management firm) (since 1980) and General Partner of the Venture Capital Fund of NE (since 1980); prior to 1980, headed the venture capital group at Bank of Boston Corporation.

William F. Glavin 2, Born: 1932 1996
 President Emeritus, Babson College (as of 1998); Vice Chairman, Xerox Corporation (until 1989); Director, Reebok, Inc. (since 1994) and Inco Ltd.

Patti McGill Peterson, Born: 1943 1996
 Executive Director, Council for International Exchange of Scholars (since 1998), Vice President, Institute of International Education (since January 1998); Senior Fellow, Cornell Institute of Public Affairs, Cornell University (until 1997); President Emerita of Wells College and St. Lawrence University; Director, Niagara Mohawk Power Corporation (electric utility).

John A. Moore 2, Born: 1939 1996
 President and Chief Executive Officer, Institute for Evaluating Health Risks, (nonprofit institution) (until 2001); Senior Scientist, Sciences International (health research) (since 1998); Principal, Hollyhouse (consulting) (since 2000); Director, CIIT (nonprofit research) (since 2002).

John W. Pratt, Born: 1931 1996
 Professor of Business Administration Emeritus, Harvard University Graduate School of Business Administration (as of 1998).

INTERESTED TRUSTEES 3

NAME, AGE	
POSITION(S) HELD WITH FUND	TRUST
PRINCIPAL OCCUPATION(S) AND OTHER	OF FU
DIRECTORSHIPS DURING PAST 5 YEARS	SINCE

John M. DeCiccio, Born: 1948 2001
 Trustee
 Executive Vice President and Chief Investment Officer, John Hancock Financial Services, Inc.; Director, Executive Vice President and Chief Investment Officer, John Hancock Life Insurance Company; Chairman of the Committee of Finance of John Hancock Life Insurance Company; Director, John Hancock Subsidiaries, LLC (Subsidiaries, LLC), Hancock Natural Resource Group, Independence Investment LLC, Independence Fixed Income LLC, John Hancock Advisers, LLC (the "Adviser") and The Berkeley Financial Group, LLC ("The Berkeley Group"), John Hancock Funds, LLC ("John Hancock Funds"), Massachusetts Business Development Corporation; Director, John Hancock Insurance Agency, Inc. ("Insurance Agency, Inc.") (until 1999).

Maureen R. Ford, Born: 1955 2000
 Trustee, Chairman, President and Chief Executive Officer
 Executive Vice President, John Hancock Financial Services, Inc., John

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Hancock Life Insurance Company; Chairman, Director, President and Chief Executive Officer, the Adviser and The Berkeley Group; Chairman, Director, President and Chief Executive Officer, John Hancock Funds; Chairman, Director and Chief Executive Officer, Sovereign Asset Management Corporation ("SAMCorp."); Director, Independence Investment LLC, Subsidiaries, LLC, Independence Fixed Income LLC and Signature Services; Senior Vice President, MassMutual Insurance Co. (until 1999).

PRINCIPAL OFFICERS WHO ARE NOT TRUSTEES

NAME, AGE

POSITION(S) HELD WITH FUND

PRINCIPAL OCCUPATION(S) AND

DIRECTORSHIPS DURING PAST 5 YEARS

William L. Braman, Born: 1953

Executive Vice President and Chief Investment Officer

Executive Vice President and Chief Investment Officer, the Adviser and each of the John Hancock funds; Director, SAMCorp., Executive Vice President and Chief Investment Officer, Baring Asset Management, London UK (until 2000).

Richard A. Brown, Born: 1949

Senior Vice President and Chief Financial Officer

Senior Vice President, Chief Financial Officer and Treasurer, the Adviser, John Hancock Funds, and The Berkeley Group; Second Vice President and Senior Associate Controller, Corporate Tax Department, John Hancock Financial Services, Inc. (until 2001).

Thomas H. Connors, Born: 1959

Vice President and Compliance Officer

Vice President and Compliance Officer, the Adviser and each of the John Hancock funds; Vice President, John Hancock Funds.

William H. King, Born: 1952

Vice President and Treasurer

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

Susan S. Newton, Born: 1950

Senior Vice President, Secretary and Chief Legal Officer

Senior Vice President, Secretary and Chief Legal Officer, SAMCorp., the Adviser and each of the John Hancock funds, John Hancock Funds and The Berkeley Group; Vice President, Signature Services (until 2000); Director, Senior Vice President and Secretary, NM Capital.

The business address for all Trustees and Officers is 101 Huntington Avenue, Boston, Massachusetts 02199.

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 Interested Trustees hold positions with the Fund's investment adviser, underwriter and certain other affiliates.

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FOR YOUR
INFORMATION

INVESTMENT ADVISER
John Hancock Advisers, LLC
101 Huntington Avenue
Boston, Massachusetts 02199-7603

CUSTODIAN
The Bank of New York
One Wall Street
New York, New York 10286

TRANSFER AGENT AND REGISTRAR
Mellon Investor Services
85 Challenger Road
Overpeck Centre
Ridgefield Park, New Jersey 07660

LEGAL COUNSEL
Hale and Dorr LLP
60 State Street
Boston, Massachusetts 02109-1803

INDEPENDENT AUDITORS
Ernst & Young LLP
200 Clarendon Street
Boston, Massachusetts 02116-5072

STOCK SYMBOL
Listed New York Stock Exchange:
JHS

For shareholder assistance refer to page 29

HOW TO
CONTACT US

On the Internet

www.jhfunds.com

By regular mail

Mellon Investor Services
85 Challenger Road
Overpeck Centre
Ridgefield Park, New Jersey 07660

Customer service representatives

1-800-852-0218

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Portfolio commentary	1-800-344-7059
24-hour automated information	1-800-843-0090
TDD Line	1-800-231-5469

[A 1 1/2" x 1/2" John Hancock (Signature) logo in upper left hand corner.
A tag line below reads "JOHN HANCOCK FUNDS."]

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

www.jhfunds.com

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